



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

ANNOUNCEMENT

UPDATE TO UNITHOLDERS ON COVID-19 SITUATION

EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust (“**EC World REIT**” and as manager of EC World REIT, the “**Manager**”), would like to update unitholders of EC World REIT (“**Unitholders**”) on the COVID-19 situation in the People’s Republic of China (“**PRC**”) and the steps taken by the Manager to mitigate its impact on the portfolio of EC World REIT.

Situation in the PRC

Since the announcement dated 29 January 2020 and the 4Q2019 financial results announcement dated 27 February 2020, where the Manager provided Unitholders with updates on EC World REIT’s operation in the PRC, the COVID-19 situation has been declared as a pandemic by the World Health Organisation and has spread to countries outside of the PRC. As part of the PRC Government’s strategy to contain the spread of COVID-19, China’s State Council announced an extension of the Spring Break Holiday to 2 February 2020 while the Zhejiang Provincial Government further prolonged the holiday to 8 February 2020¹. As a result, tenants’ operations at EC World REIT’s Hangzhou assets experienced a slowdown due to a shorter operational period and a shortage of employees resulting from the extended Spring Break Holiday, the need to seek the relevant authorities’ approval for the resumption of operations and the compulsory quarantine period for returning workers imposed by the government.

Wuhan, in Hubei Province, was under a lockdown with restricted access in and out of the city beginning from 23 January 2020. Such measure by the PRC Government has negatively impacted the operations of Wuhan Meilute, as tenants were not able to continue with operations as a result of the lockdown until 22 March 2020 when the Hubei Provincial Government allowed companies to apply for the resumption of operations and for Wuhan residents to return to work subject to the provision of a health declaration.

1 Source: http://www.gov.cn/zhengce/content/2020-01/27/content_5472352.htm and <https://www.chinabriefing.com/news/china-extends-lunar-new-year-holiday-february-2-shanghai-february-9-contain-coronavirus-outbreak/>

The Manager believes that more time will be needed for EC World REIT's assets to resume at full operational capacity and for business demand to return to pre COVID-19 levels given the significant uncertainty of the global COVID-19 situation.

Rental Rebates

In view of the foregoing and due to a significant number of tenants (and in the case of assets under a master lease arrangement, the underlying tenants) facing difficulties and a significant loss of income, they have requested for rental rebates. Other property owners in China also receive request for rental rebates from their tenants and many have granted rental rebates. The Manager would be providing tenants' cash rental rebates (the "**Rental Rebates**") amounting to approximately RMB 23.7 million to tenants within its portfolio in efforts to mitigate the adverse impact of the current COVID-19 situation on tenants' operations. The Manager expects the Rental Rebates to be one-off in nature, barring any further unforeseen material deterioration of the COVID-19 situation in China. Any rental rebate provided to Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT (the "**Sponsor**") or tenants related to the Sponsor such as its wholly-owned subsidiaries, would be regarded as interested person transactions ("**IPT**"). As such, the amount of Rental Rebates regarded as IPTs is RMB 20,443,496 which represents 0.6% of EC World REIT's latest net tangible assets.

The Manager would also like to assure Unitholders that all financial covenants under EC World REIT's onshore and offshore facilities will continue to be fully complied with as a result of the provision of the Rental Rebates.

Directors and Management Pay-Cut

As a show of togetherness and solidarity with its stakeholders, key management personnel (i.e. Chief Executive Officer, Chief Investment Officer and Deputy Chief Financial Officer) of the Manager will be taking a 10% reduction in remuneration for the 3-month period from April 2020 to June 2020. Similarly, fees for board directors of the Manager will also be reduced by 10% for the 3-month period from April 2020 to June 2020.

Amidst the evolving COVID-19 situation, the Manager will continue to work closely with the tenants to mitigate the negative impact and will provide Unitholders with further updates as and when any material developments arise.

By Order of the Board
EC WORLD ASSET MANAGEMENT PTE. LTD.
(as manager of EC World Real Estate Investment Trust)
(Company registration number: 201523015N)

Goh Toh Sim
Executive Director and Chief Executive Officer

3 April 2020

Important Notice

The value of 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 or any of its affiliates. An investment in 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.

This document 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 document 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 (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.