NEWS RELEASE

EC World REIT Reported Lower Operating Performance in 1QFY2025

- *Lower operating performance year-on-year*
- *Appointed new property managers and port manager to improve operational management*
- *Appeal filed against Fuyang Court's April 2025 Judgements concerning Fuzhou E-Commerce's unauthorised Mortgage*

Summary of Results:

	1QFY2025 S$'000	**1QFY2024 S$'000**	**Change YoY%**	**4QFY2024 S$'000**	**Change YoY%**
Gross Revenue	12,679	25,296	(49.9)	15,894	(20.2)
Net Property Income ("**NPI**")	10,783	23,311	(53.7)	11,200	(3.7)
Calculated Distribution to Unitholders[1]	-	7,320	n.m	-	n.m
Calculated DPU (**Cents**)[1]	-	0.904	n.m	-	n.m

Singapore, 14 May 2025 – EC World Asset Management Pte. Ltd., as the manager of EC World Real Estate Investment Trust ("**ECW**") (the "**Manager**"), reported a lower year-on-year first quarter 2025 ("**1QFY2025**") operating performance across its portfolio. Gross revenue and NPI in RMB terms were 49.6% and 53.5% lower compared to 1QFY2024, the significant drop in revenue and NPI was mainly due to the termination of MLAs upon lease expiry for Chongxian Port Investment ("**CXI**"), Beigang Logistics Stage 1 ("**BG**"), Fu Heng Warehouse ("**FHCC**") and Fuzhou E-

[1] Based on ECW's current cash situation, ECW is not able to fulfil, from the deposited property of ECW, its liabilities as they fall due. Hence, there was no distribution for 2HFY2024. It is highly likely that no distribution will be declared for the financial year 2025.

commerce ("**FZDS**"), lower contribution from underlying leases, offset by income contribution from new third-party leases secured for Hengde Logistics Phase I and higher late fee income.

As of 31 March 2025, the accrued overdue rent receivables owing to ECW and its subsidiaries (collectively, the "**ECW Group**") by the Sponsor and its subsidiaries (collectively, the "**Sponsor Group**") has exceeded RMB647.2 million (S$119.4 million) with RMB561.5 million (S$103.6 million) of the receivables represents the rent receivables under the master leases, while the balance RMB85.7 million (S$15.8 million) represents the rent receivables from other Sponsor Group entities. Management has been in negotiation with the Sponsor for a Master Offset Agreement to offset all the receivables from the Sponsor Group against its payables to the Sponsor Group including the security deposit amount paid by the master lessees and the advance payments received from the Purchasers of the proposed divestment, hence no impairment allowance was made. However, the ongoing reorganisation of the Sponsor announced on 27 March 2025 may have impacts over the on-going negotiation.

Finance costs of S$10.8 million were S$0.9 million or 8.0% lower compared to 1Q2024 mainly due to lower loan quantum, partially offset by higher interest rate for offshore loans due to default penalty interest imposed under offshore facilities. This in turn has resulted in the increase of the blended all-in running interest rate for the quarter ended 31 March 2025 to 8.8%, from 6.8% in the corresponding period.

Mr Goh Toh Sim, Executive Director and CEO of the Manager, said, "on quarterly basis, the revenue in RMB terms was 20.3% lower compared to 4QFY2024 mainly due to termination of master leases. The Manager has been continuing to negotiate with the Sponsor for a Master Offset Agreement to resolve the outstanding receivables.

The Manager is actively exploring options to divest some or all of the Group's properties to pare down existing facilities with cash proceeds in order to be accepted by the lenders of the Offshore Facility for a possible refinancing or restructuring. At the date of this announcement, the Group has not received any offer to purchase from potential buyers, nor any notice of enforcement action from the lenders. In the meantime, the Manager, under the close guidance of all independent directors, continues to make its best endeavour to stabilise the performance of the ECW Group amid the ongoing persisting challenges from operation and financing activities."

Key Highlights:

Reorganization Application of the Sponsor

Forchn Holdings Group Co., Ltd. (the "**Sponsor**") had filed an application for reorganisation (including pre-reorganisation) with the People's Court of Fuyang District, Hangzhou City, Zhejiang province (the "**Fuyang Court**") in the People's Republic of China ("**PRC**") on the ground that it is unable to pay its debts but still has reorganisation value. On 25 March 2025, the Fuyang Court decided to conduct pre-reorganisation of the Sponsor (the "**Pre-reorganisation**"). There is uncertainty on the outcome of the Pre-reorganisation. Consequently, there is no certainty or assurance that the reorganisation will not involve a change in control in respect of ECW and the Manager, depending on the reorganisation situation of the Sponsor.

Bankruptcy and Resignation of Non-Independent and Non-Executive Director

On 14 April 2025, the Manager had received a notice from the Sponsor stating that pursuant to an application by Tor Asia Credit Opportunity Master Fund II LP, a creditor of Mr Zhang Guobiao ("**Mr Zhang**"), the High Court of the Republic of Singapore has ordered that Mr Zhang be adjudged bankrupt and that joint and several private trustees be appointed (the "**Bankruptcy**"). In view of this, Mr Zhang has resigned as non-independent and non-executive director of the Manager with effect from the date. Mr Zhang holds 80% of the equity interest in the Sponsor and has a deemed interest in 43.793% of the units in ECW. The Manager understands that the Bankruptcy 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.

Appointment of New Property Managers and Port Manager

Following a tender process, new property management agreements have been entered into with Hangzhou Wangcheng Property Service Co., Ltd. ("**Wangcheng**") for the management of Fuzhou E-Commerce, Fuheng Warehouse, Hengde Logistics, Wuhan Meiluote, and Beigang Logistics Stage 1. For Chongxian Port Investment and Chongxian Port Logistics, Hangzhou Chonghang Port Supply Chain Co., Ltd. ("**Chonghang**") has been appointed as the new port operator, replacing Hangzhou Fu

Gang Supply Chain Co., Ltd. New property management agreements with Hangzhou Chonghang Port Property Management Co., Ltd. (a wholly owned subsidiary of Chonghang) were signed for the provision of property management services for these Port Assets. Both Wangcheng and Chonghang are independent third-party service providers unrelated to the ECW Group.

The Imposition of Unauthorised Mortgage over Fuzhou E-commerce

The Manager continues to work on discharging of unauthorised mortgage imposed over FZDS ("**Outstanding Relevant Mortgage**"). The lawsuits ("**Mortgage Revocation Lawsuits**") to revoke the Outstanding Relevant Mortgage in Fuyang Court received judgments on 8 April and 10 April dismissing the ECW Group's applications for orders on the invalidity and revocation of the Outstanding Relevant Mortgage (the "**April 2025 Judgments**") on the basis that the mortgages are lawful and valid, citing proper authorisation by FZDS through shareholder's resolutions and no bad faith by the Fuyang Financial Institutions. The Manager, based on advice from PRC legal counsel, noted that the judgments did not address issues raised during proceedings, such as unauthorised agency and lack of due care by the financial institutions. The appeal against the April 2025 Judgements has been filed on the recommendation of its PRC legal counsel.

FZDS remains as the only unauthorised mortgage that has yet to be discharged. The maximum financial risk exposure is estimated to be RMB268.6 million (S$49.9 million).

Capital and Debt Structure

As at 31 March 2025, the current liabilities of the Group and ECW exceeded the current assets by S$569.6 million and S$114.9 million respectively. The Group's current liabilities include bank borrowings of S$472.1 million comprising S$345.9 million of offshore loans (the "**Offshore Facility**") and S$126.2 million of onshore loans (the "**Onshore Facility**"), both of which are repayable on demand due to the occurrence of a numbers of events of default. ECW's capital position has exceeded the gearing limit imposed by the Monetary Authority of Singapore, with aggregate leverage at 56.8% as at 31 March 2025 (31 December 2024: 56.5%).

Paragraph 9.4(a) of the Property Funds Appendix states that the aggregate leverage limit is not considered to be breached if it is due to circumstances beyond the control of the Manager. Nevertheless, the increased leverage ratio breached the financial covenant under the existing Offshore Facility Agreement, which requires ECW's leverage ratios to be no more than 40%. In such a scenario, the Manager shall not incur additional borrowings or enter into further deferred payment arrangements. The Manager continues to explore options to resolve these issues by restructuring the ECW Group's existing ECW Facilities and divesting some assets.

The blended all-in running interest rate for the quarter ended 31 March 2025 was 8.8% partly due to default interest rate imposed under the Offshore Facility. The Manager will continue to monitor the market conditions and actively manage interest rates and exchange rate risks to minimise adverse impact at an appropriate juncture.

Outlook

In the first quarter of 2025, China's economy grew by 5.4% year-on-year, surpassing market expectations, with a quarter-on-quarter expansion of 1.2%[2]. This growth was primarily driven by robust manufacturing activity and a surge in exports, which increased by 6.9% year-on-year, reaching RMB 6.13 trillion, as businesses accelerated shipments ahead of anticipated U.S. tariffs[2]. However, the recovery remains uneven, with persist challenges including weak domestic demand, falling prices, and continued pressure in the property market.

China's real estate sector continues to weigh on broader economic momentum. Property investment fell 9.9% year-on-year in the first quarter of 2025[3], and new home prices remained flat in March despite earlier stimulus efforts. Consumer confidence in the housing market remains weak, and credit conditions remain tight. In response, the People's Bank of China announced a 50-basis point cut to the reserve requirement ratio in May 2025, injecting approximately RMB 1 trillion of liquidity[4]. It also reduced key interest rates, including the seven-day reverse repo rate, to lower borrowing costs and support housing demand.

As of March 2025, EC World REIT continues to face significant financial and cash flow challenges. Due to insufficient funds, EC World REIT will continue to suspend

[2] https://www.stats.gov.cn/english/PressRelease/202504/t20250416_1959313.html
[3] https://www.reuters.com/world/china/chinas-q1-economic-growth-likely-slow-tariffs-darkens-outlook-2025-04-15/
[4] https://www.cnbc.com/2025/05/07/china-to-cut-key-lending-rates-by-10-points-bank-reserve-requirement-ratio-by-50-points-.html

distributions until sufficient free cash is available. Trading of its units will remain suspended until the financial situation improves.

— End —

ABOUT EC WORLD REIT

Listed on 28 July 2016, EC World REIT is the first Chinese specialised logistics and e-commerce logistics REIT listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). With its portfolio of seven quality properties located predominantly in one of the largest e-commerce clusters in the Yangtze River Delta, EC World REIT offers investors unique exposure to the logistics and e-commerce sectors in Hangzhou and Wuhan, the People's Republic of China ("**PRC**").

EC World REIT's investment strategy is to invest principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus on the PRC.

EC World REIT is managed by EC World Asset Management Pte. Ltd., which is an indirect wholly-owned subsidiary of the Sponsor – Forchn Holdings Group Co., Ltd. Established in 1992 and headquartered in Shanghai, the Sponsor is a conglomerate with businesses in supply chain, intelligent manufacturing, medical care and healthcare, finance and other sectors.

For queries, please contact:

Ms Yu Wensu
Manager, Investor Relations
EC World Asset Management Pte. Ltd.
Tel: +65 6221 9018
Email: ir@ecwreit.com | wensu@ecwreit.com

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.