



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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL

In accordance with Rule 704(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), EC World Asset Management Pte. Ltd., in its capacity as manager of EC World Real Estate Investment Trust (“**ECW**”, and as manager of ECW, the “**Manager**”), wishes to announce that the independent auditors of ECW have included a disclaimer of opinion (the “**Disclaimer of Opinion**”) on the financial statements of ECW and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”, and the financial statements of the Group for FY2024, the “**Financial Statements**”) in their Independent Auditors’ Report dated 15 April 2025 (the “**Independent Auditor’s Report**”).

The basis for the Disclaimer of Opinion is contained in the Independent Auditor’s Report. Please refer to the copy of the Independent Auditor’s Report attached herein for further details.

An extract of Note 2.1(a) to the Financial Statements pertaining to the Group’s and ECW’s going concern assumption is also attached to this announcement for information in relation to the Disclaimer of Opinion.

The Independent Auditor’s Report and the Financial Statements form part of ECW’s annual report for FY2024. Unitholders of ECW are advised to read this announcement in conjunction with the annual report for FY2024.

The units of ECW have been suspended from trading on the SGX-ST on a voluntary basis pursuant to Listing Rule 1302 since 31 August 2023. As announced on 13 September 2024, the SGX-ST has no objection to ECW’s application for an extension of time to 31 May 2025, subject to certain conditions being met (including ECW’s provision of a resumption of trading proposal to the SGX-ST by 31 May 2025).

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

15 April 2025

Important Notice

The value of the units in EC World REIT (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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF EC WORLD REAL ESTATE INVESTMENT TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)**

Disclaimer of Opinion

We were engaged to audit the financial statements of EC World Real Estate Investment Trust ("ECW") and its subsidiaries ("the Group"), as set out from page 7 to page 76, which comprise the statements of financial position of the Group and of ECW and the investment properties portfolio statement of the Group as at 31 December 2024, and statements of movements in unitholders' funds of the Group and of ECW, and the consolidated statement of total return, consolidated distribution statement and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the financial statements of ECW and the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The financial statements of the Group and ECW for the financial year ended 31 December 2023 ("FY2023") were audited by another auditor who expressed a disclaimer of opinion on those financial statements on 12 July 2024 in relation to the matters listed below, which remains unresolved during the course of our audit of the financial statements for the financial year ended 31 December 2024.

- (i) Going concern;
- (ii) Valuation of investment properties;
- (iii) Impairment allowance for trade and other receivables;
- (iv) Contingent liabilities relating to unauthorised mortgages;
- (v) Unauthorised use of Relevant Seals and Stamps; and
- (vi) Impairment allowance for investments in subsidiaries.

Opening balances

Due to abovementioned matters remained unsolved during the financial year ended 31 December 2024 and insufficient supporting documentation and records provided during the financial year as explained below, we are unable to obtain sufficient appropriate audit evidence to determine whether the Group's and ECW's opening balances as at 1 January 2024 were fairly stated.

Since the opening balances as at 1 January 2024 affect the determination of the total of movements in unitholders' funds of the Group and ECW, total return, distribution and cash flows of the Group for the financial year ended 31 December 2024, as well as how the balances presented in the Group's and ECW's statements of financial position as at 31 December 2024 were derived, we were unable to determine whether any adjustments might have been found necessary in respect of the Group's and ECW's financial statements for the financial year ended 31 December 2024.

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Basis for Disclaimer of Opinion (Continued)

Insufficient supporting documentation and records

As of the date of this report, we were unable to obtain sufficient appropriate audit evidence to ascertain the carrying amounts of the balances presented in the statements of financial position of the Group and ECW as at 31 December 2024 nor the amounts relating to the transactions accounted for during the financial year as the Manager was unable to retrieve and provide the satisfactory supporting documentary information by the regulatory deadline. Consequently, we were unable to satisfy ourselves on the appropriateness of the carrying amounts of the financial position of the Group and ECW as at 31 December 2024, the occurrence and completeness of the transactions accounted for during the financial year then ended, nor the corresponding disclosures made in the accompanying financial statements. Accordingly, we were unable to determine whether any adjustment or additional disclosures that might be necessary to the accompanying financial statements for the financial year ended 31 December 2024.

Going concern assumption

As disclosed in Note 2.1(a) to the financial statements, as at 31 December 2024, the current liabilities of the Group and ECW exceeded their current assets by S\$569,480,000 and S\$113,510,000 respectively. The Group's current liabilities include bank borrowings amounting to S\$473,260,000, comprising S\$347,396,000 of offshore loans (the "Offshore Facility") and S\$125,864,000 of onshore loans (the "Onshore Facility"), both of which are repayable on demand due to the occurrence of a number of events of default. ECW's current liabilities include loans from subsidiaries of S\$331,943,000 which is repayable on demand and will require repayment from ECW if the Offshore Facility is not refinanced as the Offshore Facility was drawn down by the subsidiary for the purpose of funding ECW and the Group.

These factors, along with the other matters disclosed in Note 2.1(a) to the financial statements, indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and of ECW to continue as going concerns.

Notwithstanding this, the going concern assumption has been used in the preparation of the accompanying financial statements as the Manager is confident of successful outcomes from the various measures to generate sufficient cash flows as described in Note 2.1(a), including plans to divest the Group's properties and negotiations to refinance the bank borrowings. However, we were unable to obtain sufficient appropriate audit evidence regarding the outcomes of these measures and the appropriateness of the use of the going concern assumption for the preparation of the accompanying financial statements.

If the Group and ECW are unable to continue in operational existence for the foreseeable future, the Group and ECW may be unable to discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and ECW may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. The accompanying financial statements do not include any of these adjustments.

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Other Matters

The financial statements for FY2023 were audited by another auditor who expressed a disclaimer of opinion on those financial statements on 12 July 2024 for the matters described in the Basis for Disclaimer of Opinion section above.

We draw attention to Note 32 (b), on 25 March 2025, ECW's ultimate holding corporation (the "Sponsor") received the decision of the People's Court of Fuyang District, Hangzhou City, Zhejiang province (the "Fuyang Court") to conduct pre-reorganisation of the Sponsor. Pre-reorganisation is a procedure before the court officially accepts the reorganisation, and does not mean that the Sponsor has officially entered the reorganisation procedure. It is uncertain whether the outcome of the reorganisation will significantly impact the Group's and ECW's financial statements.

We draw attention to Note 32 (d), on 14 April 2025, the Manager received a notice from the Sponsor that the High Court of the Republic of Singapore had ordered that ECW's non-independent and non-executive director Mr Zhang Guobiao ("Mr Zhang") be adjudged bankrupt. Mr Zhang is a controlling shareholder of the Sponsor. Accordingly, the Manager understands that there is a possibility that the bankruptcy of Mr Zhang may result in a change in control of the Sponsor, which may in turn indirectly result in a change in control in ECW, subject to applicable laws and regulations. As of the date of this report, the impact of the bankruptcy of Mr Zhang on the Group and ECW's financial statements remains uncertain.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease the Group's operations, or has no realistic alternative but to do so. The Manager's responsibilities include overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit on the Group and ECW's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Liang Hongzhou.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
15 April 2025

2. Material accounting policy information (Continued)

2.1 Basis of preparation (Continued)

The financial statements are expressed in Singapore Dollars (“S\$” and “SGD”) and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with RAP 7 requires the Manager to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Information about an area involving a higher degree of judgement, where assumptions and estimates are significant to the financial statements, is disclosed in Note 3.

(a) Going concern

As at 31 December 2024, the current liabilities of the Group and ECW exceeded their current assets by S\$569,480,000 (2023: S\$588,045,000) and S\$113,510,000 (2023: S\$126,336,000) respectively.

The Group’s current liabilities include bank borrowings with a carrying value of S\$473,260,000 (2023: S\$476,779,000) (Note 18), comprising S\$347,396,000 (2023: S\$342,983,000) of offshore loans (the “Offshore Facility”) and S\$125,864,000 (2023: S\$133,796,000) of onshore loans (the “Onshore Facility”), both of which are repayable on demand due to the occurrence of a number of events of default under the Offshore Facility as detailed in Note 18(f).

As set out in ECW’s announcement on SGXNet dated 11 June 2024, the facility agent under the Offshore Facility (the “Offshore Facility Agent”) has on 10 June 2024 issued a letter to the Group (the “Pre-enforcement Notice”) stating, among others, that:

- a) The majority lenders are prepared to instruct and authorise the Offshore Facility Agent to commence enforcement actions (the “Enforcement Actions”) against the Group if certain conditions and milestones are not fulfilled within the time prescribed.
- b) In this regard, the Enforcement Actions includes, but are not limited to:
 - (i) accelerating the loans under the Offshore Facilities (as defined in the Offshore Facility Agreement);
 - (ii) appointing a receiver and/or exercising the power of sale pursuant to the terms of the Security Documents (as defined in the Offshore Facility Agreement);
 - (iii) exercising or directing the exercise of the voting and other rights attached to the shares subject to the Share Charges (as defined in the Offshore Facility Agreement);
 - (iv) commencing legal proceedings to recover the loans and any unpaid sums under the Offshore Facilities; and
 - (v) applying for the borrower and the guarantors under the Offshore Facility Agreement to be placed into winding up or judicial management (or any analogous procedure in any jurisdiction).

2. Material accounting policy information (Continued)

2.1 Basis of preparation (Continued)

(a) Going concern (Continued)

In addition, the Pre-enforcement Notice also stated that the conditions and milestones are not exhaustive, and the Lenders may at any time at their sole discretion add to, amend and/or substitute the conditions and milestones set out therein as they deem fit. For the avoidance of doubt, notwithstanding that the conditions and milestones set out in the Pre-enforcement Notice may be fulfilled in whole or in part within the time prescribed therein, the majority lenders shall nonetheless remain entitled to exercise any and all of their rights and remedies.

ECW's current liabilities include loans from subsidiaries of S\$331,943,000 (2023: S\$343,615,000) which are repayable on demand and will require repayment from ECW if the Offshore Facility is not refinanced as the Offshore Facility was drawn down by the subsidiary for the purpose of funding ECW and the Group.

Notwithstanding the above, the Manager has assessed that the Group and ECW are able to continue as going concerns, on the following basis:

- (i) the Group's net operating cash flows has improved through 2024 in conjunction with the novation of the underlying subleases from the Sponsor Group's master leases and related party leases to the Group;
- (ii) the restructuring of the existing Onshore Facility has been completed following the entry into of a supplementary agreement to the Onshore Facilities dated 16 July 2024 (the "Onshore Supplementary Agreement") which will allow the Group to defer part of the interest expense payments and principal instalment repayments to April 2026;
- (iii) although the Manager has received the Pre-enforcement Notice to allow up to 31 May 2025 for the Group to divest its assets in such amount sufficient to repay the Offshore Facility, the Manager has not received any indication from the lenders that they intend to accelerate the existing bank loans under the ECW facilities;
- (iv) the Manager has appointed two established consultants, Savills Property Services (Shanghai) Co., Ltd. and Cushman & Wakefield (HK) Ltd. in relation to sourcing for potential purchaser(s) of the properties and continuously exploring other options concurrently;
- (v) the Manager has appointed a financial adviser, KPMG Services Pte Ltd, to explore various options for the Group to address its ongoing challenges; and
- (vi) the Manager intends to pare down existing facilities with cash proceeds from potential divestments through ongoing marketing efforts so as to aid the active negotiations with the lenders of the Offshore Facility on a possible refinancing package.

2. Material accounting policy information (Continued)

2.1 Basis of preparation (Continued)

(a) Going concern (Continued)

The validity of the going concern assumption on which these financial statements have been prepared is dependent on the favourable outcome of the various measures set out above. If the Group and ECW are unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts currently stated in the statements of financial position of the Group and ECW. In addition, the Group and ECW may have to provide for further liabilities which may arise, and to classify the non-current assets as current assets. The accompanying financial statements do not include the effect of any of these adjustments.

(b) Interpretations and amendments to published standards effective in 2024

On 1 January 2024, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and ECW and had no material effect on the amounts reported for the current and prior financial years.

2.2 Revenue recognition

(a) Rental income from operating leases

Rental income from operating leases (net of any incentives given to the lessees) on investment properties are recognised on a straight-line basis over the lease term.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.