



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

## **UPDATE ANNOUNCEMENT ON THE LEGAL PROCEEDINGS IN RELATION TO THE IMPOSITION OF THE UNAUTHORISED MORTGAGES**

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:

- (i) the update announcement dated 1 February 2024 in relation to the imposition of mortgages over Fuzhou E-Commerce (“**FZDS**”), Fuheng Warehouse (“**FHCC**”) and Hengde Logistics;
- (ii) the update announcement dated 27 February 2024 in relation to, among others, the mortgages over FZDS and FHCC;
- (iii) the update announcement dated 26 March 2024 in relation to, among others, the mortgages over FZDS and FHCC and the Mortgage Revocation Lawsuits (as defined herein);
- (iv) the update announcement dated 31 March 2024 in relation to, among others, the imposition of mortgages over FZDS and FHCC and the Mortgage Revocation Lawsuits;
- (v) the update announcement dated 1 May 2024 in relation to, among others, the imposition of mortgages over FZDS and FHCC and the Mortgage Revocation Lawsuits; and
- (vi) the update announcement dated 31 May 2024 in relation to, among others, the imposition of mortgages over FZDS and FHCC and the Mortgage Revocation Lawsuits (the “**31 May 2024 Announcement**”);
- (vii) the update announcement dated 30 June 2024 in relation to, among others, the imposition of mortgages over FHCC and the Mortgage Revocation Lawsuits; and
- (viii) the announcement dated 1 September 2024 in relation to the update on findings in relation to the imposition of the unauthorised mortgages (the “**1 September 2024 Announcement**”).

*Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the 1 September 2024 Announcement.*

As mentioned in the 1 September 2024 Announcement:

- (1) the case application made by the ECW group to the relevant court in the People’s Republic of China (“**PRC**”) to initiate lawsuits (“**Mortgage Revocation Lawsuits**”) to revoke the

unauthorised mortgage over FZDS (the “**Outstanding Relevant Mortgage**”)<sup>1</sup> have been accepted by the PRC court and parties have attended a pre-trial conference for the exchange of evidence; and

- (2) the ECW group has submitted pleadings to initiate separate legal proceedings against the relevant parties to seek to recover the losses suffered by it (“**Loss Recovery Lawsuits**”).

Further to advice of the Manager’s PRC legal counsel, the Manager wishes to update unitholders of ECW (“**Unitholders**”) that it has decided to apply for a suspension or (if a suspension is not accepted by the relevant PRC court) temporarily withdraw the Loss Recovery Lawsuits on a without prejudice basis pending the outcome of the Mortgage Revocation Lawsuits due to, among others, the following reasons:

- (a) under PRC law, there is a time limit on the period of adjudication such that a judgment generally has to be issued within six months after the case is officially filed (the “**Relevant Time Limit**”). With respect to the Loss Recovery Lawsuits, the relevant PRC court has indicated that it will be implementing the Relevant Time Limit strictly and has advised the Manager to withdraw the Loss Recovery Lawsuits on a without prejudice basis pending the outcome of the Mortgage Revocation Lawsuits;
- (b) the Manager understands from its PRC legal counsel that the Mortgage Revocation Lawsuits are likely to be concluded only after the Relevant Time Limit (i.e. beyond six months after the Loss Recovery Lawsuits were officially filed), taking into account that the Mortgage Revocation Lawsuits are currently still at the pre-trial mediation stage with no certainty as to when they may be concluded;
- (c) the Manager also understands from its PRC legal counsel that it is possible that evidence relevant to the Loss Recovery Lawsuits (which might be crucial to the outcome of the Loss Recovery Lawsuits) may become available in the course of the proceedings on the Mortgage Revocation Lawsuits (for instance, in relation to the participation of the Sponsor<sup>2</sup> group and its officers); and
- (d) the amount of damages that the ECW group will be seeking under the Loss Recovery Lawsuits for its losses depend on the outcome of the Mortgage Revocation Lawsuits (as the latter affects whether and when the Outstanding Relevant Mortgage may be revoked<sup>3</sup>).

The Board of Directors of the Manager 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

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1 As stated in the 31 May 2024 Announcement, the only unauthorised mortgage that has yet to be discharged is the mortgage imposed over FZDS. For the avoidance of doubt, the unauthorised mortgages over FHCC and Hengde Logistics have been discharged.

2 “**Sponsor**” means Forchn Holdings Group Co., Ltd., being the sponsor of ECW.

3 For instance, the longer the Outstanding Relevant Mortgage remains in place, the more likely that the ECW group may suffer higher losses due to, among others, its repayment obligations arising as a result of acceleration of loan maturity under its existing loans.

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  
30 September 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.