NEWS RELEASE

EC World REIT Reported Lower Operating Performance in 1HFY2025

- *PRC property companies continue to generate positive operating cashflow*
- *Trading suspension of the Units extended further to 30 November 2025*
- *No distribution for 1HFY2025*
- *Aggregate leverage increased to 72.4% as at 30 June 2025 due to decline in valuations*

Summary of Results:

	2QFY2025 S$'000	2QFY2024 S$'000	Change YoY%	1HFY2025 S$'000	1HFY2024 S$'000	Change YoY%
Gross Revenue	9,885	25,937	(61.9)	22,564	51,233	(56.0)
Net Property Income ("**NPI**")	7,938	23,881	(66.8)	18,721	47,192	(60.3)
Calculated Distribution to Unitholders[1]	-	6,212	n.m.	-	13,532	n.m.
Calculated DPU (Cents)[1]	-	0.767	n.m.	-	1.671	n.m.

Singapore, 13 August 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 half of 2025 (**"1HFY2025"**) operating performance across its portfolio. Gross revenue and NPI in RMB terms were 56.0% and 60.3% lower compared to 1HFY2024, 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 2HFY2025. 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.

As of 30 June 2025, after utilisation of the security deposits totalling RMB345.1 million (S$61.5 million) for master leases, 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 RMB321.1 million (S$57.2 million) with RMB234.4 million (S$41.8 million) of the receivables represents the rent receivables under the master leases, while the balance RMB86.7 million (S$15.4 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 ECW's payables to the Sponsor Group since 2024. As the Sponsor and its 68 related parties (the "**Sponsor Entities**") have been consolidated into one single reorganisation arrangement, to protect unitholders' interest, the Manager has instructed People's Republic of China ("**PRC**") legal counsel ("**PRC Counsel**") to assist in the debt claim submission as part of processes to reach a global settlement solution with the Sponsor via its Administrator.

Finance costs of S$21.2 million were S$1.7 million or 7.5% lower compared to 1H2024 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 30 June 2025 to 8.6%, from 7.1% in the corresponding period.

Mr Goh Toh Sim, Executive Director and CEO of the Manager, said, "on semi-annual basis, the revenue in RMB terms was 54.0% lower compared to 1HFY2024 mainly due to termination of master leases. The Manager has been continuing to negotiate with the Sponsor to resolve the outstanding receivables and will endeavour to resolve with the Sponsor via its Administrator with PRC Counsel's assistance.

The Manager remains focused to actively explore options to divest some or all of the Group's properties to pare down existing loan 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

As announced on 4 August 2025, the People's Court of Fuyang District, Hangzhou City, Zhejiang Province (the "**Fuyang Court**") has ruled on 28 July 2025 that the Sponsor Entities would be consolidated into one single reorganisation arrangement (the "**Reorganisation**").

There is uncertainty as to whether the above-mentioned Reorganisation will be successful in the future. If the Reorganisation is implemented and completed in the future, there is no certainty or assurance that the Reorganisation will not involve a change in control in respect of EC World REIT.

Update on 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 appeal case to revoke the Outstanding Relevant Mortgage ("**Mortgage Revocation Lawsuits**") has been filed by the Group to the relevant court in the PRC on the advice and recommendation of itsPRC counsel. The maximum financial risk exposure is estimated to be RMB268.6 million (S$47.8 million).

Capital and Debt Structure

As at 30 June 2025, the current liabilities of the Group and ECW exceeded the current assets by S$565.8 million and S$115.3 million respectively. The Group's current liabilities include bank borrowings of S$462.6 million comprising S$341.0 million of offshore loans (the "**Offshore Facility**") and S$121.6 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 72.4% as at 30 June 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 30 June 2025 was 8.6% 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

While in the first half of 2025, China's gross domestic product (GDP) grew by 5.3% year-on-year, primarily driven by fast growing manufacturing activity[2], it is unclear whether China GDP will continue this trend in the second half of 2025.

Investment in real estate sector in China fell 11.2% year-on-year in the first half of 2025[3] and the Manager foresees that the real estate sector in China will remain challenging.

The introduction of new U.S. tariffs in early April 2025 slowed down the expansion by cross-border e-commerce but domestic e-commerce was boosted by the "old for new" government stimulus policies with sales of home appliances, furniture and electronic goods increased by over 20% y-o-y for the six months in 2025 signified the switch in e-commerce logistics property demand from externally focus to domestic use. As a result, the logistics demand surged in the first half of 2025. However, there was no immediate impact on the rental of logistics property as landlords in China especially in eastern China sought to attract new tenants through reduction in rental. Subsequently, with vacant logistics property supply in eastern China including Hangzhou thinning out, the rental decline is not expected to face significant downward pressure[4] in the foreseeable future.

[2] https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html
[3] https://www.stats.gov.cn/english/PressRelease/202507/t20250715_1960408.html
[4] https://mktgdocs.cbre.com/2299/c08a5399-4c11-4450-a9dd-fd89ab0151d8-1697551567/2025_China_Logistics_Market_Ou.pdf

As of 30 June 2025, EC World REIT continues to face significant financial and cash flow challenges. Due to insufficient funds, 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.

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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 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.

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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.