



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

## ANNOUNCEMENT

### ANNOUNCEMENT IN RELATION TO THE IMPOSITION OF MORTGAGES OVER FUZHOU E-COMMERCE, FUHENG WAREHOUSE AND HENGDE LOGISTICS

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**”), wishes to inform unitholders of EC World REIT (“**Unitholders**”) that the Manager has been informed by EC World REIT’s onshore security agent (the “**Onshore Security Agent**”).<sup>1</sup> that certain 3<sup>rd</sup> ranking mortgages (the “**Relevant Mortgages**”) have been imposed on three properties owned by EC World REIT, namely Fuzhou E-Commerce, Fu Heng Warehouse and Hengde Logistics (collectively, the “**Relevant Properties**”). The Relevant Mortgages were imposed without the consent or knowledge of the Manager.

The Manager understands from Forchn Holdings Group Co., Ltd. (the “**Sponsor**”) that the Relevant Mortgages were created in favour of two entities<sup>2</sup> linked to the Fuyang Government (富阳政府) in the People’s Republic of China (the “**PRC**”) between 20 November 2023 and 24 November 2023 in connection with the Fuyang Government providing the Sponsor with certain rescue funds (approximately RMB 268.6 million based on preliminary inquiries). For the avoidance of doubt, the rescue funds were provided to the Sponsor pursuant to various arrangements between the Fuyang Government and the Sponsor group; EC World REIT is not privy to, and did not consent to, such arrangements.

Most of the Relevant Mortgages are 3<sup>rd</sup> ranking (except that the mortgages in favour of 浙江富月融资租赁有限公司(Zhejiang Fuyue Finance Lease Co., Ltd.) are 4<sup>th</sup> ranking and 5<sup>th</sup> ranking), which means they have no priority over the existing 1<sup>st</sup> ranking and 2<sup>nd</sup> ranking mortgages in respect of EC World REIT’s existing facilities. In other words, the mortgages of the existing lenders of the EC World REIT group will not be affected by the Relevant Mortgages.

The Sponsor has further informed the Manager that the Sponsor is in the process of sourcing for funds to repay the Fuyang Government and procure the discharge of the Relevant Mortgages.

In view of the foregoing circumstances, the Manager has undertaken the following steps:

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- 1 The Onshore Security Agent, DBS Bank (China) Limited, Hangzhou Branch, holds the security interests of the EC World REIT group’s onshore facilities on behalf of the onshore lenders thereunder.
  - 2 The two entities are 杭州富阳富投发振富股权投资合伙企业(有限合伙) (Hangzhou Fuyang Futoufa Zhenfu Equity Investment LLP) and 浙江富月融资租赁有限公司 (Zhejiang Fuyue Finance Lease Co., Ltd.).

- (i) on 29 December 2023, immediately after being notified of the Relevant Mortgages, the Manager issued a letter to the Sponsor:
  - (a) stating that the Relevant Mortgages were illegally procured by the Sponsor without informing EC World REIT to guarantee loans of the Sponsor group which are irrelevant to the EC World REIT group;
  - (b) demanding that the Sponsor immediately procure the discharge of the Relevant Mortgages within five (5) business days from 29 December 2023 (i.e. by 8 January 2024); and
  - (c) stating that the Manager has initiated an investigation into the Relevant Mortgages and reserves the right to take legal action against the Sponsor and the relevant personnel;
- (ii) the Manager has demanded that Yuntong Property Management Co., Ltd, the property manager of EC World REIT's properties and a wholly-owned subsidiary of the Sponsor, hand over all the title deeds of EC World REIT's properties to EC World REIT's Onshore Facility Agent. The title deeds have since been handed over and the Manager understands that there is no record of the Relevant Mortgages on the title deeds of the Relevant Properties; and
- (iii) the Manager is seeking legal advice from its PRC counsel in order to ascertain, among others, the validity of the Relevant Mortgages, the steps required to remove the Relevant Mortgages and the legal actions which may be taken against the Sponsor and the relevant personnel.

The board of directors of the Manager is in the process of evaluating various options for EC World REIT and 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 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  
2 January 2024

## **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.