



(a real estate investment trust constituted on 5 August 2015
under the laws of the Republic of Singapore)

ANNOUNCEMENT

UPDATE IN RELATION TO APPLICATIONS FOR EXTENSION OF TIME IN RELATION TO AGM

1. INTRODUCTION

EC World Asset Management Pte. Ltd., in its capacity as manager of EC World Real Estate Investment Trust (“**EC World REIT**”, and as manager of EC World REIT, the “**Manager**”), refers to the announcement dated 27 February 2024 (the “**27 February 2024 Announcement**”) in relation to, among others, the Manager’s application to:

- (i) Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for a waiver from Rule 707(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) to allow for an extension of time from 30 April 2024 to 31 July 2024 for EC World REIT to hold its annual general meeting for the financial year ended 31 December 2023 (the “**2024 AGM**”, and the above-mentioned waiver, the “**SGX Waiver**”); and
- (ii) the Monetary Authority of Singapore (the “**MAS**”) for a waiver from paragraph 4.1(d) of the Property Funds Appendix to allow an extension of time for the audited statement of total return and the audited balance sheet of ECW and its group to be laid before the 2024 AGM to be made up to or as at (as the case may be) 31 December 2023, notwithstanding that the 2024 AGM may be held after 30 April 2024 (the “**MAS Waiver**”, and together with the SGX Waiver, the “**Applications**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the 27 February 2024 Announcement.

2. RECEIPT OF THE RELEVANT WAIVERS

Further to the 27 February 2024 Announcement, the Manager wishes to update unitholders of EC World REIT (the “**Unitholders**”) that the SGX-ST has, on 22 March 2024, informed the Manager that the SGX-ST has no objection to the SGX Waiver, subject to the following conditions:

- (i) EC World REIT announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual and if the conditions have been satisfied. If the conditions have not been met on the date of the announcement, EC World REIT must make an update announcement when the conditions have all been met; and

- (ii) EC World REIT convening the 2024 AGM by 31 July 2024;
- (iii) the submission of an undertaking from the Board of Directors of the Manager (the “**Board**”) that it will use its best endeavours to convene the 2024 AGM as soon as practicable;
- (iv) EC World REIT providing monthly updates via SGXNet on the following:
 - (a) the negotiations with the lenders of the existing facilities of the EC World REIT group (the “**ECW Facilities**”, and the lenders of the ECW Facilities, the “**Lenders**”) in respect of the refinancing and/or restructuring of the ECW Facilities as well as the various waivers from the Lenders in relation to the Mandatory Prepayment Event¹ and the breach of the Divestment Longstop Date² under the ECW Facilities; and
 - (b) the progress to discharge the unauthorised mortgages over Fuzhou E-Commerce and Fuheng Warehouse (the “**Relevant Mortgages**”) and the status of the Relevant Lawsuits³;
- (v) disclosure via SGXNet of the indicative timeline and milestones in respect of the refinancing and/or restructuring of the ECW Facilities;
- (vi) disclosure via SGXNet announcement of all outstanding material audit issues; and
- (vii) disclosure via SGXNet announcement of the Board’s opinion as to why the extension of time is in the interest of EC World REIT and Unitholders and the bases for such an opinion, (collectively, the “**SGX Conditions**”).

The SGX-ST has stated that this is the final extension for EC World REIT to hold the 2024 AGM and the SGX-ST will not grant any further time extension. The SGX Waiver will not be effective if any of the conditions to the SGX Waiver have not been fulfilled.

1 This refers to the situation where the maximum aggregate amount of the outstanding loans under the ECW Facilities exceeds the lowest of (i) S\$498,000,000 (or its equivalent); (ii) 45% of the aggregate valuation of the properties of EC World REIT as reflected in the latest valuation report delivered pursuant to the ECW Facilities; and (iii) 40% of the deposited property of EC World REIT (the “**Relevant Prepayment Conditions**”). As mentioned in the 27 February 2024 Announcement, upon such a notification, the EC World REIT group shall within three business days repay or prepay the loans under the ECW Facilities such that the maximum aggregate amount of the loans under the ECW Facilities outstanding will be no more than the lowest of the Relevant Prepayment Conditions.

2 “**Divestment Longstop Date**” refers to 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the Lenders). As disclosed in the Manager’s announcement dated 31 May 2023, the ECW Facilities impose a requirement for the proposed divestment of Stage 1 Properties of Bei Gang Logistics and Chongxian Port Logistics (the “**Proposed Divestment**”) to take place by the Divestment Longstop Date. However, no breach of such obligation to divest would arise if on or before the Divestment Longstop Date, prepayment which would result in, inter alia, the aggregate amount of the ECW Facilities remaining outstanding being no more than S\$410,000,000 (or its equivalent) is made. It is an event of default under the ECW Facilities if the Proposed Divestment does not occur by 30 April 2024.

3 “**Relevant Lawsuits**” refers to the pleadings submitted by the EC World REIT group to the relevant court in the People’s Republic of China (“**PRC**”) to initiate lawsuits to revoke the Relevant Mortgages on the basis that the Relevant Mortgages are unauthorised.

As at the date of this announcement, (a) the SGX Condition set out in sub-paragraph 2(iii) above has been satisfied as the Board has submitted an undertaking to the SGX-ST that the Board will use its best endeavours to convene the 2024 AGM as soon as practicable; and (b) EC World REIT is in compliance with the SGX Conditions set out in sub-paragraphs 2(iv), 2(v), 2(vi) and 2(vii) above, as the relevant disclosures have been made in this announcement. The Manager will make an update announcement when all the SGX Conditions have been met.

Further to the 27 February 2024 Announcement, the Manager also wishes to update Unitholders that the MAS has, on 22 March 2024, stated that it has no objection to the MAS Waiver, subject to EC World REIT laying its audited financial statements for the financial year ended 31 December 2023 (the “**FY2023 Financial Statements**”) at the 2024 AGM to be held as soon as possible, but in any case not later than 31 July 2024.

3. REASONS FOR SEEKING THE WAIVERS

Given the various challenges faced by EC World REIT currently, the Applications were made because, among other reasons, the Manager has insufficient information to form a conclusive view on EC World REIT’s ability to operate as a going concern and the appropriateness of EC World REIT’s financial position as at 31 December 2023 due to the following reasons:

- (i) the registration of the EC World REIT group’s existing offshore facility (the “**Offshore Facility**”) with the National Development and Reform Commission of the PRC (the “**NDRC**”) has not been completed, and the Manager believes that it is unlikely the registration can be completed by 30 April 2024. If registration of the Offshore Facility with the NDRC is not completed by 30 April 2024, this will result in the Offshore Facilities maturing on 30 April 2024;
- (ii) while the Manager had commenced discussions with the Lenders on the possibility of restructuring the ECW Facilities, due to the developments relating to the unauthorised mortgages imposed by the Sponsor group, the negotiations with the Lenders have been delayed and the outcome on the negotiations may not be reached by 30 April 2024; and
- (iii) although the Manager’s announcement dated 15 January 2024 noted that the impact of the unauthorised mortgages imposed by the Sponsor group⁴ on the total financial risk of the EC World REIT group may potentially be mitigated for the reasons set out therein, the total financial risk exposure arising out of the unauthorised mortgages imposed by the Sponsor group⁴ on the EC World REIT group cannot be precisely ascertained at this juncture as the matter is still on-going.

These, in turn, have led to ECW’s external auditors, PricewaterhouseCoopers LLP (“**External Auditors**”), not having sufficient appropriate audit evidence to determine on the appropriateness of the Manager’s preparation of the FY2023 Financial Statements on a going concern basis and EC World REIT’s financial position.

Accordingly, the Manager will require more time (1) to complete the negotiations with the Lenders on the proposed restructuring of the ECW Facilities and (2) for the Sponsor group to discharge the Relevant Mortgages (collectively, the “**Relevant Actions**”).

⁴ Please note that as stated in the Manager’s announcement dated 18 January 2024, the unauthorised mortgage imposed on Hengde Logistics has been discharged on 16 January 2024.

4. UPDATES ON THE ECW FACILITIES

As stated in the 27 February 2024 Announcement and the Manager's announcements dated 20 March 2024 and 21 March 2024, the Manager has commenced negotiations with the Lenders on the possibility of restructuring the ECW Facilities.

The indicative timeline and milestones in respect of the proposed refinancing and/or restructuring of the ECW Facilities are as follows:

Milestone	Indicative Timeline
Completion of term sheet negotiation	30 April 2024
Execution of the documents in relation to the refinancing and/or restructuring of the ECW Facilities	31 May 2024
Completion of refinancing and/or restructuring of the ECW Facilities	30 June 2024

5. UPDATES ON THE RELEVANT MORTGAGES

As stated in the 27 February 2024 Announcement and the Manager's announcements dated 20 March 2024 and 21 March 2024, the EC World REIT group has submitted the Relevant Lawsuits to the relevant PRC court and the case application is now being reviewed and is yet to be accepted by the relevant PRC court. If the EC World REIT group can obtain a favourable judgment in the Relevant Lawsuits, the EC World REIT group may de-register the Relevant Mortgages with the mortgage registration authority based on the judgment.

6. OUTSTANDING MATERIAL AUDIT ISSUES

At the date of this announcement, the outstanding material audit issues include:

- (i) appropriateness of the Manager's preparation of the FY2023 Financial Statements on a going concern basis;
- (ii) appropriateness of EC World REIT's liabilities (due to the imposition of the Relevant Mortgages) and the resulting financial position of EC World REIT;
- (iii) appropriateness of the fair valuation of the investment properties of EC World REIT;
- (iv) recoverability of the receivables due from the Sponsor and related parties; and
- (v) recoverability of compensation receivables in respect of the compulsory expropriation of Fu Zhuo Industrial.

In addition, the External Auditors will also need to complete its review of the complete set of the FY2023 Financial Statements which includes the notes to the financial statements, as well as the usual subsequent events procedures up to the date of their audit report in relation to the FY2023 Financial Statements ("**Audit Report**"). The External Auditors have indicated that the audit is still in progress and they will only be able to issue the Audit Report on completion of all required audit procedures. Unitholders and investors should note that there is no certainty or assurance that the External Auditors will express an unmodified opinion in the Audit Report.

7. BOARD'S OPINION

The Board has assessed that the extension of time to conduct the 2024 AGM is in the interest of EC World REIT and the Unitholders on the basis of the following:

- (i) the uncertainty related to the Relevant Actions may only be cleared over the next three months or so, and the Manager believes there is a possibility that the Relevant Actions may derive a positive outcome for EC World REIT and improve the financial position of EC World REIT. This would in turn be in the interests of EC World REIT and Unitholders; and
- (ii) If EC World REIT were required to convene the 2024 AGM by 30 April 2024, the External Auditors would not be able to issue an unmodified opinion in the Audit Report. Without an unmodified opinion from the External Auditors, there will be significant negative impact on the ongoing restructuring process of the ECW Facilities with the Lenders as it will be difficult for the Lenders' credit department to approve any loan package to EC World REIT as the Lenders will not be able to rely on EC World REIT group's audited accounts which are modified. In such a scenario, the Manager is of the opinion that it is almost impossible for EC World REIT to prove that it will be a going concern for the next 12 months from the date of the Audit Report and the Lenders will be more likely to accelerate the loan maturity of the ECW Facilities and demand for immediate settlement of all loans under the ECW Facilities.

The Board will provide Unitholders with a further update as and when there are material developments.

Cautionary Statement

Unitholders are advised to read this announcement and any further announcements by the Manager carefully. The Manager wishes to highlight that there is no certainty or assurance as at the date of this announcement that any discussion or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into. Unitholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions that they should take.

The Manager will make further announcements on the SGXNET in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. Unitholders and investors are advised to refrain from taking any action in respect of EC World REIT units ("**Units**") which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

For and on behalf of the Board

EC WORLD ASSET MANAGEMENT PTE. LTD.

(as manager of EC World Real Estate Investment Trust)
(Company Registration No. 201523015N)

Goh Toh Sim

Executive Director and Chief Executive Officer
26 March 2024

Important Notice

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee or any of their affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Unitholders and potential investors are advised to exercise caution when dealing in Units. Unitholders and potential investors are advised to read this announcement and any further announcements to be released by EC World REIT carefully. Unitholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

The past performance of EC World REIT is not necessarily indicative of the future performance of EC World REIT.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.