



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

ANNOUNCEMENT ON UPDATE FROM SPONSOR

1. INTRODUCTION

The board of directors of 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**”), wishes to announce that the Manager has been informed on 24 May 2024 by Forchn Holdings Group Co, Ltd, the sponsor of ECW (the “**Sponsor**”), that Mr Zhang Guobiao¹ and Mr Zhang Zhangsheng² have been subject to “Consumption Restriction Orders” (“**CROs**”) issued by the competent courts in the People’s Republic of China (“**PRC**”).

2. UPDATE BY THE SPONSOR ON YANGLING ENFORCEMENT PROCEEDINGS

On 24 May 2024, the Manager received from the Sponsor a letter (“**Sponsor Letter**”) stating the following:

- (i) on 12 July 2023, Unilogix (Yangling) Supply Chain Co., Ltd. (网营物联（杨凌）供应链有限公司) (“**Unilogix Yangling**”), an affiliate of the Sponsor in which the Sponsor owns (directly and indirectly) 40.594% equity interest, had entered into a loan agreement with the Yangling Demonstration Zone Branch of Chang'an Bank Co., Ltd. (the “**Yangling Lender**”), for the principal amount of RMB 300 million (the “**Yangling Loan**”);
- (ii) in connection with the Yangling Loan, in addition to certain mortgages in favour of the Yangling Lender over the land and construction-in-progress of Unilogix Yangling, several parties, including the Sponsor, Mr Zhang Guobiao and Mr Zhang Zhangsheng, provided joint guarantees in respect of the payment obligations of Unilogix Yangling under the Yangling Loan;
- (iii) as Unilogix Yangling had failed to fulfil its repayment obligations under the Yangling Loan, the Yangling Lender had on 8 May 2024 filed for an enforcement case against various parties (including the Sponsor, Mr Zhang Guobiao and Mr Zhang Zhangsheng) for the repayment of the outstanding principal amount of RMB 298,250,000 under the Yangling Loan as well as the accrued interests, legal fees, overdue interest and other related expenses (“**Yangling Enforcement Proceedings**”); and

¹ Mr Zhang Guobiao owns 80.0% of the equity interest of the Sponsor, which in turn has a deemed interest in approximately 43.793% of the total number of ECW units (“**Units**”) in issue. Mr Zhang Guobiao is the legal representative and chairman of the Sponsor, and also holds the position of chairman and non-executive director of the Manager.

² Mr Zhang Zhangsheng owns 20.0% of the equity interest of the Sponsor, which in turn has a deemed interest in approximately 43.793% of the total number Units in issue. Mr Zhang Zhangsheng is the chief executive officer of the Sponsor.

- (iv) pursuant to the Yangling Enforcement Proceedings, the CROs were issued against Mr Zhang Guobiao and Mr Zhang Zhangsheng, which effectively restrict them from high-level consumption as well as other consumption not necessary for their livelihood and work.

3. IMPACT ON ECW

In the Sponsor Letter, the Sponsor stated that its view is that notwithstanding the foregoing, (i) the debtors under the Yangling Loan have provided sufficient security (including the land mortgage, the mortgage over certain construction-in-progress and an equity pledge) under the Yangling Loan; and (ii) accordingly, the Yangling Enforcement Proceedings (including the CROs imposed on Mr Zhang Guobiao) should not result in any change of control in ECW at this juncture.

In addition, according to the Sponsor Letter, (a) Unilogix Yangling, the Sponsor, Mr Zhang Guobiao and Mr Zhang Zhangsheng are actively negotiating with the Yangling Lender on possible settlement plans; and (b) in the event the Yangling Enforcement Proceedings cannot be resolved among the relevant parties or there is a deterioration in the creditworthiness of the Sponsor, this may result in further lawsuits being filed, although the Sponsor is of the view that the current situation should not result in any change of control in ECW at this juncture.

The board of directors of the Manager will provide unitholders of ECW 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 stockbrokers, bank managers, solicitors or other professional advisers 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 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
27 May 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 of ECW ("**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 ECW 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 ECW is not necessarily indicative of the future performance of ECW.

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.