EC World
运 通 网 城 REIT

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

ANNOUNCEMENT

UPDATE ANNOUNCEMENT IN RELATION TO THE GUARANTEE IN FAVOUR OF HANGZHOU FENHUA INVESTMENT LLP

1. Introduction

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**"), refers to the announcement dated 9 May 2026 ("**9 May 2026 Announcement**") in relation to the guarantee provided by Beigang and certain other entities outside the ECW Group ("**Other Entities**") as guarantors (the "**December 2021 Guarantee**") to Hangzhou Fenhua Investment LLP (杭州奋华投资合伙企业) ("**HZFH**"), one of the major creditors of Forchn Holdings Group Co., Ltd. ("**Sponsor**"). The December 2021 Guarantee was executed on 31 December 2021, under which the guarantors agreed to guarantee the payment obligations of the Sponsor to HZFH under an equity repurchase agreement entered into between the Sponsor and HZFH. As disclosed in the 9 May 2026 Announcement, the Hangzhou Intermediate People's Court ("**Hangzhou Intermediate Court**") issued a judgement on 6 May 2026 ruling that Beigang and the Other Entities be jointly liable for a total amount of RMB 3.515 billion ("**HZFH Judgement**"). The Manager wishes to update unitholders of EC World REIT ("**Unitholders**") on the developments concerning the HZFH Judgement and the December 2021 Guarantee.

2. Updates on the HZFH Judgement

As advised by PRC legal counsel, one of the Other Entities has appealed against the HZFH Judgement and the case has proceeded to a second-instance trial before a higher-level court. Beigang will also participate in the appellate proceedings as a party thereto. The court hearing for the second-instance trial is scheduled to be held on 11 August 2026. Prior to the completion of the second-instance trial, the HZFH Judgement will not become effective and HZFH cannot take any enforcement action against Beigang.

3. Preliminary Investigations by the Manager

The Manager, with the assistance of PRC legal counsel, has conducted preliminary investigations into the matter and understands the following:

(1) HZFH entered into an investment agreement with the Sponsor and Unilogix Co., Ltd. (the "**Target Company**") on 12 July 2018, pursuant to which HZFH invested RMB 3 billion into the Target Company and obtained an equity interest of 59.41%. The Sponsor entered into

an equity repurchase agreement with HZFH (the "**Repurchase Agreement**"), pursuant to which the Sponsor was obliged to repurchase HZFH's equity interest in the Target Company upon the occurrence of any of the repurchase conditions. The repurchase conditions include the expiration of a 60-month period, the Target Company's failure to achieve its revenue target and certain other conditions.

(2) Beigang and four other entities outside the ECW group signed the December 2021 Guarantee in favour of HZFH, under which the guarantors agreed to guarantee the Sponsor's payment obligations under the Repurchase Agreement. The guarantee period was two years commencing from the date the debt became due. Richwin Investment Pte. Ltd. ("**Richwin**"), the sole shareholder of Beigang, passed a shareholder's resolution on 15 December 2021 approving the December 2021 Guarantee. ECW had no knowledge of the December 2021 Guarantee, nor did it ever approve or authorise the guarantee. ECW's company seals and legal representative stamp were affixed to the relevant documents by the Sponsor's personnel[1] without authorisation.

(3) From 2019 to 2023, 24 other guarantors (all of which are outside ECW group) signed guarantees for the Sponsor's payment obligations under the Repurchase Agreement. Some of these 24 guarantors also provided security in the form of a property mortgage and an equity pledge.

(4) In 2022, the Sponsor entered into a supplemental agreement with HZFH confirming that the repurchase obligations had been triggered under the Repurchase Agreement and that the debt would become due on 18 July 2023.

(5) Subsequently, on 28 June 2024, HZFH commenced a lawsuit (the "**First Lawsuit**") before the Hangzhou Intermediate Court against the Sponsor and 29 other defendants (including Beigang and other corporate and individual guarantors, mortgagors and pledgors outside the ECW group), seeking payment under the Repurchase Agreement.

(6) The Manager was informed of the First Lawsuit by the Sponsor on 10 January 2025. The Sponsor explained that, it mistakenly believed that, as the owner of the Beigang Stage 2 Properties, it was entitled to require Beigang to sign the December 2021 Guarantee. However, the Grant Agreement governing the economic interest in the Beigang Stage 2 Properties entered into between the Group and the Sponsor did not confer such right on the Sponsor.

(7) The Manager issued a demand letter to the Sponsor on 21 January 2025 which (a) required the Sponsor to disclose all information relating to the December 2021 Guarantee, (b) urged the Sponsor to procure the release of Beigang from the December 2021 Guarantee and the First Lawsuit by no later than 31 January 2025, (c) required the Sponsor to disclose all contingent liabilities and potential disputes in relation to Beigang, and (d) re-emphasised that the Sponsor had no right to create any encumbrances over ECW's assets.

(8) The Sponsor underwent a court-hosted civil mediation process before the actual trial on 27 February 2025. The parties ultimately reached a settlement through the mediation process.

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[1] According to the Grant Agreement of the Right of Use and Economic Benefit of Stage 2 Properties (the "**Grant Agreement**") dated 30 June 2016 between Beigang and the Sponsor, Beigang has granted the right of use and economic benefit of the Stage 2 Properties (as defined in the Grant Agreement, the "**Stage 2 Properties**") to the Sponsor, including but not limited to the rights of implementing building construction, property management and operation and obtaining the economic benefits. Under such arrangement, Beigang has been under the Sponsor's management for certain period.

The Hangzhou Intermediate Court issued a civil mediation order, pursuant to which (a) the Sponsor was required to pay the repurchase price (including the principal amount and investment return) and default interest to HZFH by 28 February 2025, and (b) of the 29 other defendants, 23 were to be jointly and severally liable for the Sponsor's obligations, while HZFH voluntarily withdrew its claims against the remaining six defendants (including Beigang).

(9) The Manager did not announce the First Lawsuit when it first became aware of it, as the Manager needed to obtain further information from the Sponsor regarding the nature of the legal proceedings and the extent to which they affected Beigang. Furthermore, the civil mediation between the Sponsor and HZFH, which occurred shortly after the Manager had issued its demand letter to the Sponsor, was confidential. Following the issuance of the civil mediation order and the withdrawal of HZFH's claim against Beigang, the Manager was of the view that the First Lawsuit no longer implicated Beigang and did not have any financial impact on Beigang or ECW. Accordingly, the Manager determined that an announcement was not necessary.

(10) Subsequently, the Sponsor failed to fulfill its obligations under the civil mediation order. On 6 May 2025, HZFH brought a new lawsuit against the six defendants that were previously removed from the First Lawsuit, claiming that they should assume guarantee liabilities (the "**Second Lawsuit**").

(11) The Manager was only informed by the Sponsor of the Second Lawsuit on 17 April 2026, by which time the court hearing had already taken place. The Manager did not receive the court documents, which had been served by the court via public announcement. It is likely that the court was unable to effect service at the registered office of Beigang due to the fencing erected around the Beigang compound, which was undergoing renovation at that time.

(12) The Manager immediately engaged Shihui Partners to represent Beigang in the Second Lawsuit and to contact the presiding judge to obtain the relevant materials. On 20 April 2026, Shihui Partners filed an objection with the court in respect of the service procedures, arguing that the court had failed to properly effect service and had not notified Beigang to participate in the litigation, which constituted substantial procedural defects. Shihui Partners requested a rehearing of the case, but the court rejected the motion on the grounds that service by public announcement had been completed. On 22 April 2026, Shihui Partners submitted its defence submissions and the relevant evidence to the court. In its defence submissions, Shihui Partners argued, among other things, that (a) the company stamps were affixed on the guarantee and shareholder's resolutions by the Sponsor's personnel without ECW's authorisation, (b) HZFH had failed to exercise a reasonable standard of prudence in verifying the identity of the person affixing the company stamps and was therefore not a bona fide creditor, and (c) the previous civil mediation order should be construed as a waiver of the guarantee liabilities of Beigang.

(13) The Hangzhou Intermediate Court issued a judgement for the Second Lawsuit on 30 April 2026 in favour of HZFH. The judgement was then served to the defendants on 6 May 2026. In response to Beigang's defence, the court viewed HZFH as a bona fide creditor who had exercised reasonable care, found that the documents (including the guarantee and the shareholders' resolutions) were properly worded and executed, and that the previous civil mediation order and the voluntary withdrawal of claim against the six defendants did not

constitute a waiver of Beigang's guarantee liabilities. Under the judgement, the court found Beigang jointly liable for the RMB 3.515 billion debt under the Repurchase Agreement.

(14) On 7 May 2026, management reported the litigation and the receipt of the judgement to the Board and an announcement was prepared and released on 9 May 2026.

(15) On 21 May 2026, the Manager issued a Letter for Assistance in Investigation to the reorganisation administrator of the Sponsor group (the "**Administrator**"). The letter explained the background that the Sponsor misappropriated ECW's company seals and stamps to execute guarantees and mortgages without authorisation, and requested the Administrator to provide the following materials identified in the reorganisation proceeding:

a. any guarantee, mortgage, pledge or other security document, shortfall compensation agreement, indemnity agreement, or any document of a similar nature executed by or in connection with ECW's subsidiaries;

b. any ancillary document associated with the documents stated in (a) above, including director's or shareholder's resolutions, meeting minutes, powers of attorney and internal correspondence; and

c. internal records of the Sponsor group or their employees (such as emails, seal application forms and message records) regarding the use or borrowing of ECW's company seals and stamps, or ECW subsidiaries' execution of any documents.

(16) On 22 May 2026, the Administrator confirmed that, other than the guarantees and mortgages already known to ECW, it had not discovered any other documents of the nature requested in the letter. The Administrator agreed to provide any such documents if they are discovered during the course of the reorganisation. As of the date of this announcement, the Administrator has confirmed that no new documents have been found.

(17) PRC legal counsel further inquired with the Sponsor on the matter via an investigation questionnaire, raising questions on the background of the HZFH transaction, the relevant use and approval process for ECW's seals and stamps, and the triggering of the relevant debts and the subsequent mediation process, among other matters. A written response from the Sponsor's CEO, Zhang Zhangsheng, was provided to PRC legal counsel on 8 June 2026 and revealed the following:

a. HZFH transaction was led and negotiated by the old management of the Sponsor who had since resigned. Zhang Zhangsheng himself did not participate in the negotiation process.

b. Zhang Zhangsheng confirmed that the use of ECW's stamps on the December 2021 Guarantee was approved through the Sponsor group's paper-based approval process and was never approved via ECW's electronic internal approval process ("**ECW OA Process**"), which had been in place since the initial public offering of ECW.

c. Relying solely on the paper-based approval process, the Sponsor's treasury department obtained ECW's stamps from the custodian[2] and affixed them to the relevant guarantee and resolutions.

d. Zhang Zhangsheng was unable to provide further details, such as the complete process of requesting, using and returning ECW's company seals or stamps, nor could he provide any other supporting documentation. He stated that he was only aware that this series of procedures was carried out by the Sponsor's treasury department and that all personnel involved at that time have since left the company. The key personnel were not available for investigation.

e. Based on Zhang Zhangsheng's response, it is very likely that the process of borrowing and using ECW's stamps was essentially similar to the case involving the Relevant Mortgages in relation to the rescue financing provided by Fuyang Futoufa and Fuyue to the Sponsor. In that case, the Sponsor's personnel signed a paper approval form, and a staff member of the Sponsor's treasury department presented the paper approval form to the custodian of ECW's stamps to obtain the stamps. Although the custodian was aware of the ECW OA Process, they nonetheless chose to follow the Sponsor's instruction to release the stamps.

4. Steps taken by the Manager

The following steps are being undertaken or have been undertaken in connection with the foregoing:

(1) by 5 January 2024, the Manager had taken control of all stamps, including the relevant company seals, legal representative seals, contract stamps and finance stamps, from ECW's property management teams in the PRC. The legal representative seal and the finance stamps are currently safekept at the Manager's registered office in Singapore, while the relevant company seal and contract stamps are under the custody of the Manager's PRC legal counsel in Shanghai;

(2) the Manager is seeking to conduct a comprehensive review of the current internal controls environment including evaluating the effectiveness of the controls, policies and procedures by appointing an independent internal audit firm to carry out this exercise in due time. The internal audit firm will also assess if there has been any further instances of unauthorised use of ECW's seals and stamps, apart from those already surfaced;

(3) the Manager has implemented new measures in relation to Beigang's address for service and has ensured that the offices at all other properties have been and remain accessible and staffed;

(4) the Board of the Manager has instructed management to inform the Board immediately upon becoming aware of any new litigation proceedings;

(5) the Manager has instructed PRC counsel and Singapore counsel of ECW to carry out searches on the following:

[2] In 2021, the custodian was the previous PRC Property Manager of ECW, Yuntong Property Management Co., Ltd., which is 100% owned by the Sponsor.

a. Real Estate Registry Search

On 14 May 2026, PRC legal counsel went to the Hangzhou Bureau of Planning and Natural Resources (杭州市规划和自然资源局) HBPNR) to search and retrieve the real estate registry information (不动产登记信息) of the properties owned by the PRC subsidiaries of ECW (the "**PRC Companies**"). Under PRC law, the real estate registry contains information relating to ownership, mortgages, seizures and certain other matters. The search did not reveal any unexpected mortgages, seizures or other issues. In summary: (a) all properties are subject to mortgages in favour of DBS Hangzhou Branch under the existing facilities; (b) only Fuzhou E-Commerce has additional mortgages, namely those in favour of Fuyang Futoufa and Fuyue, details of which have been set out in previous announcements; (c) all properties except Fuzhou E-Commerce are free from any seizure, while Fuzhou E-Commerce is subject to two seizures initiated by Fuyang Futoufa and Fuyue on the basis of the relevant guarantee and mortgage; and (d) no other special registrations, such as easements or objections, have been found in respect of any of the properties. As advised by PRC legal counsel, the seizures imposed on Fuzhou E-Commerce mean that ECW can only transfer the relevant property through a judicial auction or with the consent of the seizing creditor. However, the seizures will not affect the existing mortgages or the Lenders' priority rights thereunder.

b. Company Search

PRC legal counsel conducted the following searches on the PRC Companies: (a) company searches on QICHACHA, a private research database, on 11 May 2026; and (b) company searches on the National Enterprise Credit Information Publicity System (NECIPS) on 3 June 2026. According to the search results:

(i) Equity Pledge

No unexpected equity pledges were identified. The equity of each PRC Company has been pledged to DBS Hangzhou Branch or DBS Bank Ltd. (as the case may be) under the existing facilities. Moreover, under PRC law, a second pledge of equity is prohibited. Accordingly, where the equity has already been pledged, no other creditor may obtain pledge rights over such equity.

(ii) Equity Freeze

Interim restriction on the transfer of 100% equity interest of Chongxian Port Logistics ("**CXPL**") has been imposed by the Hangzhou Linping Court in connection with certain construction litigation proceedings concerning the Beigang Stage 2 Properties. Please refer to the Company's announcement dated 4 August 2025 for further details. Save for the foregoing equity freeze, no other equity freeze was found in respect of the PRC Companies.

(iii) Litigation and Enforcement

(a) The litigation records of Fuzhou E-Commerce, Fu Heng Warehouse, and Hengde Logistics are all related to the cases concerning Fuyang Futoufa and Fuyue.

(b) Chongxian Port Investment, Chongxian Port Logistics and Fu Zhuo Industrial have several litigation records, which the Manager understands to be either cases that have been resolved many years ago or recent rent recovery cases handled by the PRC counsel.

(c) Beigang has 92 lawsuit records and 23 enforcement records[3]. Most of these cases appear to be construction litigation proceedings relating to the Beigang Stage 2 Properties. All litigation proceedings relating to the Beigang Stage 2 Properties have been handled and managed by the Sponsor. ECW previously announced in the 4 August 2025 Announcement that certain litigation proceedings relating to the Beigang Stage 2 Properties against Beigang. The Manager has been monitoring the progress of a few of these litigation proceedings and, with the assistance of PRC legal counsel, has discovered additional litigation proceedings against Beigang. The Manager is currently ascertaining the details and particulars of these proceedings and will make an announcement on SGXNET in due course once the relevant information has been obtained and assessed. To date, the Manager has identified 57 of the 92 lawsuit records based on a list of construction litigation proceedings relating to the Stage 2 Properties provided by the Sponsor. The Sponsor has confirmed that the remaining 35 records also relate to the Stage 2 Properties but has yet to provide the details to the Manager, including the disputed amounts.

(d) The remaining PRC Companies have no litigation or enforcement records.

5. Manager's Assessment

As disclosed in the initial public offering ("**IPO**") prospectus of ECW, pursuant to a Grant Agreement (as defined in the IPO prospectus) entered into between the Sponsor and Beigang on 30 June 2016, Beigang granted to the Sponsor the right of use and economic benefits of the Beigang Stage 2 Properties. While the Beigang Stage 2 Properties are legally held by Beigang, the beneficiary interests belong to the Sponsor and are not part of the assets of ECW. Although certain indemnity agreements and undertakings were provided by the Sponsor during the IPO to govern the interests of ECW in the properties held by Beigang, these ringfencing measures have not mitigated all the risks of such an arrangement. The Manager notes that the original structure has, on hindsight, proven to be problematic and the arrangements since IPO are insufficient to adequately protect ECW's interests in a scenario where the Sponsor encounters financial difficulties of the nature and severity currently being experienced.

As at the date of this announcement, Beigang does not generate any cash as the Sponsor, which is the master lessee of the Stage 1 Properties, is currently in the process of reorganisation and is unable to make payments under the lease. The assets of Beigang are not in a rentable state as the Sponsor did not complete the asset enhancement initiatives for Beigang due to the financial crisis of the Sponsor. The assets of Beigang Stage 1 are mortgaged to the Lenders and in the event of any auction or enforcement proceedings, the Lenders have first priority over the proceeds of such assets. Accordingly, any recovery from such enforcement would serve to reduce the outstanding loan amount owing by the ECW group to the Lenders.

CXPL is a wholly owned subsidiary of Beigang and the equity interest of CXPL held by Beigang has been similarly pledged to the Lenders and is subject to the same priority of the Lenders in the event of any auction or enforcement proceedings (i.e., the proceeds generated from enforcement

[3] According to PRC legal counsel, (i) the information contained in the records are rather limited, only including case numbers and the competent court; certain records contain additional details like case type and disputed amount, (ii) the records might not be a complete list of the relevant entities' ongoing lawsuits, and (iii) multiple records may refer to a same case, as a record may be generated for each procedural stage (for example, first instance, second instance, enforcement and mediation).

of the CXPL equity shall first be used to repay the Lenders' existing facilities). The Manager has commenced the process of ringfencing the income derived from CXPL to preserve such income for the benefit of ECW. The Manager will provide further updates in due course.

Taking into account the foregoing circumstances, the Manager has assessed that if Beigang loses the second-instance trial in respect of the HZFH Judgement, a contingent liability of RMB 3.515 billion will become binding on Beigang. HZFH would have the discretion to require Beigang and/or any of the other 23 guarantors/mortgagors outside the ECW group to satisfy all or part of the RMB 3.515 billion, and may apply for court enforcement against any, some or all of these obligors. As the contingent liability is significantly higher than Beigang's net asset value, Beigang may need to file for bankruptcy and enter into liquidation in the event it is required to satisfy the entire contingent liability. PRC legal counsel is continuing to review the documents relating to the HZFH Judgement and will carry out the relevant inquiries where possible. The Manager will continue to consult with PRC legal counsel on any further potential impact of the HZFH Judgement on ECW.

In light of the HZFH Judgement and the matters described above, the Manager is of the view that recovery of Beigang is unlikely and that Beigang will need to be ringfenced from the rest of the ECW group to contain the potential adverse impact on the other assets and operations of ECW.

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. 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 ECW 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
24 July 2026

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.