NEWS RELEASE

EC World REIT Reported Lower Operating Performance in 2QFY2026

- *Lower operating performance year-on-year*
- *Outstanding mortgages and corporate guarantees remain in place*
- *Divestment process continuing*

Summary of Results:

	2QFY2026 S$'000	**2QFY2025 S$'000**	**Change YoY%**	**1HFY2026 S$'000**	**1HFY2025 S$'000**	**Change YoY%**
Gross Revenue	5,925	9,885	(40.1)	12,013	22,564	(46.8)
Net Property Income ("**NPI**")	4,296	7,938	(45.9)	8,818	18,721	(52.9)
Calculated Distribution to Unitholders[1]	-	-	n.m.	-	-	n.m.
Calculated DPU (Cents)[1]	-	-	n.m.	-	-	n.m.

Singapore, 13 August 2026 – 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 second quarter 2026 ("**2QFY2026**") operating performance across its portfolio. Gross revenue and NPI in RMB terms were 42.6% and 48.2% lower compared to 2QFY2025. The significant drop in revenue and NPI was mainly attributable to the derecognition of revenue from Bei Gang stage 1 as Forchn Holdings Group Co., Ltd. (the "**Sponsor**"), being the lessee, was undergoing reorganisation proceedings (the "**Reorganisation**"), the discontinuation of a third-party anchor tenant lease at Hengde Logistics Phase II, the cessation of shortfall compensation and late

[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 2HFY2026. It is highly likely that no distribution will be declared for the financial year 2026.

fee income from the Sponsor Group, as well as lower contribution from underlying tenants.

Finance increased marginally by 3.2% to S$10.7 million, mainly due to the strengthening of the RMB and USD against the SGD, partially offset by the reduction in onshore loan quantum following scheduled principal repayments. This in turn has resulted in the slight increase of the blended all-in running interest rate for the quarter ended 30 Jun 2026 to 8.7%, from 8.4% in the corresponding period.

Mr Goh Toh Sim, Executive Director and CEO of the Manager, said, "The Manager continues to explore the divestment of some or all of ECW's properties to pare down existing facilities and make its best endeavour to stabilise the performance of the ECW Group amid the ongoing persisting challenges from operation and financing activities.

The impact of outstanding mortgages and relevant outstanding corporate guarantees have been provided as contingent liabilities. Given that these are secured by assets of many other non-ECW companies, we are not able to assess the full impact at present due to the Sponsor's ongoing reorganisation."

Key Highlights:

Reorganization of the Sponsor

The Reorganisation of the Sponsor remains in progress and there is no certainty that the Reorganisation will be successful which in turn may involve a change in control in respect of EC World REIT, depending on the progress of the Reorganisation.

Outstanding relevant mortgages and guarantees in favour of Fuyang Entities

As of today, the Manager has not received response for the application to higher level courts for re-trial of the April 2025 Judgements and the January 2026 Judgements. However, such application cannot be taken as an appeal of the January 2026 Judgements.

As mentioned in previous announcements, the April 2026 Judgements become final and conclusive and binding on FZDS, FHCC and HDSP. As a contingent liability of RMB 286 million relating to unauthorised mortgages and guarantees has been recognised by ECW in the financial statements announced, there is no further adjustment to be made at this juncture.

Corporate guarantee by Beigang

As announced previously on 9 May 2026, a judgement from the Hangzhou Intermediate Court ruled in favour of Hangzhou Fenhua Investment LLP ("**HZFH**") (being one of the major creditors of the Sponsor) against ECW's subsidiary, Hangzhou Beigang Logistics Co., Ltd. ("**Beigang**") and certain other entities outside the ECW Group ("**Other Entities**") in relations to guarantees entered into by Beigang and Other Entities for a total amount of RMB 3.515 billion. One of the Other Entities has appealed against a part of the judgment and Beigang is joining the appeal process and judgement for appeal is yet to be handed down at this juncture.

As disclosed previously, litigations relating to the Beigang Stage 2 properties remain ongoing. Pending further investigation of these litigations, contingent liabilities and/or provisions for litigations may be provided in due course.

Capital and Debt Structure

As at 30 June 2026, the current liabilities of the Group and ECW exceeded the current assets by S$298.0 million and S$118.6 million respectively. The Group's current liabilities include bank borrowings with a carrying value of S$479.7 million comprising S$342.4 million of offshore loans (the "**Offshore Facility**") and S$137.3 million of onshore loans (the "**Onshore Facility**"), both of which are repayable on demand due to the occurrence of several events of default. ECW's capital position has exceeded the gearing limit imposed by the Monetary Authority of Singapore, with aggregate leverage at 107.5% as at 30 June 2026 (31 December 2025: 95.1%).

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 30 June 2026 was 8.7%.

Outlook

China's economy growth softens as domestic demand remained subdued amid persistent weakness in the property sector. Fixed asset investment and real estate investment continued to contract, reflecting cautious business sentiment, ongoing deleveraging within the property sector and subdued consumer confidence[2,3]. In response, the Chinese government maintained a supportive policy stance through targeted fiscal measures, accommodative monetary policies and initiatives aimed at stabilising the housing market and supporting domestic consumption[4].

China's logistics real estate market remains financially challenged. Elevated new supply in several key logistics hubs, including the Yangtze River Delta, resulted in higher vacancy rates, intensified leasing competition and continued downward pressure on warehouse rents. Investment activity remained selective as investors adopted a cautious approach amid higher financing costs and property market uncertainties. Oversupply, slower economic growth and external trade uncertainties are likely to keep rental growth and capital values under pressure in the near term[5].

As of June 2026, EC World REIT continues to face overwhelming financial and cash flow challenges. EC World REIT will continue to suspend distributions until sufficient free cash is available. Trading of its units will remain suspended until the financial situation improves. The Manager will continue to assess the impact of the outstanding mortgages and corporate guarantees.

— End —

[2] https://www.stats.gov.cn/english/PressRelease/202607/t20260715_1964120.html
[3] https://www.reuters.com/world/china/chinas-q2-gdp-growth-slows-43-yy-misses-market-forecast-2026-07-15/
[4] https://www.ft.com/content/ea820de1-9113-47cc-8888-a1d307ca6f2e
[5] https://www.businesstimes.com.sg/property/china-new-home-prices-decline-slower-pace-june-amid-improvement-key-cities

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:

Investor Relations
EC World Asset Management Pte. Ltd.
Tel: +65 6221 9018
Email: ir@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.