



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

ANNOUNCEMENT OF LITIGATION IN RELATION TO FIPL AND MR ZHANG GUOBIAO

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 Manager’s announcement dated 1 March 2023 in relation to the following:

- (i) the Form 1 (*Notification Form for Director / Chief Executive Officer in Respect of Interests in Securities*) disclosure filed pursuant to the Securities and Futures (Disclosure of Interests) Regulations 2012 (“**SF(DI)R**”) in connection with Forchn Global Pte. Ltd. (“**FGPL**”)¹ granting a charge over 58,000,000 units in EC World REIT (the “**Charged Units**”) to Franklin Medici Alternative Investment VCC (for itself and for the purpose of FM REAL ESTATE FUND) (the “**Chargee**”) on 27 February 2023 to secure certain obligations of FIPL to the Chargee (the “**Relevant Charge**”); and
- (ii) the Form 3 (*Notification Form for Substantial Shareholder(s) / Unitholder(s) in Respect of Interests In*) disclosure filed pursuant to the SF(DI)R in connection with the Relevant Charge.

The Manager wishes to inform Unitholders that the Manager was informed by FIPL on 3 June 2024 on, among others, the following:

- (a) on or about 27 February 2023, FIPL entered into a loan agreement with the Chargee pursuant to which the Chargee, as lender, had granted a loan to FIPL in a principal amount of USD10,000,000 for a term of six months (the “**Loan Agreement**”);
- (b) on or about 27 February 2023, FGPL entered into a deed of charge over the Charged Units to secure the repayment obligation of FIPL under the Loan Agreement and Mr Zhang provided a personal guarantee in favour of the Chargee on the same; and
- (c) FIPL has failed to repay the loan under the Loan Agreement and, as of 19 May 2024, the outstanding principal amount of the Loan Agreement and the accrued interest thereon are USD10,000,000 and USD1,292,053 respectively.

¹ FGPL is a wholly-owned subsidiary of Forchn International Pte. Ltd. (“**FIPL**”) which is in turn wholly-owned by Forchn Holdings Group Co., Ltd., being the sponsor of EC World REIT.

Accordingly, the Manager understands from FIPL that an application has been filed by the Chargee on 19 May 2024 in the General Division of the High Court of the Republic of Singapore (the “**Court**”) against FIPL and Mr Zhang Guobiao (“**Mr Zhang**”), for, among others, an order that FIPL and Mr Zhang are jointly and severally liable to pay to the Chargee the sum of US\$11,292,053 (being the outstanding principal amount of the Loan Agreement and the accrued interest thereon) or such other sum as may be assessed by the Court.

The Manager understands from FIPL that FIPL and Mr Zhang are negotiating with the Chargee on possible settlement plans.

The Board of Directors of the Manager will provide Unitholders with further updates 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
4 June 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.