



EC WORLD REAL ESTATE INVESTMENT TRUST

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

WAIVER OF LATE RENTAL PAYMENT PENALTY

EC World REIT Asset Management Pte Ltd, as the manager (the “**Manager**”) of EC World Real Estate Investment Trust (the “**EC World REIT**”), wishes to announce that the late rental payment penalty (the “**Late Fees**”) incurred by the master lessees (the “**Master Lessees**”) of Chongxian Port Investment, Stage 1 Properties of Bei Gang Logistics, Fu Heng Warehouse and Fuzhou E-Commerce (the “**Properties**”) (all of which are wholly-owned subsidiaries of Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT) under the terms of the respective master lease agreements in the financial year ended 31 December 2020 shall be waived.

The waiver of Late Fees has been granted in view of the global coronavirus pandemic which has adversely affected the Master Lessees’ cashflow as a significant number of underlying tenants of the Properties faced cashflow and operating challenges and had difficulties in fulfilling their payment obligations promptly.

In approving the waiver of Late Fees, the board of directors of the Manager took into account that:

- (i) Security deposits for the Properties have been paid in cash and EC World REIT is able to rely on this to minimise any credit risk arising from the master lease agreements;
- (ii) As opined by PRC Counsel (King & Wood Mallesons), late payment interest rate under the master lease agreements for Chongxian Port Investment, Stage 1 Properties of Bei Gang Logistics and Fu Heng Warehouse is punitively high by market standards;
- (iii) The Master Lessees have been making rental payments periodically and therefore, EC World REIT continues to be able to fund all of its distributions to unitholders and satisfy all of its financial covenants and obligations;
- (iv) All rental receivables owed to EC World REIT by the Master Lessees as of 31 December 2020 have been paid up;

The Late Fees amount to S\$10,998,556 which represents approximately 1.61% of EC World REIT's net tangible assets as at 31 December 2020. Notwithstanding the waiver of Late Fees, the Manager is of the view that there is no material risk of default from the Master Lessees in making payment of rental fees in full which may materially affect the operations of EC World REIT or its ability to meet its distribution and financial obligations.

By Order of the Board

Goh Toh Sim

Executive Director and Chief Executive Officer

EC World Asset Management Pte. Ltd.

(Company Registration No. 201523015N)

As manager of EC World Real Estate Investment Trust

Date: 12 March 2021

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, DBS Trustee Limited (as trustee of EC World REIT), or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase 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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

This announcement may contain forward-looking statements that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of EC World REIT. The forecast financial performance of EC World REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.