

CIRCULAR DATED 16 AUGUST 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 16 August 2023 (“Circular”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in EC World Real Estate Investment Trust (“EC World REIT” or “ECW”, and the units in EC World REIT, the “Units”), you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting (the “EGM”) and the accompanying Proxy Form (as defined herein)) may be accessed at EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/circular.html>, and is also available on SGXNET at the URL www.sgx.com/securities/company-announcements.



EC World
运通网城 REIT

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

MANAGED BY

EC World Asset Management Pte. Ltd.

(Company Registration No. 201523015N)

**CIRCULAR TO UNITHOLDERS IN RELATION TO
THE SUPPLEMENTARY AGREEMENT IN RESPECT OF THE PROPOSED
DIVESTMENT OF STAGE 1 PROPERTIES OF BEIGANG LOGISTICS AND
CHONGXIAN PORT LOGISTICS**

**Independent Financial Adviser to the Audit and Risk Committee and the
Independent Directors of the Manager and to the Trustee**



PROVENANCECAPITAL

Provenance Capital Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200309056E)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS OF EC WORLD REIT

Last date and time for lodgement of Proxy Forms	:	Monday, 4 September 2023 at 10.00 a.m. (Singapore time)
Date and time of EGM ⁽¹⁾	:	Thursday, 7 September 2023 at 10.00 a.m. (Singapore time)
Place of EGM ⁽¹⁾	:	Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

Note:

- (1) The EGM will be held in a wholly physical format and Unitholders will be able to attend the EGM in person. **There will be no option for Unitholders to participate virtually.** (See paragraph 14 of the Letter to Unitholders and the Notice of EGM for further details.) EC World Asset Management Pte. Ltd., as manager of EC World REIT (the “Manager”), may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/egm2023.html> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.

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CORPORATE INFORMATION

Directors of the Manager (the “Directors”)	:	Mr Zhang Guobiao (Chairman and Non-Executive Director) Mr Chan Heng Wing (Independent Non-Executive Director and Lead Independent Director) Dr David Wong See Hong (Independent Non-Executive Director) Mr Chia Yew Boon (Independent Non-Executive Director) Mr Li Guosheng (Independent Non-Executive Director) Mr Goh Toh Sim (Executive Director and Chief Executive Officer)
Registered Office of the Manager	:	6 Shenton Way #41-03 OUE Downtown 1 Singapore 068809
Trustee of EC World REIT (the “Trustee”)	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Manager as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager as to the People’s Republic of China (“PRC”) Law	:	King & Wood Mallesons 17th Floor, One ICC Shanghai ICC 999 Middle Huai Hai Road Xuhui District Shanghai 200031, PRC
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Financial Adviser to the Audit and Risk Committee and the Independent Directors of the Manager and to the Trustee (the “IFA”)	:	Provenance Capital Pte. Ltd. 96 Robinson Road #13-01 SIF Building Singapore 068899

Independent Valuers (the “Independent Valuers”) : Colliers Appraisal & Advisory Services Co., Ltd.
 (“**Colliers**”) (appointed by the Trustee)
 Suite 507, Block A Gemdale Plaza
 No. 91 Jianguo Road, Chaoyang District, Beijing

Jones Lang LaSalle Corporate Appraisal and Advisory
 Limited (“**JLL**”) (appointed by the Manager)
 7/F, One Taikoo Place
 979 King’s Road, Hong Kong SAR

**Unit Registrar and Unit
 Transfer Office** : Boardroom Corporate & Advisory Services Pte. Ltd.
 1 Harbourfront Avenue
 #14-07 Keppel Bay Tower
 Singapore 098632

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 68 to 77 of this Circular.

*For illustrative purposes, certain RMB and USD amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rates of RMB1.00 = S\$0.1934¹ and US\$1.00 = S\$1.3270 (together, the “**Illustrative Exchange Rates**”). Such translations should not be construed as representations that the RMB or USD amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all and vice versa.*

ABOUT EC WORLD REIT

Listed on the SGX-ST on 28 July 2016, EC World REIT is a Singapore logistics real estate investment trust established with an investment strategy of investing 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. As at 8 August 2023, being the latest practicable date prior to the issuance of this Circular (the “**Latest Practicable Date**”), EC World REIT’s portfolio consists of seven quality properties (each, a “**Property**”, and collectively, the “**Properties**”) located in the PRC within the largest e-commerce clusters of Hangzhou in the Yangtze River Delta and Wuhan.

EC World REIT is managed by EC World Asset Management Pte. Ltd. (“**ECWAM**”), which is an indirect wholly-owned subsidiary of Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT (the “**Sponsor**”). Established in 1992, the Sponsor is a Shanghai-based conglomerate with businesses in the supply chain, intelligent manufacturing, medical care and healthcare, finance and other sectors. The Sponsor holds all its Units, directly and indirectly, through its wholly-owned subsidiary, Forchn International Pte. Ltd. (“**FIPL**”).

SUMMARY OF THE SUPPLEMENTARY AGREEMENT

On 30 September 2022, EC World REIT, through its wholly-owned subsidiary incorporated in Singapore, Richwin Investment Pte. Ltd. (the “**Vendor**”), entered into an equity purchase agreement (the “**Equity Purchase Agreement**”) with Hangzhou Futou Beigang Enterprise Management Co., Ltd. (“**HFBEEM**”), FIPL (and together with HFBEEM, the “**Purchasers**”) and the Sponsor, pursuant to which EC World REIT would divest its 100.0% indirect interests in Stage 1 Properties of Bei Gang Logistics, located at Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC (“**Beigang Logistics Stage 1**”), and Chongxian Port Logistics, located at No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC (“**Chongxian Port Logistics**”, and together with Beigang Logistics Stage 1, the “**Divestment Properties**”). The Purchasers are wholly-owned subsidiaries of the Sponsor.

The above-mentioned divestment was approved by Unitholders at the extraordinary general meeting of Unitholders held on 16 December 2022.

On 30 January 2023, the Vendor, the Sponsor and the Purchasers (collectively, the “**Parties**”) entered into a supplementary agreement to amend the Equity Purchase Agreement to extend the long-stop date for the divestment.

¹ Based on the exchange rate as at 31 March 2023.

On 9 July 2023, the supplementary agreement (the “**Supplementary Agreement**”) to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) was entered into for purposes of amending the terms of the divestment (the resulting divestment, the “**Proposed Divestment**”). The Supplementary Agreement states that it shall take effect only upon the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date (as defined herein)) being obtained at an extraordinary general meeting.

The Supplementary Agreement provides for, among others, (i) the Long-Stop Date Extension (as defined herein); (ii) the flexibility of a two-stage completion process (“**Two-Stage Completion**”) if the Vendor and the Purchasers provide their respective mutual consent in accordance with the Supplementary Agreement; (iii) the revised agreed property values of the Divestment Properties (the “**Revised Agreed Property Values**”), which have increased from their agreed property values under the Equity Purchase Agreement dated 30 September 2022 (as disclosed in the circular to Unitholders dated 24 November 2022 in relation to the divestment (the “**2022 Circular**”)); and (iv) the revised Relevant Mandatory Prepayment Amount (as defined herein). For the avoidance of doubt, the equity consideration for the Proposed Divestment remains fixed at RMB1,370,000,000 (the “**Equity Consideration**”).

Pursuant to the Supplementary Agreement, the Vendor, the Purchasers, the Sponsor and Hangzhou Bei Gang Logistics Co., Ltd.² (“**Hangzhou Beigang**”, together with the Vendor, the Purchasers and the Sponsor, the “**Relevant Parties**”) have agreed for the long-stop date under the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) to be amended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the Monetary Authority of Singapore (the “**MAS**”) and the independent Unitholders (the “**Long-Stop Date**”, and the extension of the Long-Stop Date pursuant to the Supplementary Agreement, the “**Long-Stop Date Extension**”).

The Manager understands from the Purchasers and the Sponsor that they require the Long-Stop Date Extension in order to complete the divestment because:

- (a) as of the Latest Practicable Date, out of the Equity Consideration of RMB1,370,000,000, a total of RMB333,028,995³ has been prepaid to the Vendor by the Sponsor group, and in order to proceed with the completion of the divestment, the Purchasers will need to obtain sufficient financing so as to be able to pay the outstanding balance of RMB1,036,971,005 to the Vendor on Completion⁴;
- (b) the Purchasers are still in the process of obtaining the relevant credit approvals from a group of PRC lenders in relation to their financing for the divestment, and are unable to complete the divestment at this juncture;

2 Hangzhou Beigang, which is a wholly-owned subsidiary of EC World REIT, currently holds (directly or indirectly) 100.0% of the interests in the Divestment Properties, with its ownership of Chongxian Port Logistics held through its 100.0% equity interests in Hangzhou Chongxian Port Logistics Co., Ltd. (“**Chongxian Logistics**”, together with Hangzhou Beigang, the “**Target Companies**”) pursuant to the completion of the Internal Restructuring (as defined herein) announced by the Manager on 9 April 2023. On Completion (as defined herein), 100.0% of the equity interests in Hangzhou Beigang would be divested by the Vendor to the Purchasers, and 100.0% of the interests in the Divestment Properties would have been divested to the Purchasers.

3 Calculated based on the exchange rate of RMB1.00 = S\$0.1933 as at 30 December 2022, the exchange rate of RMB1.00 = S\$0.1945 as at 4 January 2023, the exchange rate of RMB1.00 = US\$0.1442 as at 28 February 2023 and the exchange rate of RMB1.00 = US\$0.1435 as at 10 March 2023, being the dates on which the respective prepayments of the Equity Consideration were made by the Sponsor group.

4 “**Completion**” means the completion of the Proposed Divestment pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement).

- (c) the Manager understands from the Purchasers and the Sponsor that (i) the Purchasers' financiers will be able to finalise their internal approval process only after they are updated of Unitholders' approval of the Supplementary Agreement having been obtained at the EGM; and (ii) the Purchasers and the Sponsor are actively working with the financiers on the acquisition financing with a view to potentially securing the credit approvals by the end of September 2023; and
- (d) following the receipt of Unitholders' approval at the EGM, the Purchasers will require approximately one month for the fulfilment of the various conditions precedent to the drawdown of their acquisition loan.

The Manager's reasons for allowing the terms in the Supplementary Agreement in relation to the Long-Stop Date Extension, the flexibility for the Relevant Parties to proceed with the Two-Stage Completion, the Revised Agreed Property Values and the Relevant Mandatory Prepayment Amount are as follows:

(i) **Long-Stop Date Extension**

- (a) The Purchasers and the Sponsor have advised the Manager that they are unable to complete the divestment at this juncture as they have not secured the requisite financing for divestment (see the reasons set out above);
- (b) the Long-Stop Date Extension will provide the Purchasers with the opportunity to complete the divestment and make full payment to the ECW Group⁵ of the Equity Consideration pursuant to the divestment, allowing the ECW Group to fulfil its repayment obligations, among others, under the ECW Group's financing arrangements, which would require the ECW Group to repay at least S\$75,465,424⁶ ("**Minimum Mandatory Repayment**") by the Divestment Longstop Date (as defined herein). The Long-Stop Date Extension is beneficial in providing more time for the Completion of the Proposed Divestment which increases the likelihood that the ECW Group would be able to avoid a potential default on such financing obligations;
- (c) the Sponsor has continued to demonstrate its support for EC World REIT by working closely together with the Manager to engage the lenders in relation to EC World REIT's refinancing exercise which has been completed as announced by the Manager on 6 June 2023;
- (d) EC World REIT will continue to receive income from the Divestment Properties, pending their transfer to the Purchasers pursuant to Completion of the Proposed Divestment; and
- (e) the Proposed Divestment provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders, as explained under paragraph 3 of the Letter to Unitholders below.

5 "ECW Group" means the the Vendor, its subsidiaries, EC World REIT and other entities under the same control of EC World REIT from time to time which, for the avoidance of doubt, shall include the Target Companies before Completion.

6 Calculated based on the Illustrative Exchange Rates as at 31 March 2023.

(ii) **Flexibility to proceed to Two-Stage Completion**

The Manager is of the view that it would be beneficial to ECW and its Unitholders for the Supplementary Agreement to provide for the flexibility of a Two-Stage Completion taking into account the following factors:

- (a) the flexibility for the Relevant Parties to proceed with the Two-Stage Completion would potentially allow the Purchasers to provide the first tranche of the divestment proceeds to the ECW Group earlier (as part of Completion Stage One (as defined herein)), thereby increasing the likelihood that the ECW Group will be able to partially repay its loans earlier; and
- (b) the Manager understands from the Purchasers that the flexibility to proceed with the Two-Stage Completion could potentially help to facilitate the Purchasers in securing their financing for the Proposed Divestment.

(iii) **Revised Agreed Property Values**

The Revised Agreed Property Values set out in the Supplementary Agreement have increased from the agreed property values set out in the 2022 Circular so that the Parties are able to fix the Equity Consideration at RMB1,370,000,000 notwithstanding the decrease in the net asset values (“NAV”) (excluding the book values of the Divestment Properties) of the Target Companies⁷ from 30 June 2022⁸ to 31 March 2023, such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration, based on the Revised Agreed Property Values.

Accordingly, pursuant to the Supplementary Agreement:

- (a) the Revised Agreed Property Value of Chongxian Port Logistics is RMB824.4 million, up from RMB820.1 million set out in the 2022 Circular; and
- (b) the Revised Agreed Property Value of Beigang Logistics Stage 1 is RMB1,217.4 million, up from RMB1,212.6 million set out in the 2022 Circular.

Accordingly, each of the Divestment Properties will be sold at a Revised Agreed Property Value which is not less than the lower of the two 2023 Independent Valuations⁹ (as defined herein) for that Divestment Property, in compliance with paragraph 5.1(d) of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the “**Property Funds Appendix**”). Further, based on the 2023 Independent Valuations, the updated valuations of the two Divestment Properties will be slightly lower than their respective 2022 Independent Valuations (as defined herein). In view of the foregoing, the Manager is of the view that it is in the interests of ECW and its Unitholders for the Equity Consideration to remain fixed at RMB1,370,000,000.

⁷ Such decrease in the NAV of the Target Companies was due to net effect of dividends of approximately RMB88.4 million made by the Target Companies to their respective holding companies within the ECW Group to offset the net income of approximately RMB79.3 million derived by the Target Companies in the ordinary course of business such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration based on the Revised Agreed Property Values.

⁸ The Equity Consideration of RMB1,370,000,000 took into account the NAV of the Target Companies as at 30 June 2022 and the 2022 Independent Valuations as at 30 June 2022. Please refer to paragraph 2.1(iii) of the Letter to Unitholders for further details on the Equity Consideration and the Revised Agreed Property Values and paragraph 2.3 of the Letter to Unitholders for further details on the 2022 Independent Valuations.

⁹ Please refer to paragraph 2.3 of the Letter to Unitholders for further details on the valuations.

The table below sets out relevant information concerning the Revised Agreed Property Value and the Equity Consideration attributable to each of the Divestment Properties.

Divestment Property	Revised Agreed Property Value (RMB' million)	Equity Consideration (RMB' million)
Beigang Logistics Stage 1	1,217.4	600.0
Chongxian Port Logistics	824.4	770.0
Total	2,041.8	1,370.0

(iv) **Relevant Mandatory Prepayment Amount**

The amount which the ECW Group is mandatorily required to repay its lenders on completion of the divestment of the Divestment Properties has been updated based on the onshore facilities and offshore facilities entered into by the ECW Group by 31 May 2023 (collectively, the “**Facilities**”)¹⁰ in connection with the refinancing of the outstanding loans granted under the Existing Offshore Bank Loans¹¹ and the Existing Onshore Bank Loans¹².

Accordingly, pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the term “**Relevant Mandatory Prepayment Amount**” to be amended to mean, in respect of the Transaction¹³, an amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Under the terms of the Proposed Divestment, the Vendor is obligated to procure that, among others, an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on, as the case may be, the date of Completion (for the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent (as defined herein) to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of the Letter to Unitholders, this would be the Completion Stage Two Date (as defined herein)) (the “**Completion Date**”) or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Please refer to paragraph 4.5 of the Letter to Unitholders below for details.

10 The Facilities were drawn down on 31 May 2023, and the above-mentioned refinancing was fully completed on 6 June 2023. Please refer to the Manager’s announcements dated 31 May 2023 and 6 June 2023 for further details.

11 “**Existing Offshore Bank Loans**” means all outstanding amounts as at 31 May 2023 pursuant to an offshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between ECW Treasure Pte. Ltd. (“**ECW Treasure**”), Zhejiang Fuzhou E-Commerce Co., Ltd. (“**FZDS**”) and various banks coordinated by DBS Bank Ltd. and United Overseas Bank Limited.

12 “**Existing Onshore Bank Loans**” means all outstanding amounts as at 31 May 2023 pursuant to an onshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between certain wholly-owned subsidiaries of EC World REIT, being Hangzhou Chongxian Port Investment Co., Ltd. (“**Chongxian Investment**”), Hangzhou Beigang, Zhejiang Hengde Sangpu Logistics Co., Ltd. (“**Hengde Sangpu**”) and FZDS and various banks coordinated by DBS Bank (China) Limited Hangzhou Branch and United Overseas Bank (China) Limited Hangzhou Branch.

13 “**Transaction**” means, collectively, the sale and purchase of the equity interests in Hangzhou Beigang (“**Target Equity Interests**”) pursuant to the Equity Purchase Agreement (as amended) and other transactions contemplated by the Equity Purchase Agreement (as amended).

BACKGROUND ON THE PROPOSED DIVESTMENT

On 1 June 2022, the Manager made an announcement in relation to, among others, the extension of the maturity date of the Existing Offshore Bank Loans to the earlier of (i) the earliest maturity date of the Existing Onshore Bank Loans and (ii) 30 April 2023. In connection with the extension of the maturity date of the Existing Offshore Bank Loans, the Sponsor provided an undertaking dated 31 May 2022 to the relevant lenders of the Existing Offshore Bank Loans (the “**Offshore Undertaking**”) that it will:

- (a) procure that the exercise of refinancing of the Existing Offshore Bank Loans is commenced immediately; and
- (b) by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Offshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the “**Mandatory Offshore Repayment**”).

Further to the Offshore Undertaking, the Manager had on 13 June 2022 announced its entry into a non-binding memorandum of understanding with FIPL, to explore the potential divestment of the Divestment Properties (the “**Non-Binding MOU**”). The target properties under the potential divestment are the Divestment Properties, namely Beigang Logistics Stage 1 and Chongxian Port Logistics, as these are the properties that the Sponsor has indicated its interest to acquire in connection with the Non-Binding MOU.

On 29 June 2022, the Manager announced, among others, the extension of the maturity date of the Existing Onshore Bank Loans (save for a RMB63,749,144¹⁴ portion of the Existing Onshore Bank Loans which would expire in July 2029) to 30 April 2023. In connection with the extension of the maturity date of the Existing Onshore Bank Loans, the Sponsor has provided an undertaking dated 28 June 2022 to the relevant lenders of the Existing Onshore Bank Loans (the “**Onshore Undertaking**”) that it would:

- (i) procure that the exercise of refinancing of the Existing Onshore Bank Loans is commenced immediately; and
- (ii) by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Onshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the “**Mandatory Onshore Repayment**”).

On 30 September 2022, EC World REIT, through the Vendor, entered into the Equity Purchase Agreement with the Purchasers and the Sponsor, pursuant to which EC World REIT will divest its 100.0% indirect interests in the Divestment Properties.

On 24 November 2022, the Manager issued the 2022 Circular to Unitholders in relation to the proposed divestment of the Divestment Properties pursuant to the Equity Purchase Agreement setting out, among others, the terms and conditions of such divestment.

On 16 December 2022, Unitholders approved the divestment pursuant to the Equity Purchase Agreement at an extraordinary general meeting.

¹⁴ Based on the amount as at 30 June 2022.

As mentioned in the 2022 Circular, the Equity Purchase Agreement had stated that completion of the divestment was to take place on the date falling six Business Days¹⁵ after the Record Date¹⁶, and at such location, as may be agreed in writing between the Parties, and in any event, no later than the long-stop date of 31 January 2023 or such other date as may be agreed among the Parties.

Additionally, completion of the divestment under the Equity Purchase Agreement is subject to and conditional upon satisfaction or waiver (as the case may be) of the following Conditions (as defined herein) no later than the Record Date, and in the case of the Conditions in paragraphs (v), (vi) and (vii) below only, no later than the Completion Date, the Completion Stage One Date (as defined herein) or the Completion Stage Two Date (as applicable):

- (i) the delivery of the opinion of the independent financial advisor to the Audit and Risk Committee of the Manager (the “**Audit and Risk Committee**”) and the independent Directors of the Manager (the “**Independent Directors**”) in relation to the divestment (including the arrangement with respect to the Promissory Notes (as defined herein) (the “**Promissory Notes Arrangement**”), meeting the requirements under Rule 921(4) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), and satisfactory to the Vendor;
 - (ii) the approval by Unitholders for the divestment at the extraordinary general meeting;
 - (iii) the receipt of all consents, waivers, confirmations and approvals as may be necessary by the Vendor’s Group for the Transaction under the existing banking facilities of the Vendor’s Group from the existing lenders of the Vendor’s Group;
 - (iv) the completion of the transfer of Chongxian Investment’s 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang (the “**Internal Restructuring**”);
 - (v) there being no objection from the SGX-ST and/or the MAS in relation to the Transaction (including the Transaction Financing and the Promissory Notes Arrangement);
 - (vi) there having been no Material Adverse Change¹⁷ between the date of the Equity Purchase Agreement and the date of completion of the divestment; and
 - (vii) the fundamental warranties set out in the Equity Purchase Agreement remaining true and accurate and not misleading on the date of completion of the divestment,
- (collectively, the “**Conditions**” and each a “**Condition**”).

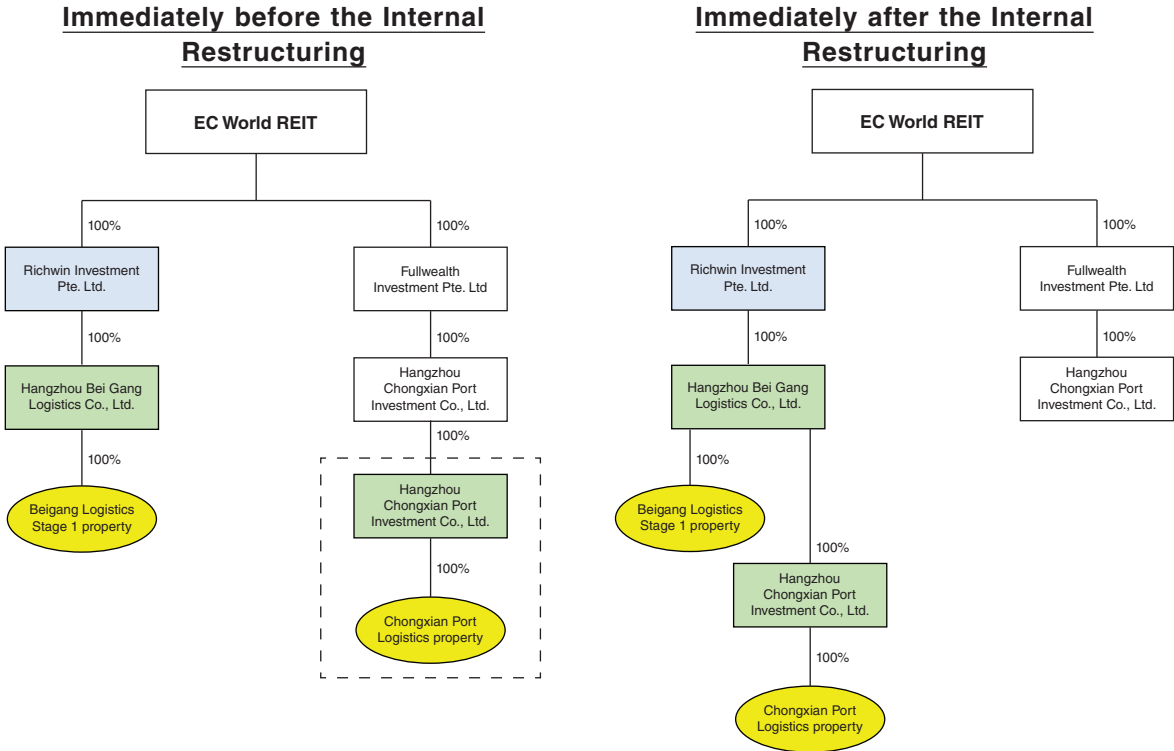
15 “**Business Day**” means a day which is not a Saturday, a Sunday or a public holiday in Singapore or the PRC.

16 “**Record Date**” means the date on which Hangzhou Beigang first issues a drawdown request at the request of the Purchasers for the purposes of drawing (whether partially or in full) on the loans under the onshore tranche of financing which may be entered into by the Target Companies for the purpose of repaying part of the existing banking facilities of the Vendor’s Group (which shall comply with the Agreed Financing Principles (as set out in Appendix D of this Circular)) (the onshore tranche of financing, the “**Transaction Financing**”). “**Vendor’s Group**” means the Vendor and its subsidiaries from time to time and shall include the Target Companies before completion of the Proposed Divestment. “**Agreed Financing Principles**” means the financing principles as set out in the Equity Purchase Agreement which shall govern, among others, the Transaction Financing. For further details on the Transaction Financing, please refer to paragraph 6 of Appendix C of this Circular.

17 “**Material Adverse Change**” means any event that has, or would have, a material adverse effect on the business, results of operations, financial condition or the assets of (a) any one or more of the Target Companies resulting in a diminution in the value of the Divestment Property(ies) exceeding the threshold(s) set out in the Equity Purchase Agreement; or (b) any one Target Company resulting in a diminution in the value of the Divestment Property of such Target Company in the amount exceeding the threshold(s) set out in the Equity Purchase Agreement, in each case, in accordance with the terms set out in the Equity Purchase Agreement.

The Conditions in paragraphs (i), (ii), (iii) and (iv) above have been satisfied as at the Latest Practicable Date. The Conditions in paragraphs (v), (vi) and (vii) may only be satisfied as at the Completion Date, the Completion Stage One Date or the Completion Stage Two Date (as applicable).

In relation to the Condition in paragraph (iv) above, the Internal Restructuring was completed on 9 April 2023¹⁸ which had resulted in Hangzhou Beigang owning 100.0% of the equity interests in Chongxian Logistics, which in turn owns Chongxian Port Logistics. Accordingly, Hangzhou Beigang currently owns both Chongxian Port Logistics and Beigang Logistics Stage 1 (whether directly or indirectly), as shown in the diagram below:



Note: The above charts focus only on the relevant entities involved in the Proposed Divestment.

Although the above-mentioned Conditions have been satisfied, completion of the divestment has not yet taken place as the Manager understands from the Purchasers and the Sponsor that they have yet to secure the requisite financing for the divestment.

In connection with the Equity Purchase Agreement:

- (a) the Parties had on 30 January 2023 entered into a supplementary agreement to amend the Equity Purchase Agreement to extend the long-stop date from 31 January 2023 (or such other date as may be agreed among the Parties) to 28 February 2023 (or such other date as may be determined by the Vendor); and
- (b) between 30 January and 30 May 2023, the long-stop date was extended a number of times by way of written notice issued by the Vendor to the Purchasers and the Sponsor, as announced by the Manager on 28 February 2023, 1 May 2023 and 31 May 2023. On 31 May 2023, the Manager announced that the long-stop date was extended to 16 June 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the Unitholders.

¹⁸ Please refer for the Manager’s announcement dated 9 April 2023 for further details.

Further, on 31 May 2023, the Manager applied to the MAS to seek a waiver (the “**Waiver**”) from paragraph 5.4(b)(ii) of the Property Funds Appendix, which would have required the Equity Purchase Agreement to be completed (if it was intended to be completed) within six months of the date of Unitholders’ approval of the divestment (i.e. by 16 June 2023, being six months from the date when the divestment was approved by Unitholders on 16 December 2022).

In May 2023, the ECW Group entered into the Facilities in order to refinance the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans. The refinancing of the Existing Onshore Bank Loans and the Existing Offshore Bank Loans was fully completed on 6 June 2023. Under the Facilities, EC World REIT is obligated to procure in respect of the Transaction, an amount which would, immediately after being applied towards the prepayment of the onshore loans and offshore loans of the ECW Group, result in, *inter alia*, such aggregate outstanding amount being no more than S\$410,000,000 (or its equivalent)¹⁹, by the Divestment Longstop Date. The “**Divestment Longstop Date**” refers to 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities).

On 13 June 2023, the Manager announced that the MAS had provided its consent to the Waiver, subject to the following conditions:

- (a) that the divestment must be completed by 31 October 2023 (the “**Extended Timeline**”);
- (b) that Unitholders’ approval is obtained for the Extended Timeline as well as any proposed revision to the terms of the divestment;
- (c) the Manager obtaining two independent valuations for the current market valuations of the Divestment Properties, and complying with paragraph 5.1(d) of the Property Funds Appendix which requires the transaction price of an asset sold to an interested party to be not less than the lower of the two assessed values. The updated valuations should be disclosed in the circular to Unitholders in relation to the extraordinary general meeting to be convened; and
- (d) the board of the Manager (the “**Board**”) providing the MAS with a written confirmation that the Board has assessed that the Extended Timeline and any proposed revision to the terms of the divestment are in the best interests of EC World REIT and its Unitholders. The Board’s assessment should be disclosed in an SGXNET announcement and in the circular to Unitholders²⁰.

On 16 June 2023, the Manager announced, among others, that the Vendor had on 16 June 2023 issued a written notice to the Purchasers and the Sponsor to extend the long-stop date of the divestment to 31 October 2023 (subject to (i) the entry into of a supplemental agreement to the Equity Purchase Agreement on terms agreeable to the Vendor and (ii) independent Unitholders’ approval of such long-stop date at an extraordinary general meeting to be convened) or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders.

On 10 July 2023, the Manager announced, among others, that the Relevant Parties had entered into the Supplementary Agreement described above.

19 The other requirements relating to this obligation to prepay by the Divestment Longstop Date are that (1) the Facilities must be prepaid such that the loan-to-value ratio of the Facilities does not exceed 37.9% and that (2) the aggregate leverage of EC World REIT does not exceed the lower of 38% and such other gearing limit prescribed by the Property Funds Appendix.

20 The Board’s assessment was disclosed in the Manager’s SGXNET announcement dated 10 July 2023 and has also been disclosed in paragraph 6.1 of the Letter to Unitholders below.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from Unitholders for the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date) by way of an Ordinary Resolution²¹.

PRINCIPAL TERMS OF THE SUPPLEMENTARY AGREEMENT

Supplementary Agreement takes effect upon Independent Unitholders' Approval

The Supplementary Agreement states that it shall take effect only upon the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date) being obtained at an extraordinary general meeting.

If the independent Unitholders do not provide such approval at the extraordinary general meeting, (i) the Supplementary Agreement shall have no effect; and (ii) the Parties will continue to be bound by the terms of the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) and the Vendor would be entitled to claim damages (a) against the Purchasers for the breach of their obligation to complete the divestment, and (b) against the Sponsor which has guaranteed such obligation of the Purchasers.

The Equity Purchase Agreement (as amended), which is governed by PRC law, provides that any claim arising from or in connection with the Equity Purchase Agreement (as amended) shall be resolved through friendly negotiation, and that in case no settlement can be reached through consultations within 15 Business Days after the date of notification of the existence of the claim by one party to the other party, such claim shall be referred to and finally resolved by binding arbitration in the Shanghai International Arbitration Centre. However, there is no certainty that the Vendor would be successful in the enforcement of any such claim against any of the Purchasers or the Sponsor.

The Long-Stop Date Extension

Pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the long-stop date under the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) to be amended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders.

Conditions Precedent and Requirement for Independent Unitholders' Approval

In addition to the conditions set out in the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023), Completion (regardless of whether it is one-stage Completion or (where the Relevant Mutual Consent is provided) two-stage Completion as referred to in paragraph 4.4 of the Letter to Unitholders) is also subject to and conditional upon satisfaction or waiver (as the case may be) of the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date) at an extraordinary general meeting to be convened by ECW.

For the avoidance of doubt, for the purposes of the Supplementary Agreement, "independent Unitholders" excludes any person required to abstain from voting by the Listing Manual, paragraph 5 of the Property Funds Appendix, the SGX-ST and the MAS.

²¹ "Ordinary Resolution" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the deed of trust constituting EC World REIT dated 5 August 2015 (as amended and restated) (the "Trust Deed").

Flexibility to proceed to Two-Stage Completion

The Supplementary Agreement provides for the flexibility of a Two-Stage Completion, whereby Completion may take place in two stages if (and only if) the Vendor and the Purchasers provide their mutual consent to do so within five Business Days from the obtaining of the approval of independent Unitholders of ECW referred to in paragraph 4.3 of the Letter to Unitholders below, or such other date as may be agreed by the Relevant Parties in writing (the “**Relevant Mutual Consent**”).

In the event that the Vendor and the Purchasers provide their Relevant Mutual Consent to proceed with the Completion in two stages, Chongxian Logistics will be divested first (“**Completion Stage One**”), followed by Hangzhou Beigang (“**Completion Stage Two**”), in each case, in accordance with the Supplementary Agreement.

Completion Stage Two is subject to Completion Stage One, and accordingly, Completion Stage Two shall not take place unless Completion Stage One has been completed.

The Relevant Parties have agreed and acknowledged that the purpose of the Purchasers’ implementation of the Transaction is to acquire the equity interests in all Target Companies and thereby get control over the Divestment Properties and none of the Relevant Parties shall have the right to proceed only with Completion Stage One without being also obligated to proceed to Completion Stage Two (or *vice versa*). The obligations in connection with the completion of the Transaction shall be deemed fulfilled only after both Completion Stage One and Completion Stage Two are completed. The Purchasers shall use their best endeavours to proceed with Completion Stage Two as soon as practicable after Completion Stage One is completed. The Relevant Parties have agreed that in no event shall Completion Stage One or Completion Stage Two be reversible once Completion Stage One or Completion Stage Two (as the case may be) has been completed.

If the Purchasers fail (for any reason whatsoever) to proceed with Completion Stage Two by the Completion Stage Two Date²² in accordance with the Supplementary Agreement, the Vendor shall have the right (but not the obligation) to determine at its sole discretion whether to terminate the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement) (forthwith on written notice to the other Relevant Parties) without proceeding with Completion Stage Two or to require the Purchasers to continue to perform the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement) (forthwith on written notice to the other Relevant Parties).

Further, according to the Supplementary Agreement, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion:

- (a) on the Completion Stage One Date²³, the Vendor shall ensure and procure that:
 - (i) an amount equal to the net proceeds (i.e. after deduction of the related transaction expenses and applicable taxes that are borne by the Vendor Group) from the Completion Stage One is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group, save that if there is a cash trap situation in Hangzhou Beigang which would cause the prepayment of the offshore loans to not be immediately possible, in lieu of the above-mentioned prepayment of the offshore loans, an amount equal to the offshore prepayment amount to be deposited in an escrow account held with the onshore facility agent or security agent;

²² “**Completion Stage Two Date**” means a date no later than the Long-Stop Date and to be notified by the Vendor or Hangzhou Beigang in writing to the Purchasers as the date on which Completion Stage Two shall take place.

²³ “**Completion Stage One Date**” means a date no later than the Long-Stop Date and to be notified by the Vendor or Hangzhou Beigang in writing to the Purchasers as the date on which Completion Stage One shall take place.

- (ii) cash and receivables on the account of the Target Companies in the aggregate amount of no less than RMB230,000,000 shall be retained; and
 - (iii) Hangzhou Beigang shall assign the net inter-company payables²⁴ to Chongxian Logistics based on the management accounts of Chongxian Logistics as of the Completion Stage One Date (the “**Relevant Payables**”) to the Purchasers and accordingly the amount of such Relevant Payables, which have been assigned to the Purchasers shall be set off against the amount payable by the Purchasers under paragraph 4.4.1(a)(ii) of the Letter to Unitholders on the Completion Stage One Date; and
- (b) on the Completion Stage Two Date (or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group), the Vendor shall ensure and procure that, out of the aggregated net proceeds from Completion Stage One and Completion Stage Two, an amount equal to the outstanding Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group.

Equity Consideration

On Completion, the Purchasers shall pay for the Equity Consideration of RMB1,370,000,000 (or procure the payment of the Equity Consideration) in the following manner:

- (i) FIPL may deliver (or procure the delivery of) Promissory Notes²⁵ to the Vendor in settlement of a part of the Equity Consideration, in accordance with and subject to the requirements referred to in paragraph 4.2.2(i) of the Letter to Unitholders of the 2022 Circular²⁶; and
- (ii) the actual purchaser(s)²⁷ under the divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with paragraph (i) above) to the specified bank account of the Vendor.

²⁴ As at 31 March 2023, the net inter-company payables owing by Hangzhou Beigang to Chongxian Logistics amounted to RMB16.8 million.

²⁵ As stated at paragraph 4.2.2 of the Letter to Unitholders of the 2022 Circular, the issuers of the Promissory Notes are intended to be FIPL, Forchn Global Pte. Ltd. (“**FGPL**”) and ECWAM (collectively, the “**Forchn Unitholders**”). It is envisaged that there will be three transferable promissory notes (the “**Promissory Notes**”), each issued or to be issued by one of the Forchn Unitholders that will bear an interest rate of 4.2% per annum, being the Singapore Standing Facility Deposit Rate published by the MAS as at the date of the Equity Purchase Agreement. As part of the terms of the Proposed Divestment, FIPL may, under the Promissory Notes Arrangement, at its option, elect to pay part of the Equity Consideration by delivering (or procuring the delivery of) Promissory Notes to the Vendor in accordance with the terms of the Equity Purchase Agreement (as amended). These Promissory Notes will then be used to set off against the relevant Forchn Unitholders’ entitlements to the Special Distribution (as defined herein). Any remaining amount not paid for in the form of Promissory Notes shall be paid in cash to the Vendor. The purpose of the Promissory Notes Arrangement is to manage efficiency of money flows in view of the intended Special Distribution.

²⁶ The requirements described in paragraph 4.2.2(i) of the Letter to Unitholders of the 2022 Circular are as follows: On Completion, FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that: (a) the PN Principal Amount shall not exceed the Singapore dollar equivalent of RMB197,000,000, computed based on the S\$: RMB exchange rate prevailing as at the Completion Date; and (b) the abovementioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed settlement agreements in respect of the settlement of the Promissory Notes (the “**Settlement Agreements**”).

²⁷ The actual purchaser(s) shall comprise up to two of the following: (i) HFBEM; (ii) FIPL; and (iii) the Relevant Entity (as defined in the 2022 Circular).

Notwithstanding the foregoing, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Purchasers shall pay for the Equity Consideration (or procure the payment of the Equity Consideration) in the following manner:

- (a) on the Completion Stage One Date and subject to the set-off as set out in paragraph 4.4(a)(iii) of the Letter to Unitholders, the actual purchaser(s)²⁸ under the Proposed Divestment shall pay:
 - (i) RMB770,000,000²⁹, being the portion of the Equity Consideration attributable to Chongxian Logistics; plus
 - (ii) an amount equivalent to the Relevant Payables,together to the specified bank account of Hangzhou Beigang; and
- (b) on the Completion Stage Two Date, the Purchasers shall pay the Equity Consideration³⁰ (or procure the payment of the Equity Consideration) in the following manner:
 - (i) FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Stage Two Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that (1) the aggregate principal amount of the Promissory Notes shall not exceed an amount in Singapore dollar equivalent of RMB197,000,000; and (2) the above-mentioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed Settlement Agreements; and
 - (ii) the actual purchaser(s) under the Proposed Divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with paragraph (b)(i) above) to the specified bank account of the Vendor.

28 The actual purchaser(s) shall comprise up to two of the following: (i) HFBEM; (ii) FIPL; and (iii) the Relevant Entity.

29 Between Completion Stage One and Completion Stage Two, the Manager intends to procure that this RMB770,000,000 be utilised in the manner as set out in paragraph 4.4(a)(i) of the Letter to Unitholders below.

30 Please note that during Completion Stage Two, the full Equity Consideration of RMB1,370,000,000 would be payable to the Vendor for the divestment of all its equity interests in Hangzhou Beigang to the Purchasers. This is because the total consideration to be received (including prepayments from the Sponsor group) of RMB770,000,000 under Completion Stage One will form part of the net assets of Hangzhou Beigang to be divested to the Purchasers at Completion Stage Two.

HZBG Loan Repayment Amount on Completion

On Completion, the Purchasers shall also repay (or procure such repayment of) all the outstanding onshore borrowings of Hangzhou Beigang, the amount of which shall be notified to the Purchasers in writing by the Vendor on Completion, and which shall be no more than RMB266,361,216³¹ (the “**HZBG Loan Repayment Amount**”).

Notwithstanding the foregoing, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Purchasers shall repay all the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be notified to the Purchasers in writing by the Vendor on the Completion Stage Two Date and which shall be no more than RMB266,361,216 on the Completion Stage Two Date.

Settlement of HZBG Net Related Party Payable after Completion

Under the Equity Purchase Agreement, as a condition subsequent, the Purchasers have undertaken to pay (or procure payment) to the Vendor the HZBG Net Related Party Payable³² within five Business Days from the date when the Vendor notifies the Purchasers in writing of the HZBG Net Related Party Payable, which notification shall be provided within 10 Business Days from Completion.

The ECW Group has a credit arrangement in place whereby certain onshore entities of the ECW Group would place cash deposits as collateral with their onshore lenders from time to time (the “**Collateralised Cash Deposits**”), and the onshore lenders accordingly issue standby letters of credit in favour of offshore lenders of the ECW Group (“**Existing SBLC**”), so as to back certain offshore revolving credit facilities owing by ECW Treasure (being a wholly-owned subsidiary of EC World REIT). As at 31 March 2023, such Collateralised Cash Deposits have been placed as collateral by Hangzhou Beigang, Chongxian Investment and Hengde Sangpu, in order to back such offshore revolving credit facilities of approximately S\$89.5 million.

Following receipt of the proceeds from the Proposed Divestment upon Completion, the Manager intends to utilise a portion of the proceeds to repay a portion of the abovementioned offshore revolving credit facilities (the “**Relevant Offshore Revolving Credit Facilities**”) (see paragraph 9 of the Letter to Unitholders for a breakdown of the intended the use of the divestment proceeds), such that post-Completion, the relevant Collateralised Cash Deposits backing the Relevant Offshore Revolving Credit Facilities are released to the relevant onshore entities of the ECW Group. As part of the above arrangement, the Manager expects Collateralised Cash Deposits to be released to Hangzhou Beigang (the “**Release of the HZBG Collateralised Cash Deposits**”). Please refer to paragraph 4.4.3 of the Letter to Unitholders for further details, including the breakdown of the Collateralised Cash Deposits expected to be released to certain onshore entities of the ECW Group following the repayment of the Relevant Offshore Revolving Credit Facilities.

31 This cap of RMB266,361,216 represents all the outstanding onshore borrowings of Hangzhou Beigang as at 30 September 2022. The HZBG Loan Repayment Amount as at Completion will not be higher than RMB266,361,216. As at 31 March 2023, the HZBG Loan Repayment Amount is RMB183,892,626.

32 “**HZBG Net Related Party Payable**” means the net amount payable as at Completion by Hangzhou Beigang to the HZBG Related Parties, representing the sum of the amounts payable by Hangzhou Beigang to the HZBG Related Parties (taking into account the Internal Restructuring) after netting off the amounts which are receivable by Hangzhou Beigang from the HZBG Related Parties, which net amount shall be no more than RMB189,901,359. “**HZBG Related Parties**” means EC World REIT and its subsidiaries (other than Hangzhou Beigang and Chongxian Logistics).

Given that Hangzhou Beigang will be owned by the Purchasers and not the Vendor post-Completion, it is the Purchasers' obligation to pay (or procure payment of) the HZBG Net Related Party Payable³³ while the Vendor would need to procure the Release of the HZBG Collateralised Cash Deposits.

As stated in paragraph 4.4 of the Letter to Unitholders of the 2022 Circular, in determining the timeframe for the payment of the HZBG Net Related Party Payable as specified above, the Audit and Risk Committee took into consideration, among others, (i) the time required for the offshore lenders to confirm the repayment of the Relevant Offshore Revolving Credit Facilities and for such confirmation to be issued to the onshore lenders; (ii) the time required for the onshore lenders to complete their internal process to cancel the standby letters of credit issued by them before the Release of the HZBG Collateralised Cash Deposits can take place; (iii) the time required for the Release of the HZBG Collateralised Cash Deposits and the utilisation of the released cash towards the settlement of the HZBG Net Related Party Payable; and (iv) the intermittent lock-downs in the PRC due to the strict COVID-19 policies previously.

Relevant Mandatory Prepayment Amount

As mentioned at footnote 24 of the 2022 Circular, the relevant mandatory prepayment amount under the Equity Purchase Agreement meant, in respect of the Transaction, the higher of:

- (i) an amount which is 25.0% of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group; and
- (ii) an amount equal to the Relevant Percentage (as defined herein) of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group. **"Relevant Percentage"** meant, in respect of the Transaction, the percentage of the market value of the total consolidated assets of the Target Companies sold, transferred or disposed of pursuant to the Transaction as it bears to the market value of the total consolidated assets of the ECW Group immediately prior to the completion of the divestment, as calculated by the facility agent (acting on the instructions of the lenders of the ECW Group).

However, the amount which the ECW Group is mandatorily required to repay its lenders on completion of the divestment of Beigang Logistics Stage 1 and Chongxian Port Logistics has been updated based on the Facilities³⁴ in connection with the refinancing of the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans.

Accordingly, pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the term **"Relevant Mandatory Prepayment Amount"** to be amended to mean, in respect of the Transaction, an amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Under the terms of the Proposed Divestment, the Vendor is obligated to procure that, among others, an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on the Completion Date³⁵ or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Please refer to paragraph 4.5 of the Letter to Unitholders below for details.

33 As at 31 March 2023, the HZBG Net Related Party Payable amount is RMB71,271,601. For the avoidance of doubt, the settlement of the HZBG Net Related Party Payable is not dependent on the Release of the HZBG Collateralised Cash Deposits.

34 The Facilities were drawn down on 31 May 2023, and the above-mentioned refinancing was fully completed on 6 June 2023. Please refer to the Manager's announcements dated 31 May 2023 and 6 June 2023 for further details.

35 For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of the Letter to Unitholders, this would be the Completion Stage Two Date.

Revised Agreed Property Values

As set out at paragraph 2.4 of the Letter to Unitholders of the 2022 Circular, the agreed property values of Beigang Logistics Stage 1 and Chongxian Port Logistics were RMB1,212.6 million and RMB820.1 million respectively.

The Revised Agreed Property Values as amended pursuant to the Supplementary Agreement will be higher than the agreed property values set out in the 2022 Circular, as set out in the table below.

Please refer to paragraphs 2.1(iii) and 2.3 of the Letter to Unitholders for the reason why the Revised Agreed Property Values are higher compared to what was set out in the 2022 Circular.

Valuation of the Divestment Properties and Revised Agreed Property Values

The Trustee has commissioned an independent valuer, Colliers, and the Manager has commissioned an independent valuer, JLL, to respectively value the Divestment Properties.

The table below sets out the independent valuations of the Divestment Properties:

- (a) as at 30 June 2023 (the “**2023 Independent Valuations**”), according to the valuation reports of the Divestment Properties issued by Colliers dated 30 June 2023 and JLL dated 30 June 2023 (the “**2023 Independent Valuation Reports**”); and
- (b) as at 30 June 2022 (the “**2022 Independent Valuations**”), according to the valuation reports of the Divestment Properties issued by JLL dated 30 September 2022 and Knight Frank Petty Limited (“**KF**”) dated 30 September 2022 (the “**2022 Independent Valuation Reports**”).

Divestment Properties	2023 Independent Valuations as at 30 June 2023 (RMB' million)		Average of the two 2023 Independent Valuations (RMB' million)	Revised Agreed Property Value (RMB' million)	2022 Independent Valuations as at 30 June 2022 (RMB' million)		Average of the two 2022 Independent Valuations (RMB' million)	Agreed property value as set out in the 2022 Circular (RMB' million)
	Colliers	JLL			KF	JLL		
Beigang Logistics Stage 1	1,213.0	1,191.0	1,202.0	1,217.4	1,178.0	1,238.0	1,208.0	1,212.6
Chongxian Port Logistics	820.0	809.0	814.5	824.4	797.0	833.0	815.0	820.1
Total	2,033.0	2,000.0	2,016.5	2,041.8 (“Aggregate Revised Agreed Property Value”)	1,975.0	2,071.0	2,023.0	2,032.7

(Please refer to paragraph 2.3 of the Letter to Unitholders for further details.)

In respect of the 2023 Independent Valuations, Colliers used the discounted cash flow approach, and JLL used the discounted cash flow approach and income capitalisation approach, to conduct the 2023 Independent Valuations.

Following arm's length negotiations, and taking into account the 2023 Independent Valuations, the Relevant Parties to the Supplementary Agreement have agreed that the Equity Consideration for the Divestment Properties shall remain unchanged. Accordingly, based on the financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023, the Relevant Parties have agreed on the Revised Agreed Property Values of the Divestment Properties, such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration, based on the Divestment Properties at the Revised Agreed Property Values. Please refer to table notes (1) and (4) under the *pro forma* balance sheet of Hangzhou Beigang as at 31 March 2023 at paragraph 2.3 of the Letter to Unitholders for further details.

The premium which the Revised Agreed Property Value of each of the Divestment Properties bears to the lower of the two 2023 Independent Valuations for that Divestment Property is as follows:

- (i) in relation to Chongxian Port Logistics, RMB15.4 million (approximately S\$2,973,032), representing a premium of approximately 1.9% to the lower of the two 2023 Independent Valuations; and
- (ii) in relation to Beigang Logistics Stage 1, RMB26.4 million (approximately S\$5,111,044), representing a premium of approximately 2.2% to the lower of the two 2023 Independent Valuations.

Board's Assessment

Supplementary Agreement

The Board (with the non-Independent Directors abstaining) has assessed the Supplementary Agreement and is of the view that it is in the best interests of EC World REIT and the Unitholders. This is on the basis of the Manager's reasons set out under paragraph 2.1 of the Letter to Unitholders below.

Ability of EC World REIT to continue operating as a going concern

The Board has assessed that the ECW Group is able to continue as a going concern on the basis of the reasons set out under paragraph 6.2 of the Letter to Unitholders below.

APPROVAL OF UNITHOLDERS

The Supplementary Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual given that the Purchasers are associates of the Sponsor, which is in turn a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT.

Accordingly, the Supplementary Agreement is conditional upon, among others, approval from Unitholders by way of an Ordinary Resolution.

In approving the Proposed Divestment, Unitholders will be deemed to have approved all documents required to be executed by the relevant parties in order to give effect to the Supplementary Agreement (including the Long-Stop Date).

(Please refer to paragraphs 2.4 and 11 of the Letter to Unitholders for further details.)

RATIONALE FOR THE SUPPLEMENTARY AGREEMENT

Having carried out extensive engagements with the lending banks and having evaluated the Proposed Divestment, the Manager is of the view that there is a real risk that the Vendor's Group may not be able to meet its repayment obligations under its financing arrangements if the Proposed Divestment is not completed. In this regard, the Manager is of the view that it is in the interests of EC World REIT and its Unitholders for the Supplementary Agreement to be entered into due to the following reasons, which are elaborated in the sections that follow:

- (i) enables the ECW Group to meet its repayment obligations under its financing arrangements; and
- (ii) provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders.

Enables the ECW Group to meet its repayment obligations under its financing arrangements

The Long-Stop Date Extension will provide the Purchasers with the opportunity to complete the divestment and make full payment to the ECW Group of the Equity Consideration pursuant to the divestment, allowing the ECW Group to fulfil its repayment obligations under the ECW Group's financing arrangements. Such obligations would require the ECW Group to, among others, repay at least the Minimum Mandatory Repayment of S\$75,465,424³⁶ by the Divestment Longstop Date of 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities). This is because the ECW Group had, in connection with the Facilities, undertaken to its lenders that it would pay to the facility agent (for the account of the lenders) the Minimum Mandatory Repayment by the Divestment Longstop Date. The ECW Group also has a concurrent obligation under the Facilities to ensure that the divestment of the Divestment Properties shall take place by no later than the Divestment Longstop Date, although no breach of such obligation to divest would arise if on or before the Divestment Longstop Date, an amount which would, immediately after being applied towards the prepayment of the onshore loans and offshore loans of the ECW Group, result in, *inter alia*, such aggregate outstanding amount being no more than S\$410,000,000 (or its equivalent)³⁷, is prepaid to the lenders. The payment of the Minimum Mandatory Repayment would contribute to a reduction in the outstanding balance of the onshore loans and offshore loans of the ECW Group. Therefore, the total amount which has to be repaid by the ECW Group on the Divestment Longstop Date would be the sum of the Minimum Mandatory Repayment and such amount needed to ensure, *inter alia*, that the aggregate amount of the offshore loans and onshore loans remaining outstanding is no more than S\$410,000,000 (or its equivalent)³⁸.

Without the proceeds from the Proposed Divestment, which cannot be completed in time if there is no Long-Stop Date Extension, the ECW Group is at the risk of a default of such financing obligations.³⁹

³⁶ Calculated based on the Illustrative Exchange Rates as at 31 March 2023.

³⁷ The other requirements are that (1) the Facilities must be prepaid such that the loan-to-value ratio of the Facilities does not exceed 37.9% and that (2) the aggregate leverage of EC World REIT does not exceed the lower of 38% and such other gearing limit prescribed by the Property Funds Appendix.

³⁸ See footnote 37 for the other requirements.

³⁹ Please note that even if Unitholders' approval of the Supplementary Agreement is obtained at the EGM and the Long-Stop Date Extension takes place, in the event that the Purchasers do not successfully obtain the acquisition financing and are unable to complete the Proposed Divestment, the ECW Group would not be able to receive the proceeds from the Proposed Divestment and would be at the risk of a default of its financing obligations.

Further, if the Proposed Divestment does not occur by 31 October 2023, there would be an increase in the margin payable under the Facilities and it is an event of default under the Facilities if the Proposed Divestment does not occur by 30 April 2024.

Given the above, the Manager is of the view that the Long-Stop Date Extension is beneficial in providing more time for the completion of the Proposed Divestment which increases the likelihood that the ECW Group would be able to avoid a potential default on such financing obligations.

The Proposed Divestment was structured so as to ensure that the amounts payable by the Purchasers on completion will be sufficient for the ECW Group to meet its repayment obligations under its financing arrangements.

The Proposed Divestment is expected to generate net proceeds of RMB1,320,000,000 (approximately S\$255,288,000) (after deduction of estimated Relevant Transaction Costs (as defined herein), before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) which are expected to provide sufficient cash proceeds to enable EC World REIT to finance the Relevant Mandatory Prepayment Amount, while also enabling EC World REIT to return cash to Unitholders in the form of the special distribution that the Manager intends to make to Unitholders in connection with the Proposed Divestment ("**Special Distribution**")⁴⁰.

The Board is of the view that EC World REIT should be able to meet its short-term obligations in the next 12 months, save for the Minimum Mandatory Repayment amount due to be repaid by the Divestment Longstop Date of 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities).

In view of the foregoing and taking into account the operational performance of the remaining Properties in EC World REIT's portfolio immediately after completion of the Proposed Divestment (the "**Remaining Properties**")⁴¹, the Board is of the view that, assuming that completion of the Proposed Divestment takes place in time for the Minimum Mandatory Repayment amount to be repaid by the Divestment Longstop Date, EC World REIT's working capital will be adequate for the next 12 months and there should not be an issue with EC World REIT's ability to continue to operate as a going concern at this juncture.

Provides Unitholders with an Opportunity to Realise the Value of the Divestment Properties and Preserve the Long-Term Value of EC World REIT for Unitholders

The Board, having evaluated the Proposed Divestment, considers the Proposed Divestment to be beneficial to EC World REIT based on the following considerations:

(i) Premium to lower of the two 2023 Independent Valuations

The Revised Agreed Property Value of each of the Divestment Properties bears the following premium to the lower of the two 2023 Independent Valuations:

- (a) in relation to Chongxian Port Logistics, RMB15.4 million (approximately S\$2,973,032), representing a premium of approximately 1.9% to the lower of the two 2023 Independent Valuations; and

⁴⁰ Please refer to paragraph 10 of the Letter to Unitholders for further details, including the expected quantum of the Special Distribution which is set out purely for illustrative purposes.

⁴¹ The Remaining Properties would be Chongxian Port Investment, Fu Heng Warehouse, Hengde Logistics, Wuhan Meiluote and Fuzhou E-Commerce.

(b) in relation to Beigang Logistics Stage 1, RMB26.4 million (approximately S\$5,111,044), representing a premium of approximately 2.2% to the lower of the two 2023 Independent Valuations.

(ii) Premium to book value of the Target Companies

The Equity Consideration of RMB1,370,000,000 (approximately S\$264,958,000) is higher than the book value of the Target Companies as at 31 March 2023, being RMB1,360,757,094 (approximately S\$263,170,422).

Please refer to paragraph 2.3 of the Letter to Unitholders for further details on the *pro forma* balance sheet of Hangzhou Beigang as at 31 March 2023.

(iii) Premium to IPO levels

The Aggregate Revised Agreed Property Value represents a blended premium of 18.4% compared to the purchase considerations of the Divestment Properties at the initial public offering (“**IPO**”) of EC World REIT.

(iv) Unitholders to benefit from Special Distribution

Subject to and following completion of the Proposed Divestment, the Manager intends to make a Special Distribution to Unitholders of approximately RMB507,169,483 (approximately S\$98,086,578). This will enable Unitholders to realise the value of their investment in EC World REIT. Please refer to paragraph 10 of the Letter to Unitholders for further details.

The Manager also believes that the Proposed Divestment will provide long-term value for Unitholders. As compared to the Remaining Properties which are pure logistics assets kept in leasable condition and have been properly maintained, the Divestment Properties have proven to be sub-optimal to the operations of EC World REIT in recent years. Should the Divestment Properties continue to form part of EC World REIT’s portfolio, the long-term value to Unitholders would deteriorate due to the following reasons:

(a) Decline in asset valuations of Divestment Properties compared to IPO levels

The average valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2023 have decreased by 7.0% and 4.5% respectively, compared to their average valuations at the IPO. The average of the two 2023 Independent Valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2023 were RMB1,202.0 million and RMB814.5 million respectively, while the valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 31 December 2015, which were obtained in connection with the IPO, were RMB1,293 million and RMB852.5 million respectively.

(b) Attractiveness of Beigang Logistics Stage 1 has weakened due to market trends

The shift of e-commerce online platforms away from the traditional Online to Offline (“**O2O**”) model, coupled with the COVID-19 pandemic and the sporadic movement restrictions in various cities in the PRC caused many original and potential tenants of Beigang Logistics Stage 1 to readapt their business models to cater to mobile operations, online trades and inventory storage in shared warehouses.

Originally designed to cater to O2O businesses, trade exhibition, showrooms, office and other e-commerce related services that focus on attracting potential customers from online channels to physical stores, Beigang Logistics Stage 1's market position, relevance and offerings in the O2O industry have weakened considerably due to the above market trends.

In light of the above challenging circumstances, the Manager is of the view that the current rental rate of Beigang Logistics Stage 1 is not sustainable going forward.

(c) **Unfeasible to overhaul and reposition the Divestment Properties to capture evolving e-commerce trends**

While the e-commerce growth potential in the PRC remains positive due to increasing internet penetration and high usage of mobile services, the Divestment Properties are not able to benefit significantly from this trend as they were not designed and constructed for e-commerce warehousing purposes.

The conversion of use of the Divestment Properties would require major redevelopments, which would in turn require significant investment from EC World REIT and also mean that EC World REIT would have to concurrently forego rental income during the redevelopment period.

(d) **Chongxian Port Logistics is an ageing property with upcoming extensive repair required**

Completed in 2009, the structures of Chongxian Port Logistics such as external walls and roofs of the warehouses are showing signs of extensive wear and tear. A significant amount of major overhaul cost is expected to be incurred in the coming years should Chongxian Port Logistics continue to form part of EC World REIT's portfolio. This would result in loss of rental income from Chongxian Port Logistics during the periods of such major repairs and uplift.

In light of the foregoing, the Proposed Divestment remains as an attractive option for EC World REIT to realise the value of the Divestment Properties and is in the best interests of EC World REIT and its Unitholders.

(Please refer to paragraph 3 of the Letter to Unitholders for further details.)

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced on EC World REIT's website and on SGXNET.

Event	Date and Time
Last date and time for submission of questions in advance of EGM	: Monday, 28 August 2023, 10.00 a.m. (Singapore time) ⁽¹⁾
Last date and time for lodgement of Proxy Forms	: Monday, 4 September 2023, 10.00 a.m. (Singapore time) ⁽²⁾
Date and time of the EGM to be held in a wholly physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 ⁽³⁾	: Thursday, 7 September 2023, 10.00 a.m. (Singapore time)

If approval for the Supplementary Agreement is obtained at the EGM

Expected completion of the Proposed Divestment	By 31 October 2023
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Notes:

- (1) The Manager will endeavour to address all substantial and relevant questions received by this deadline (see paragraph 14.2 of the Letter to Unitholders for details on how such questions may be submitted), prior to or during the EGM. The Manager will publish the responses to such substantial and relevant questions which the Manager is unable to address during the EGM, on EC World REIT's website and on SGXNET. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.
- (2) Unitholders are requested to submit the Proxy Form in accordance with the respective instructions contained therein not later than **10.00 a.m. (Singapore time) on Monday, 4 September 2023**, being not less than 72 hours before the time fixed for holding the EGM.
- (3) The EGM will be held in a wholly physical format and Unitholders will be able to attend the EGM in person. **There will be no option for Unitholders to participate virtually.** (See paragraph 14 of the Letter to Unitholders and the Notice of EGM for further details.) The Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at <https://ecwreit.listedcompany.com/egm2023.html> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.



EC World

运通网城 REIT

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

Directors of the Manager

Mr Zhang Guobiao
(Chairman and Non-Executive Director)

Mr Chan Heng Wing
(Independent Non-Executive Director and
Lead Independent Director)

Dr David Wong See Hong
(Independent Non-Executive Director)

Mr Chia Yew Boon
(Independent Non-Executive Director)

Mr Li Guosheng
(Independent Non-Executive Director)

Mr Goh Toh Sim
(Executive Director and Chief Executive Officer)

Registered Office

6 Shenton Way
#41-03 OUE Downtown 1
Singapore 068809

16 August 2023

To: Unitholders of EC World REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek approval from Unitholders by way of an Ordinary Resolution for the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date).

2. BACKGROUND

2.1 Summary of the Supplementary Agreement

On 30 September 2022, the Vendor, entered into the Equity Purchase Agreement with the Purchasers and the Sponsor, pursuant to which EC World REIT would divest its 100.0% indirect interests in the Divestment Properties. The Purchasers are wholly-owned subsidiaries of the Sponsor.

The above-mentioned divestment was approved by Unitholders at the extraordinary general meeting held on 16 December 2022.

On 30 January 2023, the Parties entered into a supplementary agreement to amend the Equity Purchase Agreement to extend the long-stop date for the divestment.

On 9 July 2023, the Supplementary Agreement was entered into for purposes of amending the terms of the divestment. The Supplementary Agreement states that it shall take effect only upon the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date) being obtained at an extraordinary general meeting.

The Supplementary Agreement provides for, among others, (i) the Long-Stop Date Extension; (ii) the flexibility of a Two-Stage Completion if the Vendor and the Purchasers provide their Relevant Mutual Consent; (iii) the Revised Agreed Property Values, which have increased from their agreed property values under the Equity Purchase Agreement dated 30 September 2022 (as disclosed in the 2022 Circular); and (iv) the revised Relevant Mandatory Prepayment Amount. For the avoidance of doubt, the Equity Consideration remains fixed at RMB1,370,000,000.

Pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the long-stop date for the divestment to be amended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders of ECW.

The Manager understands from the Purchasers and the Sponsor that they require that the Long-Stop Date Extension in order to complete the divestment because:

- (a) as of the Latest Practicable Date, out of the Equity Consideration of RMB1,370,000,000, a total of RMB333,028,995⁴² has been prepaid to the Vendor by the Sponsor group, and in order to proceed with completion of the divestment, the Purchasers will need to obtain sufficient financing so as to be able to pay the outstanding balance of RMB1,036,971,005 to the Vendor on Completion;
- (b) the Purchasers are still in the process of obtaining the relevant credit approvals from a group of PRC lenders in relation to their financing for the divestment, and are unable to complete the divestment at this juncture;
- (c) the Manager understands from the Purchasers and the Sponsor that (i) the Purchasers' financiers will be able to finalise their internal approval process only after they are updated of Unitholders' approval of the Supplementary Agreement having been obtained at the EGM; and (ii) the Purchasers and the Sponsor are actively working with the financiers on the acquisition financing with a view to potentially securing the credit approvals by the end of September 2023; and
- (d) following the receipt of Unitholders' approval at the EGM, the Purchasers will require approximately one month for the fulfilment of the various conditions precedent to the drawdown of their acquisition loan.

The Manager's reasons for allowing the terms in the Supplementary Agreement in relation to the Long-Stop Date Extension, the flexibility for the Relevant Parties to proceed with the Two-Stage Completion, the Revised Agreed Property Values and the Relevant Mandatory Prepayment Amount are as follows:

(i) Long-Stop Date Extension

- (a) The Purchasers and the Sponsor have advised the Manager that they are unable to complete the divestment at this juncture as they have not secured the requisite financing for the divestment (see the reasons set out above);
- (b) the Long-Stop Date Extension will provide the Purchasers with the opportunity to complete the divestment and make full payment to the ECW Group of the Equity Consideration pursuant to the divestment, allowing the ECW Group to fulfil its repayment obligations, among others, under the ECW Group's financing arrangements, which would require the ECW Group to repay at least S\$75,465,424⁴³ (being the Minimum Mandatory Repayment) by the Divestment

⁴² Calculated based on the exchange rate of RMB1.00 = S\$0.1933 as at 30 December 2022, the exchange rate of RMB1.00 = S\$0.1945 as at 4 January 2023, the exchange rate of RMB1.00 = US\$0.1442 as at 28 February 2023 and the exchange rate of RMB1.00 = US\$0.1435 as at 10 March 2023, being the dates on which the respective prepayments of the Equity Consideration were made by the Sponsor group.

⁴³ Calculated based on the Illustrative Exchange Rates as at 31 March 2023.

Longstop Date. The Long-Stop Date Extension is beneficial in providing more time for the Completion of the Proposed Divestment which increases the likelihood that the ECW Group would be able to avoid a potential default on such financing obligations;

- (c) the Sponsor has continued to demonstrate its support for EC World REIT by working closely together with the Manager to engage the lenders in relation to EC World REIT's refinancing exercise which has been completed as announced by the Manager on 6 June 2023;
- (d) EC World REIT will continue to receive income from the Divestment Properties, pending their transfer to the Purchasers pursuant to Completion of the Proposed Divestment; and
- (e) the Proposed Divestment provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders, as explained under paragraph 3 of this Letter to Unitholders below.

(ii) Flexibility to proceed to Two-Stage Completion

The Manager is of the view that it would be beneficial to ECW and its Unitholders for the Supplementary Agreement to provide for the flexibility of a Two-Stage Completion taking into account the following factors:

- (a) the flexibility for the Relevant Parties to proceed with the Two-Stage Completion would potentially allow the Purchasers to provide the first tranche of the divestment proceeds to the ECW Group earlier (as part of Completion Stage One), thereby increasing the likelihood that the ECW Group will be able to partially repay its loans earlier; and
- (b) the Manager understands from the Purchasers that the flexibility to proceed with the Two-Stage Completion could potentially help to facilitate the Purchasers in securing their financing for the Proposed Divestment.

(iii) Revised Agreed Property Values

The Revised Agreed Property Values set out in the Supplementary Agreement have increased from the agreed property values set out in the 2022 Circular so that the Parties are able to fix the Equity Consideration at RMB1,370,000,000 notwithstanding the decrease in the NAV (excluding the book values of the Divestment Properties) of the Target Companies⁴⁴ from 30 June 2022⁴⁵ to 31 March 2023, such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration, based on the Revised Agreed Property Values.

⁴⁴ Such decrease in the NAV of the Target Companies was due to the net effect of dividends of approximately RMB88.4 million made by the Target Companies to their respective holding companies within the ECW to offset the net income of approximately RMB79.3 million derived by the Target Companies in the ordinary course of business such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration based on the Revised Agreed Property Values.

⁴⁵ The Equity Consideration of RMB1,370,000,000 took into account the NAV of the Target Companies as at 30 June 2022 and the 2022 Independent Valuations as at 30 June 2022. Please refer to 2.1(iii) of this Letter to Unitholders for further details on the Equity Consideration and the Revised Agreed Property Values and paragraph 2.3 of this Letter to Unitholders for further details on the 2022 Independent Valuations.

Divestment Property	Revised Agreed Property Value (RMB' million)	Equity Consideration (RMB' million)
Beigang Logistics Stage 1	1,217.4	600.0
Chongxian Port Logistics	824.4	770.0
Total	2,041.8	1,370.0

Target Company	NAV as at 31 March 2023 (RMB' million)	Net inter-company payables owing to the other Target Company as at 31 March 2023 (RMB' million)
Hangzhou Beigang⁽¹⁾	1,025.0	16.8 ⁽²⁾
Chongxian Logistics	765.8	N.A. ⁽³⁾

Notes:

- (1) Adjusted for the completion of the Internal Restructuring on 9 April 2023, following which Chongxian Logistics is now a wholly-owned subsidiary of Hangzhou Beigang. Accordingly, the NAV of Hangzhou Beigang in this table has been adjusted to include the cost relating to the acquisition of Chongxian Logistics pursuant to the Internal Restructuring (which amounted to RMB430.0 million). Excluding such adjustments, the NAV of Hangzhou Beigang would have been RMB595.0 million.
- (2) As stated in paragraph 4.4 of this Letter to Unitholders, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, on the Completion Stage One Date, the Vendor shall ensure and procure that Hangzhou Beigang shall assign the Relevant Payables (being the net inter-company payables owing by Hangzhou Beigang to Chongxian Logistics based on the management accounts of Chongxian Logistics as of the Completion Stage One Date) to the Purchasers, and accordingly the amount of such Relevant Payables, which have been assigned to the Purchasers shall be set off against the amount payable by the Purchasers under paragraph 4.4.1(a)(ii) of this Letter to Unitholders.
- (3) There are no net inter-company payables owing from Chongxian Logistics to Hangzhou Beigang.

Accordingly, pursuant to the Supplementary Agreement:

- (1) the Revised Agreed Property Value of Chongxian Port Logistics is RMB824.4 million, up from RMB820.1 million set out in the 2022 Circular; and
- (2) the Revised Agreed Property Value of Beigang Logistics Stage 1 is RMB1,217.4 million, up from RMB1,212.6 million set out in the 2022 Circular.

Accordingly, each of the Divestment Properties will be sold at a Revised Agreed Property Value which is not less than the lower of the two 2023 Independent Valuations⁴⁶ for that Divestment Property, in compliance with paragraph 5.1(d) of the Property Funds Appendix. Further, based on the 2023 Independent Valuations, the updated valuations of the two Divestment Properties will be slightly lower than their respective 2022 Independent Valuations (as defined herein). In view of the foregoing, the Manager is of the view that it is in the interests of ECW and its Unitholders for the Equity Consideration to remain fixed at RMB1,370,000,000.

⁴⁶ Please refer to paragraph 2.3 of this Letter to Unitholders for further details on the valuations.

(iv) Relevant Mandatory Prepayment Amount

The amount which the ECW Group is mandatorily required to repay its lenders on completion of the divestment of the Divestment Properties has been updated based on the Facilities⁴⁷ in connection with the refinancing of the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans.

Accordingly, pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the term “**Relevant Mandatory Prepayment Amount**” to be amended to mean, in respect of the Transaction, an amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Under the terms of the Proposed Divestment, the Vendor is obligated to procure that, among others, an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on the Completion Date⁴⁸ or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Please refer to paragraph 4.5 of this Letter to Unitholders below for details.

2.2 Background on the Proposed Divestment

On 1 June 2022, the Manager made an announcement in relation to, among others, the extension of the maturity date of the Existing Offshore Bank Loans to the earlier of (a) the earliest maturity date of the Existing Onshore Bank Loans and (b) 30 April 2023. In connection with the extension of the maturity date of the Existing Offshore Bank Loans, the Sponsor has provided the Offshore Undertaking that it will:

- (1) procure that the exercise of refinancing of the Existing Offshore Bank Loans is commenced immediately; and
- (2) by 31 December 2022, ensure that the Mandatory Offshore Repayment takes place.

Further to the Offshore Undertaking, the Manager had on 13 June 2022 announced its entry into a Non-Binding MOU. The target properties under the potential divestment are the Divestment Properties, namely Beigang Logistics Stage 1 and Chongxian Port Logistics, as these are the properties that the Sponsor has indicated its interest to acquire in connection with the Non-Binding MOU.

On 29 June 2022, the Manager announced, among others, the extension of the maturity date of the Existing Onshore Bank Loans (save for a RMB63,749,144⁴⁹ portion of the Existing Onshore Bank Loans which would expire in July 2029) to 30 April 2023. In connection with the extension of the maturity date of the Existing Onshore Bank Loans, the Sponsor has provided the Onshore Undertaking that it would:

- (A) procure that the exercise of refinancing of the Existing Onshore Bank Loans is commenced immediately; and
- (B) by 31 December 2022, ensure that the Mandatory Onshore Repayment takes place.

⁴⁷ The Facilities were drawn down on 31 May 2023, and the above-mentioned refinancing was fully completed on 6 June 2023. Please refer to the Manager’s announcements dated 31 May 2023 and 6 June 2023 for further details.

⁴⁸ For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, this would be the Completion Stage Two Date.

⁴⁹ Based on the amount as at 30 June 2022.

On 30 September 2022, EC World REIT, through the Vendor, entered into the Equity Purchase Agreement with the Purchasers and the Sponsor, pursuant to which EC World REIT will divest its 100.0% indirect interests in the Divestment Properties.

On 24 November 2022, the Manager issued a circular to Unitholders in relation to the proposed divestment of the Divestment Properties pursuant to the Equity Purchase Agreement setting out, among others, the terms and conditions of such divestment.

On 16 December 2022, Unitholders approved the divestment pursuant to the Equity Purchase Agreement at an extraordinary general meeting.

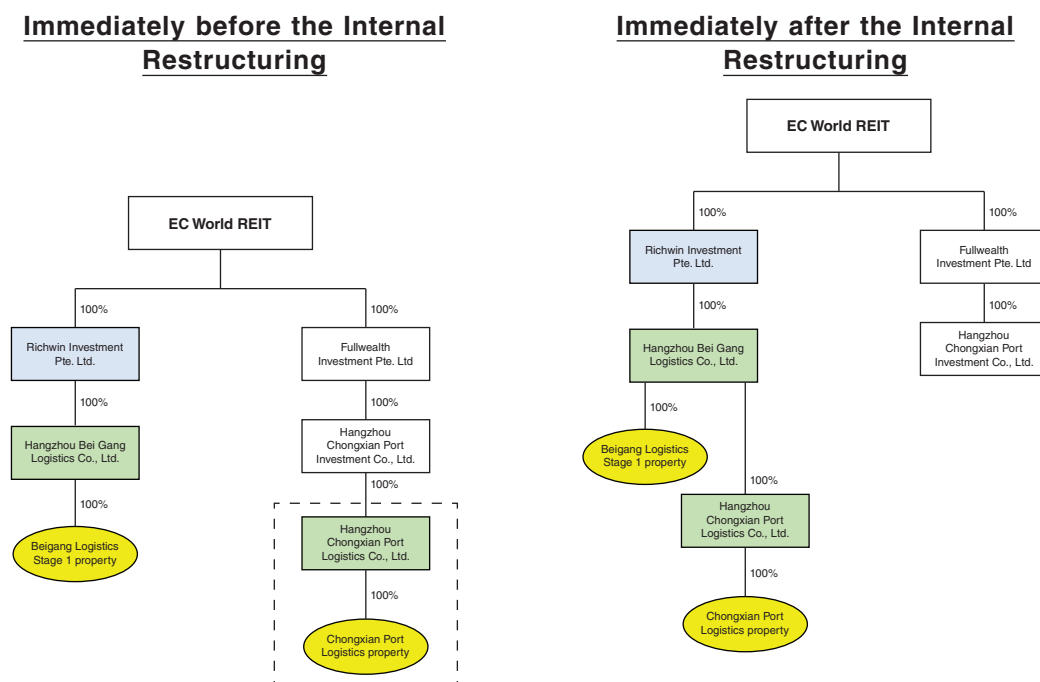
As mentioned in the 2022 Circular, under the Equity Purchase Agreement, completion of the divestment was initially supposed to take place on the date falling six Business Days after the Record Date, and at such location, as may be agreed in writing between the Parties, and in any event, no later than the long-stop date of 31 January 2023 or such other date as may be agreed among the Parties.

Additionally, completion of the divestment under the Equity Purchase Agreement is subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions no later than the Record Date, and in the case of the Conditions in paragraphs 2.2(v), (vi) and (vii) below only, no later than the Completion Date, the Completion Stage One Date or the Completion Stage Two Date (as applicable):

- (i) the delivery of the opinion of the independent financial advisor to the Audit and Risk Committee and the Independent Directors in relation to the divestment (including the Promissory Notes Arrangement), meeting the requirements under Rule 921(4) of the Listing Manual, and satisfactory to the Vendor;
- (ii) the approval by Unitholders for the divestment at the extraordinary general meeting;
- (iii) the receipt of all consents, waivers, confirmations and approvals as may be necessary by the Vendor's Group for the Transaction under the existing banking facilities of the Vendor's Group from the existing lenders of the Vendor's Group;
- (iv) the completion of the Internal Restructuring;
- (v) there being no objection from the SGX-ST and/or the MAS in relation to the Transaction (including the Transaction Financing and the Promissory Notes Arrangement);
- (vi) there having been no Material Adverse Change between the date of the Equity Purchase Agreement and the date of completion of the divestment; and
- (vii) the fundamental warranties set out in the Equity Purchase Agreement remaining true and accurate and not misleading on the date of completion of the divestment.

The Conditions in paragraphs 2.2(i), (ii), (iii) and (iv) above have been satisfied as at the date of this Letter. The Conditions in paragraphs 2.2(v), (vi) and (vii) may only be satisfied as at the Completion Date, the Completion Stage One Date or the Completion Stage Two Date (as applicable).

In relation to the Condition in paragraph 2.2(iv) above, the Internal Restructuring was completed on 9 April 2023⁵⁰ which had resulted in Hangzhou Beigang owning 100.0% of the equity interests in Chongxian Logistics, which in turn owns Chongxian Port Logistics. Accordingly, Hangzhou Beigang currently owns both Chongxian Port Logistics and Beigang Logistics Stage 1 (whether directly or indirectly), as shown in the diagram below:



Note:

The above charts focus only on the relevant entities involved in the Proposed Divestment.

Although the above-mentioned Conditions have been satisfied, completion of the divestment has not yet taken place as the Manager understands from the Purchasers and the Sponsor that they have yet to secure the requisite financing for the divestment.

In connection with the Equity Purchase Agreement:

- (a) the Parties had on 30 January 2023 entered into a supplementary agreement to amend the Equity Purchase Agreement to extend the long-stop date from 31 January 2023 (or such other date as may be agreed among the Parties) to 28 February 2023 (or such other date as may be determined by the Vendor); and
- (b) between 30 January and 30 May 2023, the long-stop date of the divestment was extended a number of times by way of written notice issued by the Vendor to the Purchasers and the Sponsor, as announced by the Manager on 28 February 2023, 1 May 2023 and 31 May 2023. On 31 May 2023, the Manager announced that the long-stop date of the divestment was extended to 16 June 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the Unitholders.

Further, on 31 May 2023, the Manager applied to the MAS to seek the Waiver from paragraph 5.4(b)(ii) of the Property Funds Appendix, which would have required the Equity Purchase Agreement to be completed (if it was intended to be completed) within six months of the date of Unitholders' approval of the divestment (i.e. by 16 June 2023, being six months from the date when the divestment was approved by Unitholders on 16 December 2022).

⁵⁰ Please refer for the Manager's announcement dated 9 April 2023 for further details.

In May 2023, the ECW Group entered into the Facilities in order to refinance the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans. The refinancing of the Existing Onshore Bank Loans and the Existing Offshore Bank Loans was fully completed on 6 June 2023. Under the Facilities, EC World REIT is obligated to procure in respect of the Transaction, an amount which would, immediately after being applied towards the prepayment of the onshore loans and offshore loans of the ECW Group, result in, *inter alia*, such aggregate outstanding amount being no more than S\$410,000,000 (or its equivalent)⁵¹ by the Divestment Longstop Date. The below table sets out relevant information concerning the onshore loans and offshore loans of the ECW Group.

	Outstanding Debt as at 30 June 2023⁽¹⁾	Outstanding Relevant Mandatory Prepayment Amount⁽¹⁾⁽²⁾	Outstanding Debt immediately after repayment of Relevant Mandatory Prepayment Amount⁽¹⁾
Onshore	RMB735,235,992 (or S\$142,194,641)	RMB196,622,835 (or S\$38,026,856)	RMB538,613,157 (or S\$104,167,785)
Offshore	S\$346,975,778 (or RMB1,794,083,652)	S\$61,302,487 (or RMB316,972,529)	S\$285,673,291 (or RMB1,477,111,123)
Total	S\$489,170,419 (or RMB2,529,319,644)	S\$99,329,343 (or RMB513,595,364)	S\$389,841,076 (or RMB2,015,724,280)

Notes:

- (1) Calculated based on the Illustrative Exchange Rates.
(2) Estimated Relevant Mandatory Prepayment Amount upon Completion of the Proposed Divestment.

On 13 June 2023, the Manager announced that the MAS had provided its consent to the Waiver, subject to the following conditions:

- (a) that the divestment must be completed by 31 October 2023 (being the Extended Timeline);
- (b) that Unitholders' approval is obtained for the Extended Timeline as well as any proposed revision to the terms of the divestment;
- (c) the Manager obtaining two independent valuations for the current market valuations of the Divestment Properties, and complying with paragraph 5.1(d) of the Property Funds Appendix which requires the transaction price of an asset sold to an interested party to be not less than the lower of the two assessed values. The updated valuations should be disclosed in the circular to Unitholders in relation to the extraordinary general meeting to be convened; and

⁵¹ The other requirements relating to this obligation to prepay by the Divestment Longstop Date are that (1) the Facilities must be prepaid such that the loan-to-value ratio of the Facilities does not exceed 37.9% and that (2) the aggregate leverage of EC World REIT does not exceed the lower of 38% and such other gearing limit prescribed by the Property Funds Appendix.

- (d) the Board providing the MAS with a written confirmation that the Board has assessed that the Extended Timeline and any proposed revision to the terms of the divestment are in the best interests of EC World REIT and its Unitholders. The Board's assessment should be disclosed in an SGXNET announcement and in the circular to Unitholders⁵².

On 16 June 2023, the Manager announced, among others, that the Vendor had on 16 June 2023 issued a written notice to the Purchasers and the Sponsor to extend the long-stop date of the divestment to 31 October 2023 (subject to (i) the entry into of a supplemental agreement to the Equity Purchase Agreement on terms agreeable to the Vendor and (ii) independent Unitholders' approval of such long-stop date at an extraordinary general meeting to be convened) or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders.

On 10 July 2023, the Manager announced, among others, that the Relevant Parties had entered into the Supplementary Agreement described above.

2.3 Valuation of the Divestment Properties and Revised Agreed Property Values

The Trustee has commissioned an independent valuer, Colliers, and the Manager has commissioned an independent valuer, JLL, to respectively value the Divestment Properties.

⁵² The Board's assessment was disclosed in the Manager's SGXNET announcement dated 10 July 2023 and has also been disclosed in paragraph 6.1 of the Letter to Unitholders below.

The table below sets out the independent valuations of the Divestment Properties:

- (a) as at 30 June 2023, according to the valuation reports of the Divestment Properties issued by Colliers dated 30 June 2023 and JLL dated 30 June 2023; and
- (b) as at 30 June 2022, according to the valuation reports of the Divestment Properties issued by JLL dated 30 September 2022 and KF dated 30 September 2022.

Divestment Properties	2023 Independent Valuations as at 30 June 2023 (RMB' million)		Average of the two 2023 Independent Valuations (RMB' million)	Revised Agreed Property Value (RMB' million)	2022 Independent Valuations as at 30 June 2022 (RMB' million)		Average of the two 2022 Independent Valuations (RMB' million)	Agreed property value as set out in the 2022 Circular (RMB' million)
	Colliers	JLL			KF	JLL		
Beigang Logistics Stage 1	1,213.0	1,191.0	1,202.0	1,217.4	1,178.0	1,238.0	1,208.0	1,212.6
Chongxian Port Logistics	820.0	809.0	814.5	824.4	797.0	833.0	815.0	820.1
Total	2,033.0	2,000.0	2,016.5	2,041.8	1,975.0	2,071.0	2,023.0	2,032.7

In respect of the 2023 Independent Valuations, Colliers used the discounted cash flow approach, and JLL used the discounted cash flow approach and income capitalisation approach, to conduct the 2023 Independent Valuations. The summary property valuation reports issued by Colliers and JLL (the “**Summary Property Valuation Reports**”) are set out in Appendix A to this Circular.

Following arm’s length negotiations, and taking into account the 2023 Independent Valuations, the Relevant Parties to the Supplementary Agreement have agreed that the Equity Consideration for the Divestment Properties shall remain unchanged. Accordingly, based on the financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023, the Relevant Parties have agreed on the Revised Agreed Property Values of the Divestment Properties, such that the *pro forma* consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370,000,000, being the Equity Consideration, based on the Divestment Properties at the Revised Agreed Property Values. Please refer to table notes (1) and (4) under the *pro forma* balance sheet of Hangzhou Beigang as at 31 March 2023 for further details.

The premium which the Revised Agreed Property Value of each of the Divestment Properties bears to the lower of the two 2023 Independent Valuations for that Divestment Property is as follows:

- (i) in relation to Chongxian Port Logistics, RMB15.4 million (approximately S\$2,973,032), representing a premium of approximately 1.9% to the lower of the two 2023 Independent Valuations; and
- (ii) in relation to Beigang Logistics Stage 1, RMB26.4 million (approximately S\$5,111,044), representing a premium of approximately 2.2% to the lower of the two 2023 Independent Valuations.

For illustrative purposes only, the *pro forma* financial position (post Internal Restructuring) and the NAV of Hangzhou Beigang based on the unaudited consolidated balance sheet of Hangzhou Beigang as at 31 March 2023, are set out below.

Pro forma balance sheet of Hangzhou Beigang as at 31 March 2023	
<u>Current assets</u>	(RMB’ million)
Cash and bank balances	35.6
Trade and other receivables	124.4
Other current assets	0.6
	160.6
<u>Non-current assets</u>	
Investment properties ⁽¹⁾	2,032.6
Total assets	2,193.2
<u>Current liabilities</u>	
Term loans ⁽²⁾	183.9
Inter-company payable (net balance) ⁽³⁾	71.3
Other current liabilities	100.5
	355.7

Pro forma balance sheet of Hangzhou Beigang as at 31 March 2023	
Non-current liabilities	
Tenancy related deposits	113.9
Deferred tax liabilities	358.7
Deferred income	4.1
	476.7
Total liabilities	832.4
Total equity/NAV	1,360.8⁽⁴⁾

Notes:

- (1) This refers to the Divestment Properties, stated at RMB2,032.6 million with reference to their agreed property values under the Equity Purchase Agreement dated 30 September 2022 (as disclosed in the 2022 Circular). The difference of RMB9.2 million as compared to the Aggregate Revised Agreed Property Value of RMB2,041.8 million represents the premium which the Aggregate Revised Agreed Property Value bears to the aggregate of the agreed property values under the Equity Purchase Agreement dated 30 September 2022 (as disclosed in the 2022 Circular).
- (2) This refers to the outstanding onshore borrowings of Hangzhou Beigang as at 31 March 2023.
- (3) This refers to the net amount payable as at 31 March 2023 by Hangzhou Beigang to EC World REIT and its subsidiaries (other than Hangzhou Beigang and Chongxian Logistics).
- (4) The Equity Consideration of RMB1,370 million is derived from adding the amount of RMB9.2 million which represents the premium which the Aggregate Revised Agreed Property Value bears to the aggregate of the agreed property values under the Equity Purchase Agreement dated 30 September 2022 (as disclosed in the 2022 Circular) (see note (1) above).

2.4 Approval of Unitholders

The Supplementary Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual given that the Purchasers are associates of the Sponsor, which is in turn a “controlling unitholder” (as defined in the Listing Manual) of EC World REIT.

Accordingly, the Supplementary Agreement is conditional upon, among others, approval from Unitholders by way of an Ordinary Resolution.

In approving the Proposed Divestment, Unitholders will be deemed to have approved all documents required to be executed by the relevant parties in order to give effect to the Supplementary Agreement (including Long-Stop Date).

(Please refer to paragraph 11 of this Letter to Unitholders for further details.)

3. RATIONALE FOR THE SUPPLEMENTARY AGREEMENT

Having carried out extensive engagements with the lending banks and having evaluated the Proposed Divestment, the Manager is of the view that there is a real risk that the ECW Group may not be able to meet its repayment obligations under its financing arrangements if the Proposed Divestment is not completed. In this regard, the Manager is of the view that it is in the interests of EC World REIT and its Unitholders for the Supplementary Agreement to be entered into due to the following reasons, which are elaborated in the sections that follow:

- (i) enables the ECW Group to meet its repayment obligations under its financing arrangements; and
- (ii) provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders.

3.1 Enables the ECW Group to meet its repayment obligations under its financing arrangements

The Long-Stop Date Extension will provide the Purchasers with the opportunity to complete the divestment and make full payment to the ECW Group of the Equity Consideration pursuant to the divestment, allowing the ECW Group to fulfil its repayment obligations under the ECW Group's financing arrangements. Such obligations would require the ECW Group to, among others, repay at least the Minimum Mandatory Repayment of S\$75,465,424⁵³ by the Divestment Longstop Date of 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities). This is because the ECW Group had, in connection with the Facilities, undertaken to its lenders that it would pay to the facility agent (for the account of the lenders) the Minimum Mandatory Repayment by the Divestment Longstop Date. The ECW Group also has a concurrent obligation under the Facilities to ensure that the divestment of the Divestment Properties shall take place by no later than the Divestment Longstop Date, although no breach of such obligation to divest would arise if on or before the Divestment Longstop Date, an amount which would, immediately after being applied towards the prepayment of the onshore loans and offshore loans of the ECW Group, result in, *inter alia*, such aggregate outstanding amount being no more than S\$410,000,000 (or its equivalent)⁵⁴, is prepaid to the lenders. The payment of the Minimum Mandatory Repayment would contribute to a reduction in the outstanding balance of the onshore loans and offshore loans of the ECW Group. Therefore, the total amount which has to be repaid by the ECW Group on the Divestment Longstop Date would be the sum of the Minimum Mandatory Repayment and such amount needed to ensure, *inter alia*, that the aggregate amount of the offshore loans and onshore loans remaining outstanding is no more than S\$410,000,000 (or its equivalent)⁵⁵. Unitholders should refer to paragraph 2.2 of this Letter to Unitholders for further details on the breakdown of the outstanding debt under the offshore loans and onshore loans.

53 Calculated based on the Illustrative Exchange Rates as at 31 March 2023.

54 The other requirements are that (1) the Facilities must be prepaid such that the loan-to-value ratio of the Facilities does not exceed 37.9% and that (2) the aggregate leverage of EC World REIT does not exceed the lower of 38% and such other gearing limit prescribed by the Property Funds Appendix.

55 See footnote 54 for the other requirements.

Without the proceeds from the Proposed Divestment, which cannot be completed in time if there is no Long-Stop Date Extension, the ECW Group is at the risk of a default of such financing obligations.⁵⁶

Further, if the Proposed Divestment does not occur by 31 October 2023, there would be an increase in the margin payable under the Facilities and it is an event of default under the Facilities if the Proposed Divestment does not occur by 30 April 2024.

Given the above, the Manager is of the view that the Long-Stop Date Extension is beneficial in providing more time for the completion of the Proposed Divestment which increases the likelihood that the ECW Group would be able to avoid a potential default on such financing obligations.

The Proposed Divestment was structured so as to ensure that the amounts payable by the Purchasers on completion will be sufficient for the ECW Group to meet its repayment obligations under its financing arrangements.

The Proposed Divestment is expected to generate net proceeds of RMB1,320,000,000 (approximately S\$255,288,000) (after deduction of estimated Relevant Transaction Costs, before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) which are expected to provide sufficient cash proceeds to enable EC World REIT to finance the Relevant Mandatory Prepayment Amount, while also enabling EC World REIT to return cash to Unitholders in the form of the Special Distribution.

The Board is of the view that EC World REIT should be able to meet its short-term obligations in the next 12 months, save for the Minimum Mandatory Repayment amount due to be repaid by the Divestment Longstop Date of 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities).

In view of the foregoing and taking into account the operational performance of the Remaining Properties the Board is of the view that, assuming that completion of the Proposed Divestment takes place in time for the Minimum Mandatory Repayment amount to be repaid by the Divestment Longstop Date, EC World REIT's working capital will be adequate for the next 12 months and there should not be an issue with EC World REIT's ability to continue to operate as a going concern at this juncture.

3.2 Provides Unitholders with an Opportunity to Realise the Value of the Divestment Properties and Preserve the Long-Term Value of EC World REIT for Unitholders

The Board, having evaluated the Proposed Divestment, considers the Proposed Divestment to be beneficial to EC World REIT based on the following considerations:

(i) Premium to lower of the two 2023 Independent Valuations

The Revised Agreed Property Value of each of the Divestment Properties bears the following premium to the lower of the two 2023 Independent Valuations:

- (a) in relation to Chongxian Port Logistics, RMB15.4 million (approximately S\$2,973,032), representing a premium of approximately 1.9% to the lower of the two 2023 Independent Valuations; and

⁵⁶ Please note that even if Unitholders' approval of the Supplementary Agreement is obtained at the EGM and the Long-Stop Date Extension takes place, in the event that the Purchasers do not successfully obtain the acquisition financing and are unable to complete the Proposed Divestment, the ECW Group would not be able to receive the proceeds from the Proposed Divestment and would be at the risk of a default of its financing obligations.

(b) in relation to Beigang Logistics Stage 1, RMB26.4 million (approximately S\$5,111,044), representing a premium of approximately 2.2% to the lower of the two 2023 Independent Valuations.

(ii) **Premium to book value of the Target Companies**

The Equity Consideration of RMB1,370,000,000 (approximately S\$264,958,000) is higher than the book value of the Target Companies as at 31 March 2023, being RMB1,360,757,094 (approximately S\$263,170,422).

Please refer to paragraph 2.3 of this Letter to Unitholders for further details on the *pro forma* balance sheet of Hangzhou Beigang as at 31 March 2023.

(iii) **Premium to IPO levels**

The Aggregate Revised Agreed Property Value represents a blended premium of 18.4% compared to the purchase considerations of the Divestment Properties at the IPO of EC World REIT.

(iv) **Unitholders to benefit from Special Distribution**

Subject to and following completion of the Proposed Divestment, the Manager intends to make a Special Distribution to Unitholders of approximately RMB507,169,483 (approximately S\$98,086,578). This will enable Unitholders to realise the value of their investment in EC World REIT. Please refer to paragraph 10 of this Letter to Unitholders for further details.

The Manager also believes that the Proposed Divestment will provide long-term value for Unitholders. As compared to the Remaining Properties which are pure logistics assets kept in leasable condition and have been properly maintained, the Divestment Properties have proven to be sub-optimal to the operations of EC World REIT in recent years. Should the Divestment Properties continue to form part of EC World REIT's portfolio, the long-term value to Unitholders would deteriorate due to the following reasons:

(a) **Decline in asset valuations of Divestment Properties compared to IPO levels**

The average valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2023 have decreased by 7.0% and 4.5% respectively, compared to their average valuations at the IPO. The average of the two 2023 Independent Valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2023 were RMB1,202.0 million and RMB814.5 million respectively, while the valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 31 December 2015, which were obtained in connection with the IPO, were RMB1,293 million and RMB852.5 million respectively.

(b) **Attractiveness of Beigang Logistics Stage 1 has weakened due to market trends**

The shift of e-commerce online platforms away from the traditional O2O model, coupled with the COVID-19 pandemic and the sporadic movement restrictions in various cities in the PRC caused many original and potential tenants of Beigang Logistics Stage 1 to readapt their business models to cater to mobile operations, online trades and inventory storage in shared warehouses.

Originally designed to cater to O2O businesses, trade exhibition, showrooms, office and other e-commerce related services that focus on attracting potential customers

from online channels to physical stores, Beigang Logistics Stage 1's market position, relevance and offerings in the O2O industry have weakened considerably due to the above market trends.

In light of the above challenging circumstances, the Manager is of the view that the current rental rate of Beigang Logistics Stage 1 is not sustainable going forward.

(c) **Unfeasible to overhaul and reposition the Divestment Properties to capture evolving e-commerce trends**

While the e-commerce growth potential in the PRC remains positive due to increasing internet penetration and high usage of mobile services, the Divestment Properties are not able to benefit significantly from this trend as they were not designed and constructed for e-commerce warehousing purposes.

The conversion of use of the Divestment Properties would require major redevelopments, which would in turn require significant investment from EC World REIT and also mean that EC World REIT would have to concurrently forego rental income during the redevelopment period.

(d) **Chongxian Port Logistics is an ageing property with upcoming extensive repair required**

Completed in 2009, the structures of Chongxian Port Logistics such as external walls and roofs of the warehouses are showing signs of extensive wear and tear. A significant amount of major overhaul cost is expected to be incurred in the coming years should Chongxian Port Logistics continue to form part of EC World REIT's portfolio. This would result in loss of rental income from Chongxian Port Logistics during the periods of such major repairs and uplift.

In light of the foregoing, the Proposed Divestment remains as an attractive option for EC World REIT to realise the value of the Divestment Properties and is in the best interest of EC World REIT and its Unitholders.

4. PRINCIPAL TERMS OF THE SUPPLEMENTARY AGREEMENT

4.1 Supplementary Agreement takes effect upon Independent Unitholders' Approval

The Supplementary Agreement shall take effect only upon the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date) being obtained at an extraordinary general meeting.

If the independent Unitholders do not provide such approval at the extraordinary general meeting, (i) the Supplementary Agreement shall have no effect; and (ii) the Parties will continue to be bound by the terms of the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) and the Vendor would be entitled to claim damages (a) against the Purchasers for the breach of their obligation to complete the divestment, and (b) against the Sponsor which has guaranteed such obligation of the Purchasers.

The Equity Purchase Agreement (as amended), which is governed by PRC law, provides that any claim arising from or in connection with the Equity Purchase Agreement (as amended) shall be resolved through friendly negotiation, and that in case no settlement can be reached through consultations within 15 Business Days after the date of notification of the existence of the claim by one party to the other party, such claim shall be referred to and finally resolved by binding arbitration in the Shanghai International Arbitration Centre. However, there is no certainty that the Vendor would be successful in the enforcement of any such claim against any of the Purchasers or the Sponsor.

4.2 The Long-Stop Date Extension

Pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the long-stop date under the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) to be amended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders.

4.3 Conditions Precedent and Requirement for Independent Unitholders' Approval

In addition to the conditions set out in the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023), Completion (regardless of whether it is one-stage Completion or (where the Relevant Mutual Consent is provided) two-stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders) is also subject to and conditional upon satisfaction or waiver (as the case may be) of the approval by independent Unitholders of ECW for the Supplementary Agreement (including the Long-Stop Date) at an extraordinary general meeting to be convened by ECW.

For the avoidance of doubt, for the purposes of the Supplementary Agreement, "independent Unitholders" excludes any person required to abstain from voting by the Listing Manual, paragraph 5 of the Property Funds Appendix, the SGX-ST and the MAS.

4.4 Flexibility to proceed to Two-Stage Completion

The Supplementary Agreement provides for the flexibility of the Two-Stage Completion, whereby the Completion may take place in two stages if (and only if) the Vendor and the Purchasers provide their Relevant Mutual Consent.

In the event that the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Completion in two stages, Chongxian Logistics will be divested first (being Completion Stage One), followed by Hangzhou Beigang (being Completion Stage Two), in each case, in accordance with the Supplementary Agreement.

Completion Stage Two is subject to Completion Stage One, and accordingly, Completion Stage Two shall not take place unless Completion Stage One has been completed.

The Relevant Parties have agreed and acknowledged that the purpose of the Purchasers' implementation of the Transaction is to acquire the equity interests in all Target Companies and thereby get control over the Divestment Properties and none of the Relevant Parties shall have the right to proceed only with Completion Stage One without being also obligated to proceed to Completion Stage Two (or *vice versa*). The obligations in connection with the completion of the Transaction shall be deemed fulfilled only after both the Completion Stage One and the Completion Stage Two are completed. The Purchasers shall use their best endeavours to proceed with Completion Stage Two as soon as practicable after Completion Stage One is completed. The Relevant Parties have agreed that in no event shall Completion Stage One or Completion Stage Two be reversible once Completion Stage One or Completion Stage Two (as the case may be) has been completed.

If the Purchasers fail (for any reason whatsoever) to proceed with Completion Stage Two by the Completion Stage Two Date in accordance with the Supplementary Agreement, the Vendor shall have the right (but not the obligation) to determine at its sole discretion whether to terminate the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement) (forthwith on written notice to the other Relevant Parties) without proceeding with Completion Stage Two or to

require the Purchasers to continue to perform the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement) (forthwith on written notice to the other Relevant Parties).

Further, according to the Supplementary Agreement, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion:

- (a) on the Completion Stage One Date, the Vendor shall ensure and procure that:
- (i) an amount equal to the net proceeds (i.e. after deduction of the related transaction expenses and applicable taxes that are borne by the Vendor Group) from the Completion Stage One is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group⁵⁷, save that if there is a cash trap situation in Hangzhou Beigang which would cause the prepayment of the offshore loans to not be immediately possible, in lieu of the above-mentioned prepayment of the offshore loans, an amount equal to the offshore prepayment amount to be deposited in an escrow account held with the onshore facility agent or security agent;
 - (ii) cash and receivables on the account of the Target Companies in the aggregate amount of no less than RMB230,000,000 shall be retained; and
 - (iii) Hangzhou Beigang shall assign the Relevant Payables⁵⁸ to the Purchasers and accordingly the amount of such Relevant Payables, which have been assigned to the Purchasers shall be set off against the amount payable by the Purchasers under paragraph 4.4.1(a)(ii) of this Letter to Unitholders⁵⁹; and
- (b) on the Completion Stage Two Date (or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group), the Vendor shall ensure and procure that, out of the aggregated net proceeds from Completion Stage One and Completion Stage Two, an amount equal to the outstanding Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group.

57 Unitholders should refer to paragraph 2.2 of this Letter to Unitholders for further details on the estimated amount to be applied towards the prepayment of the onshore and offshore loans.

58 As at 31 March 2023, the net inter-company payables owing by Hangzhou Beigang to Chongxian Logistics amounted to RMB16.8 million.

59 Please note that this is payable on the Completion Stage One Date but not where Completion remains as a single-stage process because such inter-company balances are eliminated upon consolidation of the accounts of Hangzhou Beigang as Chongxian Logistics is a wholly-owned subsidiary of Hangzhou Beigang, and hence in the case of a single-stage process, the Relevant Payables need not form a separate completion deliverable on the Completion Date and the Purchasers would simply pay for the Equity Consideration of RMB1,370,000,000 (which takes into account the consolidated NAV of Hangzhou Beigang) in exchange for 100.0% of the equity interest in Hangzhou Beigang (including Chongxian Logistics). On the other hand, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Relevant Payables will need to be settled on the Completion Stage One Date as Chongxian Logistics would cease to be a subsidiary of Hangzhou Beigang upon Completion Stage One. Under the Supplementary Agreement, the Relevant Parties have agreed for the Relevant Payables (being the net inter-company payables owing by Hangzhou Beigang to Chongxian Logistics based on the management accounts of Chongxian Logistics as of the Completion Stage One Date) to be novated to the Purchasers, and such novated amount will be set-off against the amount payable by the Purchasers under paragraph 4.4.1(a)(ii) of this Letter to Unitholders. From the perspective of Hangzhou Beigang, its net amount payable to Chongxian Logistics will need to be settled as such amount was not taken into account in the computation of the Equity Consideration attributable to Hangzhou Beigang (without Chongxian Logistics) (due to inter-company balances being eliminated upon consolidation of the accounts of Hangzhou Beigang), with such elimination having the effect of increasing the NAV of Hangzhou Beigang (without Chongxian Logistics). From the perspective of the Purchasers, they will be net neutral as the inter-company amount that they pay to Hangzhou Beigang will be set-off against the novated amount.

However, if the Vendor and the Purchasers do not provide the Relevant Mutual Consent to proceed with the Two-Stage Completion (i.e. Completion remains as a single-stage process), in lieu of the above-listed obligations of the Vendor, the Vendor shall ensure and procure that, (i) an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on the Completion Date (or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group); and (ii) cash and receivables on the account of the Target Companies in the aggregate amount of no less than RMB230,000,000 shall be retained on the Completion Date.

4.4.1 Equity Consideration and Promissory Notes Arrangement

On Completion, the Purchasers shall pay for the Equity Consideration of RMB1,370,000,000 (or procure the payment of the Equity Consideration) in the following manner:

- (1) FIPL may deliver (or procure the delivery of) Promissory Notes⁶⁰ to the Vendor in settlement of a part of the Equity Consideration, in accordance with and subject to the requirements referred to in paragraph 4.2.2(i) of the Letter to Unitholders of the 2022 Circular⁶¹; and
- (2) the actual purchaser(s)⁶² under the divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with (1) above) to the specified bank account of the Vendor.

Notwithstanding the foregoing, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Purchasers shall pay for the Equity Consideration (or procure the payment of the Equity Consideration) in the following manner:

- (a) on the Completion Stage One Date and subject to the set-off as set out in paragraph 4.4(a)(iii) of this Letter to Unitholders above, the actual purchaser(s) under the Proposed Divestment shall pay:
 - (i) RMB770,000,000⁶³, being the portion of the Equity Consideration attributable to Chongxian Logistics; plus
 - (ii) an amount equivalent to the Relevant Payables,together to the specified bank account of Hangzhou Beigang; and

60 As stated at paragraph 4.2.2 of the Letter to Unitholders of the 2022 Circular, the issuers of the Promissory Notes are intended to be the Forchn Unitholders. It is envisaged that there will be three transferable Promissory Notes, each issued or to be issued by one of the Forchn Unitholders that will bear an interest rate of 4.2% per annum, being the Singapore Standing Facility Deposit Rate published by the MAS as at the date of the Equity Purchase Agreement. As part of the terms of the Proposed Divestment, FIPL may, under the Promissory Notes Arrangement, at its option, elect to pay part of the Equity Consideration by delivering (or procuring the delivery of) Promissory Notes to the Vendor in accordance with the terms of the Equity Purchase Agreement (as amended). These Promissory Notes will then be used to set off against the relevant Forchn Unitholders' entitlements to the Special Distribution. Any remaining amount not paid for in the form of Promissory Notes shall be paid in cash to the Vendor. The purpose of the Promissory Notes Arrangement is to manage efficiency of money flows in view of the intended Special Distribution.

61 The requirements described in paragraph 4.2.2(i) of the Letter to Unitholders of the 2022 Circular are as follows: On Completion, FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that: (a) the PN Principal Amount shall not exceed the Singapore dollar equivalent of RMB197,000,000, computed based on the S\$: RMB exchange rate prevailing as at the Completion Date; and (b) the abovementioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed Settlement Agreements in respect of the settlement of the Promissory Notes.

62 The actual purchaser(s) shall comprise up to two of the following: (i) HFBEM; (ii) FIPL; and (iii) the Relevant Entity.

63 Between Completion Stage One and Completion Stage Two, the Manager intends to procure that this RMB770,000,000 be utilised in the manner as set out in paragraph 4.4(a)(i) of this Letter to Unitholders above.

- (b) on the Completion Stage Two Date, the Purchasers shall pay the Equity Consideration⁶⁴ (or procure the payment of the Equity Consideration) in the following manner:
- (i) FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Stage Two Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that (i) the aggregate principal amount of the Promissory Notes shall not exceed an amount in Singapore dollar equivalent of RMB197,000,000; and (ii) the above-mentioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed Settlement Agreements in respect of the settlement of the Promissory Notes; and
 - (ii) the actual purchaser(s)⁶⁵ under the Proposed Divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with paragraph 4.4.1(b)(i) above) to the specified bank account of the Vendor.

Save as otherwise disclosed in the Circular, the terms of the Promissory Notes Arrangement remain the same in all material respects as the terms of the Promissory Notes Arrangement set out in the 2022 Circular. For the avoidance of doubt, in the case of a two-stage completion process, the Promissory Notes Arrangement will be allowed only for Completion Stage Two and not Completion Stage One pursuant to the terms of the Supplementary Agreement.

In the event the Promissory Notes Arrangement is adopted, each of the Forchn Unitholders will enter into a separate Settlement Agreement with the Vendor and the Trustee relating to the settlement of the Promissory Notes, to be delivered to the Vendor on the Completion Date or the Completion Stage Two Date (as the case may be) together with the Promissory Notes. It is intended that pursuant to the respective Settlement Agreement, subject to and conditional upon Completion or Completion Stage Two (as the case may be), the Vendor shall indorse and deliver the relevant Promissory Note to the relevant Forchn Unitholder, and the relevant Forchn Unitholder shall accept the relevant Promissory Note from the Vendor, on the date of the Special Distribution in full and final settlement of the relevant portion of the Special Distribution due and payable to the relevant Forchn Unitholder by EC World REIT. Effectively, the principal amount of the relevant Promissory Note will be set off against the amount of the Special Distribution which the relevant Forchn Unitholder is entitled to. Purely for illustrative purposes only, based on the expected amount of the Special Distribution (see paragraph 10 of this Letter to Unitholders below for details) and the Forchn Unitholders'

64 Please note that during Completion Stage Two, the full Equity Consideration of RMB1,370,000,000 would be payable to the Vendor for the divestment of all its equity interests in Hangzhou Beigang to the Purchasers. This is because the total consideration to be received (including prepayments from the Sponsor group) of RMB770,000,000 under Completion Stage One will form part of the net assets of Hangzhou Beigang to be divested to the Purchasers at Completion Stage Two.

65 The actual purchaser(s) shall comprise up to two of the following: (i) HFBEM; (ii) FIPL; and (iii) the Relevant Entity.

respective direct unitholdings in EC World REIT as at the Latest Practicable Date, it is expected that the following will be the principal amounts of the Promissory Notes to be issued by the Forchn Unitholders and the Special Distribution amounts they will be entitled to:

Forchn Unitholder	Expected Principal Amount of Promissory Note	% Direct Unitholding in ECW as at the Latest Practicable Date	Illustrative Amount of Special Distribution⁽¹⁾⁽²⁾
FGPL	S\$34,694,758 (RMB179,393,783)	39.879%	S\$39,116,165 (RMB202,255,249)
FIPL	S\$2,764,412 (RMB14,293,755)	3.178%	S\$3,116,702 (RMB16,115,313)
ECWAM	S\$640,630 (RMB3,312,462)	0.736%	S\$722,270 (RMB3,734,593)
Total	S\$38,099,800 (RMB197,000,000)	43.793%	S\$42,955,137 (RMB222,105,155)

Notes: The monetary amounts set out in this table are purely for illustrative purposes only. The S\$ amounts have been converted based on the Illustrative Exchange Rate from the corresponding RMB amount.

- (1) The RMB amounts in this column represent the balance of the divestment proceeds expected to be available to EC World REIT to fund the Special Distribution to the Unitholders (see paragraphs 9 and 10 of this Letter to Unitholders), pro-rated based on the Forchn Unitholders' respective direct unitholdings in EC World REIT as at the Latest Practicable Date.
- (2) Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of repaying the outstanding Relevant Mandatory Prepayment Amount based on terms that are acceptable to the relevant lenders of EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

As stated in paragraph 4.2.2 of the Letter to Unitholders of the 2022 Circular, the Purchasers have agreed to indemnify the Vendor against any costs, charges, expenses (including any taxes incurred by any member of the Vendor's Group) and/or any other losses in connection with the Transaction which the Vendor's Group would not otherwise have sustained, incurred or suffered but for the Promissory Notes Arrangement.

Further, as stated in paragraph 4.2.3 of the Letter to Unitholders of the 2022 Circular, pursuant to the Settlement Agreements to be entered into in connection with the Promissory Notes (if any), each Forchn Unitholder will undertake that it will not, directly or indirectly, sell, transfer or otherwise dispose of any of its interests in the Units owned by it during the period from the date of the relevant Settlement Agreement until the date of the Special Distribution (inclusive).

4.4.2 HZBG Loan Repayment Amount on Completion

On Completion, the Purchasers shall also repay (or procure such repayment of) the HZBG Loan Repayment Amount, representing all the outstanding onshore borrowings of Hangzhou Beigang, the amount of which shall be notified to the Purchasers in writing by the Vendor on Completion, and which shall be no more than RMB266,361,216⁶⁶.

⁶⁶ This cap of RMB266,361,216 represents all the outstanding onshore borrowings of Hangzhou Beigang as at 30 September 2022. The HZBG Loan Repayment Amount as at Completion will not be higher than RMB266,361,216. As at 31 March 2023, the HZBG Loan Repayment Amount is RMB183,892,626.

Notwithstanding the foregoing, if the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Purchasers shall repay all the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be notified to the Purchasers in writing by the Vendor the Completion Stage Two Date and which shall be no more than RMB266,361,216 on the Completion Stage Two Date.

4.4.3 Settlement of HZBG Net Related Party Payable after Completion

Under the Equity Purchase Agreement, as a condition subsequent, the Purchasers have undertaken to pay (or procure payment) to the Vendor the HZBG Net Related Party Payable within five Business Days from the date when the Vendor notifies the Purchasers in writing of the HZBG Net Related Party Payable, which notification shall be provided within 10 Business Days from Completion.

The ECW Group has a credit arrangement in place whereby certain onshore entities of the ECW Group would place the Collateralised Cash Deposits with onshore lenders, and the onshore lenders accordingly issue the Existing SBLC, so as to back certain offshore revolving credit facilities owing by ECW Treasure (being a wholly-owned subsidiary of EC World REIT). As at 31 March 2023, such Collateralised Cash Deposits have been placed as collateral by Hangzhou Beigang, Chongxian Investment and Hengde Sangpu, in order to back such offshore revolving credit facilities of approximately S\$89.5 million.

Following receipt of the proceeds from the Proposed Divestment upon Completion, the Manager intends to utilise a portion of the proceeds to repay the Relevant Offshore Revolving Credit Facilities (see paragraph 9 of this Letter to Unitholders for a breakdown of the intended the use of the divestment proceeds), such that post-Completion, the relevant Collateralised Cash Deposits backing the Relevant Offshore Revolving Credit Facilities are released to the relevant onshore entities of the ECW Group. As part of the above arrangement, the Manager expects the Release of the HZBG Collateralised Cash Deposits to take place.

As at 31 March 2023, the Manager expects the following breakdown of the Collateralised Cash Deposits intended to be released and the Relevant Offshore Revolving Credit Facilities intended to be repaid using the divestment proceeds:⁶⁷

67 The Manager would like to update that as at 31 March 2023, (i) while the Collateralised Cash Deposits of the onshore entities of the ECW Group back offshore revolving credit facilities of approximately S\$89.5 million in total, only approximately S\$45.0 million out of the approximately S\$89.5 million of offshore revolving credit facilities is expected to be repaid using the proceeds of the Proposed Divestment. The Collateralised Cash Deposits relating to the above-mentioned approximately S\$45.0 million offshore revolving credit facilities have been placed by Chongxian Investment and Hangzhou Beigang as collateral with the onshore lenders; and (ii) with respect to the remaining balance of approximately S\$44.5 million offshore revolving credit facilities, they are backed by Collateralised Cash Deposits placed by Chongxian Investment and Hengde Sangpu as collateral with the onshore lenders and the Manager does not expect these Collateralised Cash Deposits to be released in connection with Completion. However, please note that the relevant onshore entities which place the Collateralised Cash Deposits with the onshore lenders, the balances of the Collateralised Cash Deposits and the balances of the offshore revolving credit facilities may fluctuate over time as part of the ordinary course of business of the ECW Group. The Manager would like to highlight that the actual breakdown of the relevant onshore entities, the balances of the Collateralised Cash Deposits to be released and the balances of the Relevant Offshore Revolving Credit Facilities to be repaid using the divestment proceeds may change, and may differ from the expected breakdown set out in the table in paragraph 4.4.3 of this Letter to Unitholders. The actual breakdown may be determined only after the receipt of the divestment proceeds on Completion and will be disclosed via an SGXNet announcement.

	Collateralised Cash Deposits Intended to be Released⁽¹⁾	Relevant Offshore Revolving Credit Facilities Intended to be Repaid Using Divestment Proceeds⁽¹⁾⁽²⁾
Hangzhou Beigang	RMB22,000,000 ⁽³⁾ (S\$4,254,800)	RMB20,682,523 (S\$4,000,000)
Chongxian Investment	RMB234,920,223 ⁽⁴⁾ (S\$45,433,571)	RMB211,995,864 (S\$41,000,000)
Total	RMB256,920,223 (S\$49,688,371)	RMB232,678,387 (S\$45,000,000)

Notes:

- (1) Based on the respective amounts as at 31 March 2023. The currency translations have been made based on the Illustrative Exchange Rates.
- (2) For the avoidance of doubt, following the repayment of the Relevant Offshore Revolving Credit Facilities, the released credit limit will be available to ECW Treasure for drawdown in the future, as the intention is for ECW Treasure's offshore revolving credit facilities to continue to be in place.
- (3) It is intended that the Collateralised Cash Deposits which are released to Hangzhou Beigang post-Completion be retained by it. For the avoidance of doubt, cash held by Hangzhou Beigang as at Completion (whether such cash is in the form of free cash or in the form of Collateralised Cash Deposits) will contribute to the requirement for the Vendor to ensure and procure that cash and receivables in the account of the Target Companies in the aggregate amount of no less than RMB230.0 million shall be retained on the Completion Date.
- (4) It is intended that the Collateralised Cash Deposits which are released to Chongxian Investment post-Completion be retained by it and may be applied by it for various purposes, including but not limited to working capital of other PRC property holding companies within the ECW Group.

Given that Hangzhou Beigang will be owned by the Purchasers and not the Vendor post-Completion, it is the Purchasers' obligation to pay (or procure payment of) the HZBG Net Related Party Payable⁶⁸ while the Vendor would need to procure the Release of the HZBG Collateralised Cash Deposits.

As stated in paragraph 4.4 of Letter to Unitholders of the 2022 Circular, in determining the timeframe for the payment of the HZBG Net Related Party Payable as specified above, the Audit and Risk Committee took into consideration, among others, (i) the time required for the offshore lenders to confirm the repayment of the Relevant Offshore Revolving Credit Facilities and for such confirmation to be issued to the onshore lenders; (ii) the time required for the onshore lenders to complete their internal process to cancel the standby letters of credit issued by them before the Release of the HZBG Collateralised Cash Deposits can take place; (iii) the time required for the Release of the HZBG Collateralised Cash Deposits and the utilisation of the released cash towards the settlement of the HZBG Net Related Party Payable; and (iv) the intermittent lock-downs in the PRC due to the strict COVID-19 policies previously.

⁶⁸ As at 31 March 2023, the HZBG Net Related Party Payable amount is RMB71,271,601. For the avoidance of doubt, the settlement of the HZBG Net Related Party Payable is not dependent on the Release of the HZBG Collateralised Cash Deposits.

4.5 Relevant Mandatory Prepayment Amount

As mentioned at footnote 24 of the 2022 Circular, the relevant mandatory prepayment amount under the Equity Purchase Agreement meant, in respect of the Transaction, the higher of:

- (i) an amount which is 25.0% of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group; and
- (ii) an amount equal to the Relevant Percentage of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group. **“Relevant Percentage”** meant, in respect of the Transaction, the percentage of the market value of the total consolidated assets of the Target Companies sold, transferred or disposed of pursuant to the Transaction as it bears to the market value of the total consolidated assets of the ECW Group immediately prior to the completion of the divestment, as calculated by the facility agent (acting on the instructions of the lenders of the ECW Group).

However, the amount which the ECW Group is mandatorily required to repay its lenders on completion of the divestment of Beigang Logistics Stage 1 and Chongxian Port Logistics has been updated based on the Facilities⁶⁹ in connection with the refinancing of the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans.

Accordingly, pursuant to the Supplementary Agreement, the Relevant Parties have agreed for the term **“Relevant Mandatory Prepayment Amount”** to be amended to mean, in respect of the Transaction, an amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group. Under the terms of the Proposed Divestment, the Vendor is obligated to procure that, among others, an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on, as the case may be, the Completion Date⁷⁰ or such later date as agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group.

4.6 Revised Agreed Property Values

As set out at paragraph 2.4 of the Letter to Unitholders of the 2022 Circular, the agreed property values of Beigang Logistics Stage 1 and Chongxian Port Logistics were RMB1,212.6 million and RMB820.1 million respectively.

As set out at paragraph 2.3 of this Letter to Unitholders above, the Revised Agreed Property Values as amended pursuant to the Supplementary Agreement will be higher than the agreed property values set out in the 2022 Circular, as set out in the table below.

Divestment Property	Revised Agreed Property Value under the Supplementary Agreement (RMB' million)	Agreed property value as set out in the 2022 Circular (RMB' million)
Stage 1 Properties of Bei Gang Logistics	1,217.4	1,212.6

69 The Facilities were drawn down on 31 May 2023, and the above-mentioned refinancing was fully completed on 6 June 2023. Please refer to the Manager’s announcements dated 31 May 2023 and 6 June 2023 for further details.

70 For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, this would be the Completion Stage Two Date.

Divestment Property	Revised Agreed Property Value under the Supplementary Agreement (RMB' million)	Agreed property value as set out in the 2022 Circular (RMB' million)
Chongxian Port Logistics	824.4	820.1
Total	2,041.8	2,032.7

Please refer to paragraphs 2.1(iii) and 2.3 of this Letter to Unitholders above for the reason why the Revised Agreed Property Values are higher compared to what was set out in the 2022 Circular.

5. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

Please refer to the 2022 Circular for further details on the terms of the Proposed Divestment, including in relation to, among others, the Sponsor's guarantee of the Purchasers' obligations under the Proposed Divestment (see paragraph 4.8 of the Letter to Unitholders of the 2022 Circular), the Vendor's right to deliver a pre-completion notice to the Purchasers (see paragraph 4.10 of the Letter to Unitholders of the 2022 Circular), fees and taxes in connection with the Equity Purchase Agreement (see paragraph 4.11 of the Letter to Unitholders of the 2022 Circular) and the Transaction Financing (see paragraph 4.6 of the Letter to Unitholders of the 2022 Circular). For ease of reference, the above-listed terms of the Proposed Divestment are also set out in **Appendix C** to this Circular.

The Manager and the Directors confirm that:

- (i) any material changes to the terms of the Proposed Divestment (including the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) from what was disclosed in the 2022 Circular; and
- (ii) the salient terms of the Proposed Divestment,

have been disclosed in this Circular.

6. BOARD'S ASSESSMENT

6.1 Supplementary Agreement

The Board (with the non-independent Directors abstaining) has assessed the Supplementary Agreement and is of the view that it is in the best interests of EC World REIT and the Unitholders. This is on the basis of the Manager's reasons set out at paragraph 2.1 of this Letter to Unitholders above.

6.2 Ability of EC World REIT to continue operating as a going concern

The Board has assessed that the ECW Group is able to continue as a going concern on the basis of the following:

- (i) the ECW Group has, in May 2023, completed the refinancing of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans with a new offshore facility and a new onshore facility;

- (ii) the Manager is confident of obtaining an extension of the termination date of the new offshore facility from the existing deadline of 30 April 2024 to 30 April 2026, subject to, among others, the following:
 - (a) the registration of the new offshore facility with the National Development and Reform Commission of the PRC (the “**NDRC**”) (as required under the PRC law) will be completed before 30 April 2024. The registration process is currently ongoing and is expected to be completed within three months from the lodgement of required documents with the NDRC; and
 - (b) the Completion of the Proposed Divestment taking place by 30 April 2024 and no event of default occurring under the Facilities;
- (iii) the operation of the ECW Group continues to be stable and profitable, in view that the ECW Group continues to be able to meet its daily operating and financing requirements as well as to make regular distributions to Unitholders;
- (iv) the Sponsor, and the Chairman of the Sponsor, being Mr Zhang Guobiao, have continued to demonstrate their support for the ECW Group. For instance:
 - (a) as of the Latest Practicable Date, out of the total equity consideration of RMB1,370,000,000 for the proposed divestment by the ECW Group of its indirect interests in Beigang Logistics Stage 1 and Chongxian Port Logistics to the Sponsor group, the Sponsor group has prepaid to the ECW Group a total of RMB333,028,995⁷¹. Of this prepaid amount, RMB321,806,801 was used towards partial settlement of the ECW Group’s debt and the balance of RMB11,222,194 is being held in escrow with the onshore facility agent under the relevant onshore facility; and
 - (b) Mr Zhang Guobiao, the Chairman of the Sponsor, has provided personal guarantees in respect of the ECW Group’s undertakings to repay at least S\$75,465,424⁷² to the ECW Group’s lenders by 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities).

Additionally, the Board has assessed that, after taking into consideration the ECW Group’s Facilities, the working capital available to the ECW Group is sufficient to meet its present requirements except for the requirement to pay the Relevant Mandatory Prepayment Amount by the Divestment Longstop Date pursuant to the Facilities. Without the proceeds from the Proposed Divestment, which cannot be completed without the Long-Stop Date Extension, EC World REIT will be at risk of a default of such financing obligations.

71 Calculated based on the exchange rate of RMB1.00 = S\$0.1933 as at 30 December 2022, the exchange rate of RMB1.00 = S\$0.1945 as at 4 January 2023, the exchange rate of RMB1.00 = US\$0.1442 as at 28 February 2023 and the exchange rate of RMB1.00 = US\$0.1435 as at 10 March 2023, being the dates on which the respective prepayments of the Equity Consideration were made by the Sponsor group.

72 Calculated based on the illustrative exchange rates of RMB1.00 = S\$0.1934 and US\$1.00 = S\$1.3270 which were the actual exchange rates as at 31 March 2023.

7. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

The *pro forma* financial effects of the Proposed Divestment and the Special Distribution on EC World REIT, prepared based on EC World REIT's audited consolidated financial results for the financial year ended 31 December 2022 ("FY2022"), are set out below.

It should be noted that the *pro forma* financial effects set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of EC World REIT after the Completion.

7.1 Pro Forma NAV per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Proposed Divestment and the Special Distribution on EC World REIT's NAV per Unit, based on EC World REIT's audited consolidated financial results for FY2022 and the Revised Agreed Property Values of the Divestment Properties, and assuming that the Proposed Divestment and (where applicable) the Special Distribution was completed on 31 December 2022, are as follows:

	As at 31 December 2022		
	Before the Proposed Divestment and the Special Distribution ⁽¹⁾	After the Proposed Divestment and before the Special Distribution ⁽¹⁾⁽²⁾	After the Proposed Divestment and the Special Distribution ⁽¹⁾⁽³⁾
NAV (S\$'000)	608,725	599,060	501,495
Units in issue ⁽⁴⁾	809,838,247	809,838,247 ⁽⁵⁾	809,838,247 ⁽⁵⁾
NAV per Unit (cents)	75.2	74.0 ⁽⁵⁾	61.9 ⁽⁵⁾

Notes:

- (1) Based on the audited consolidated financial results for FY2022 of EC World REIT, and adjusted based on the Revised Agreed Property Values of the Divestment Properties.
- (2) After accounting for the Relevant Transaction Costs but before accounting for the Special Distribution.
- (3) After accounting for the Relevant Transaction Costs and the Special Distribution.
- (4) Based on the total number of Units in issue as at the Latest Practicable Date.
- (5) Assuming there is no change in the total number of Units in issue as at the Latest Practicable Date and the total number of Units in issue as at the date of payment of the Special Distribution.

7.2 Pro Forma Distribution per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Proposed Divestment on EC World REIT's distribution per Unit ("**DPU**"), based on EC World REIT's audited consolidated financial results for FY2022 and the Revised Agreed Property Values of the Divestment Properties and assuming that the Proposed Divestment was completed on 1 January 2022, are as follows:

	FY2022	
	Before the Proposed Divestment ⁽¹⁾	After the Proposed Divestment ⁽¹⁾⁽²⁾⁽³⁾
Distributable Income (S\$'000)	41,452	29,375
Net Property Income (S\$'000)	110,956	81,512
Units in issue⁽⁴⁾	809,838,247	809,838,247
DPU (cents)	5.12	3.63

Notes:

- (1) Based on the audited consolidated financial results for FY2022 of EC World REIT.
- (2) Adjusted based on *pro forma* consolidated income statement for the Target Companies as at 31 December 2022.
- (3) For the avoidance of doubt, excluding the one-off effect of the Special Distribution on DPU, the Special Distribution will not affect the distributable income, net property income or operating DPU of EC World REIT. Hence, the Special Distribution will not change the *pro forma* financial effects set out in this column.
- (4) Based on the total number of Units in issue as at the Latest Practicable Date.

8. ESTIMATED TOTAL DIVESTMENT COST

The estimated total cost of the Proposed Divestment is approximately S\$11.7 million, comprising:

- (i) the divestment fee ("**Divestment Fee**") payable to the Manager for the Proposed Divestment pursuant to the Trust Deed of approximately S\$2.0 million (being 0.5% of the Aggregate Revised Agreed Property Value for the Divestment Properties). The Divestment Fee will be paid entirely in Units (the "**Divestment Fee Units**")⁷³. The Divestment Fee Units will be issued to the Manager only after the record date for the purpose of determining Unitholders' entitlements to the Special Distribution, and accordingly, the Divestment Fee Units will not be entitled to the Special Distribution; and
- (ii) the estimated professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment of approximately S\$9.7 million (the "**Relevant Transaction Costs**").

⁷³ As the Proposed Divestment will constitute an "interested party transaction" under the Property Funds Appendix, the Divestment Fee payable to the Manager in respect of the Proposed Divestment will be paid entirely in Units.

After taking into account the estimated Relevant Transaction Costs and the estimated net book value of the Target Companies as at the Completion Date⁷⁴, the estimated net loss on the Proposed Divestment is approximately S\$7.9 million⁷⁵.

9. INTENDED USE OF DIVESTMENT PROCEEDS

The Manager intends to utilise the proceeds from the Proposed Divestment in the following manner:

- (i) approximately RMB807,707,593 (approximately S\$156,210,648) for (a) the settlement of a portion of the offshore Facilities amounting to approximately RMB556,842,855 (approximately S\$107,693,408); (b) a portion of the onshore Facilities amounting to approximately RMB18,186,351 (approximately S\$3,517,240) (other than the HZBG Loan Repayment Amount); and (c) the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB232,678,387 (approximately S\$45,000,000) (see paragraph 4.4.3 of this Letter to Unitholders for further details);
- (ii) approximately RMB50,000,000 (approximately S\$9,670,000) as payment of the Relevant Transaction Costs;
- (iii) approximately RMB5,122,924 (approximately S\$990,774) for any contingent expenses, claim, warranties and other potential post-Completion obligations in relation to the Proposed Divestment; and
- (iv) approximately RMB507,169,483 (approximately S\$98,086,578⁷⁶) to fund the Special Distribution to the Unitholders.

For completeness, as mentioned at paragraph 4.4.2 of this Letter to Unitholders above, on Completion, the Purchasers will repay (or procure such repayment) of the HZBG Loan Repayment Amount, being the amount representing all the outstanding onshore borrowings of Hangzhou Beigang. As at 31 March 2023, the HZBG Loan Repayment Amount is RMB183,892,626⁷⁷.

74 For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, this would be the Completion Stage Two Date.

75 The estimated net gain/loss is calculated by subtracting the net proceeds from the Proposed Divestment of RMB1,320,000,000 (approximately S\$255,288,000) (after deduction of estimated Relevant Transaction Costs, before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) from the estimated net book value of the Target Companies as at the Completion Date (for the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, this would be the Completion Stage Two Date) of RMB1,360,757,094 (approximately S\$263,170,422).

76 For the avoidance of doubt, this is a purely illustrative figure translated based on the prevailing exchange rate as at the date of the Supplementary Agreement. As mentioned in paragraph 10 of this Letter to Unitholders, the actual quantum of the Special Distribution will be computed based on the exchange rate as at the Completion Date. For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, for this purpose, the Completion Date would be the Completion Stage Two Date).

77 The quantum of the HZBG Loan Repayment Amount shall be notified to the Purchasers in writing by the Vendor on Completion and shall be no more than RMB266,361,216. Please refer to paragraph 4.4.2 of this Letter to Unitholders above for more details.

10. SPECIAL DISTRIBUTION

The Manager intends to make a Special Distribution to Unitholders within 40 Business Days of the Completion Date⁷⁸. The amount of the Special Distribution is expected to be the Singapore dollar equivalent of an RMB amount which represents the balance of the proceeds from the Equity Consideration after the utilisation of proceeds referred to in paragraphs 9(i), 9(ii) and 9(iii) of this Letter to Unitholders above, based on the exchange rate as at the Completion Date⁷⁸. Purely for illustrative purposes only, based on the Illustrative Exchange Rates, the Special Distribution is expected to be approximately S\$98,086,578⁷⁹, which represents approximately S\$0.1211 per Unit⁸⁰.

The purpose of the Special Distribution is to enable Unitholders to enjoy the benefits from the Proposed Divestment.

The Board believes that the proposed Special Distribution is in the best interests of EC World REIT and its independent Unitholders, after taking into account the relevant factors, including:

- (a) the sustainable capital structure of EC World REIT, including the *pro forma* aggregate leverage of EC World REIT assuming completion of the Proposed Divestment has occurred;
- (b) the short-term cash flow requirements of EC World REIT, including its upcoming refinancing obligations, working capital requirements and capital expenditure requirements;
- (c) the capital deployment and investment opportunities available to EC World REIT; and
- (d) the benefit to Unitholders given that they will be able to unlock value from the Proposed Divestment in the form of a return of cash,

(collectively, the “**Relevant Factors**”).

In determining whether the Special Distribution will be made, and if so, the quantum of the Special Distribution, the Board will take into account, among others, the Relevant Factors and the amount of cash proceeds available to EC World REIT after the repayment of the offshore Facilities amounting to approximately RMB556,842,855 (approximately S\$107,693,408), the repayment of the onshore Facilities amounting to approximately RMB18,186,351 (approximately S\$3,517,240) and the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB232,678,387 (approximately S\$45,000,000), the payment of the Relevant Transaction Costs and catering for contingent expenses and other potential post-Completion obligations in relation to the Proposed Divestment. In making the above determination, the Board will also take into account the recommendation of the Audit and Risk Committee, with Mr Zhang Guobiao (Chairman and Non-Executive Director) and Mr Goh Toh Sim (Executive Director and Chief Executive Officer) abstaining from voting on such determination(s) by the Board.

⁷⁸ For the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of this Letter to Unitholders, this would be the Completion Stage Two Date.

⁷⁹ The illustrative quantum of the Special Distribution amount is higher than that set out in the 2022 Circular. This is mainly due to the reduction (of approximately S\$8.2 million) in the amount of net proceeds to be used for the partial repayment of the Relevant Offshore Revolving Credit Facilities as compared to that in the 2022 Circular. In addition, the strengthening of S\$ against the RMB between 30 September 2022 (the illustrative exchange rate of RMB1:S\$0.2001 was used in the 2022 Circular) and 31 March 2023 (the Illustrative Exchange Rate of RMB1:S\$0.1934 has been used for the purposes of computing the quantum of the Special Distribution set out in this Circular) has resulted in some variations in the illustrative estimates of the use of proceeds and the Special Distribution in S\$ equivalent.

⁸⁰ Based on a total of 809,838,247 Units in issue as at the Latest Practicable Date. The total number of Units in issue may vary from time to time.

The Manager will make further announcements on the Special Distribution, the applicable record date for the purpose of determining Unitholders' entitlements to the Special Distribution and the date of payment of the Special Distribution in due course, in each case, where applicable. For the avoidance of doubt, the Special Distribution is not subject to approval from Unitholders. However, the Special Distribution will not be made if completion of the Proposed Divestment does not take place.

Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of repaying the outstanding Relevant Mandatory Prepayment Amount based on terms that are acceptable to the relevant lenders of EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

In the event that due to unforeseen circumstances, the Manager decides not to make the Special Distribution or determines a lower quantum of the Special Distribution than what is currently expected, the Manager will procure that the Vendor call for the repayment of the balance of the aggregate principal amount of the Promissory Notes ("**PN Principal Amount**") which is not set off by the relevant Forchn Unitholders' entitlements to the Special Distribution⁸¹ (if any) (the "**PN Balance**"), by issuing payment notices to the relevant Forchn Unitholders in accordance with the terms of the Promissory Notes (assuming that the Promissory Notes have been delivered to the Vendor as partial payment of the Equity Consideration). In the case where the Manager decides not to make the Special Distribution, the payment notice will be issued as soon as reasonably practicable after such decision has been made. In the case where the Manager determines a lower quantum of the Special Distribution than what is currently expected, the payment notices will require the PN Balance to be paid to the Vendor by the date of payment of the Special Distribution. For details on the payment notice requirements and other salient terms of the agreed form of the Promissory Notes, please refer to Appendix C of the 2022 Circular.

11. REQUIREMENTS UNDER CHAPTER 9 OF THE LISTING MANUAL

11.1 The Supplementary Agreement as an Interested Person Transaction

11.1.1 Interested Person Transaction

Under Chapter 9 of the Listing Manual, an immediate announcement and Unitholders' approval is required in respect of a transaction between EC World REIT and EC World REIT's interested persons if the value of that transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or more than 5.0% of the latest audited consolidated net tangible assets ("**NTA**") of EC World REIT.

Based on the audited consolidated financial results for FY2022, the audited NTA and audited NAV of EC World REIT was approximately S\$607.0 million as at 31 December 2022. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by EC World REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$30.4 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual.

⁸¹ The estimated amount of Special Distribution to be made to the Forchn Unitholders is approximately S\$42,226,337 assuming there is no change in the total number of Units in issue as at the Latest Practicable Date and the total number of Units in issue as at the date of payment of the Special Distribution.

11.1.2 The Sponsor

As at the Latest Practicable Date, the Sponsor has a deemed interest in an aggregate of 354,653,140 Units, representing approximately 43.793% of the total number of Units in issue. The Sponsor holds the above interest through the following:

- (a) FIPL, which is a wholly-owned subsidiary of the Sponsor, a party to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement). FIPL has a direct interest in 25,732,615 Units as at the Latest Practicable Date;
- (b) FGPL, which is a wholly-owned subsidiary of FIPL. FGPL has a direct interest in 322,957,200 Units as at the Latest Practicable Date; and
- (c) the Manager, which is a wholly-owned subsidiary of FIPL, has a direct interest in 5,963,325 Units as at the Latest Practicable Date.

The Sponsor is therefore regarded as a “controlling unitholder” of EC World REIT under the Listing Manual. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager under the Listing Manual.

11.1.3 The Supplementary Agreement

The Purchasers who are party to the Supplementary Agreement are HFBEM and FIPL.

HFBEM, which is a company incorporated in the PRC, is a direct wholly-owned subsidiary of the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual, HFBEM (being an associate of a “controlling unitholder” (as defined in the Listing Manual) of EC World REIT) is an interested person (for the purposes of the Listing Manual).

As at the Latest Practicable Date, FIPL, a company incorporated in Singapore, holds, directly and indirectly, 354,653,140 Units, representing 43.793% of the Units in issue, and is also the sole shareholder of the Manager. FIPL is in turn wholly-owned by the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual, FIPL (being a “controlling unitholder” (as defined in the Listing Manual) of EC World REIT) is an interested person (for the purposes of the Listing Manual).

The issuers of the Promissory Notes are intended to be FIPL, FGPL and EC World Asset Management Pte. Ltd. (which is the manager of EC World REIT). As at the Latest Practicable Date, FGPL has a direct interest in 322,957,200 Units, representing 39.879% of Units in issue. FGPL is in turn wholly-owned by the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual, FGPL (being a “controlling unitholder” (as defined in the Listing Manual) of EC World REIT) is an interested person (for the purposes of the Listing Manual).

Therefore, the Supplementary Agreement in respect of the Proposed Divestment is an interested person transaction under Chapter 9 of the Listing Manual, for which the specific approval of Unitholders is required as part of the conditions imposed under the Waiver.

The value of the Proposed Divestment will exceed 5.0% of the latest audited NTA and audited NAV of EC World REIT. For the purposes of the foregoing, the value at risk of the Proposed Divestment is the Equity Consideration of RMB1,370,000,000 (approximately S\$264,958,000) which represents approximately 43.7% of the audited NTA and audited NAV of EC World REIT as at 31 December 2022.

The Aggregate Revised Agreed Property Value for the Divestment Properties is RMB2,041,799,771 (approximately S\$394,884,076), which represents approximately 65.1% of the audited NTA and audited NAV of EC World REIT as at 31 December 2022. The NAV of the Target Companies as at 31 March 2023, being RMB1,360,757,094 (approximately S\$263,170,422), represents approximately 43.4% of the audited NTA and audited NAV of EC World REIT as at 31 December 2022.

In approving the Supplementary Agreement, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the Proposed Divestment (including the Long-Stop Date).

For the avoidance of doubt, approval from Unitholders of the divestment pursuant to the Equity Purchase Agreement was obtained pursuant to the extraordinary general meeting of Unitholders held on 16 December 2022. On 31 May 2023, the Manager applied to the MAS to seek the Waiver from paragraph 5.4(b)(ii) of the Property Funds Appendix, which would have required the Equity Purchase Agreement to be completed (if it was intended to be completed) within six months of the date of Unitholders' approval of the divestment (i.e. by 16 June 2023). On 13 June 2023, the Manager announced that the MAS had provided its consent to the Waiver, subject to, among others, that the divestment must be completed by the Extended Timeline of 31 October 2023 and that Unitholders' approval is obtained for the Extended Timeline as well as any proposed revision to the terms of the divestment.

11.1.4 Abstention from Voting

Under Rule 919 of the Listing Manual, interested persons and their associates (as defined in the Listing Manual) must not vote on a resolution, nor accept appointments as proxies unless specific instructions as to voting are given, in relation to any matter in respect of which such persons are interested.

Accordingly, the Sponsor will abstain, and will procure that each of its associates (as defined in the Listing Manual), including the Manager, abstain from voting on the resolution in relation to the Supplementary Agreement.

Further, (i) Mr Zhang Guobiao, who is the Chairman and Non-Executive Director of the Manager and owns 80.0% of the equity interest of the Sponsor as at the Latest Practicable Date and (ii) for the purposes of good corporate governance, Mr Goh Toh Sim, who is an Executive Director and Chief Executive Officer of the Manager, will both abstain from voting on the resolution in relation to the Supplementary Agreement.

11.2 Existing Interested Person Transactions

For the information of Unitholders, as at the Latest Practicable Date, save for the Proposed Divestment and any transaction whose value is less than S\$100,000, the value of all other existing interested person transactions:

- (i) entered into between EC World REIT (whether directly or indirectly), the Sponsor and its associates during the course of the current financial year from 1 January 2023 up to the Latest Practicable Date is approximately S\$11,846,367, which is approximately 1.95% of EC World REIT's latest NTA as at 31 December 2022; and
- (ii) entered into during the course of the current financial year from 1 January 2023 up to the Latest Practicable Date, between EC World REIT and all interested persons (including the Sponsor and its associates) is approximately S\$11,846,367, which is approximately 1.95% of EC World REIT's latest audited NTA as at 31 December 2022.

For the avoidance of doubt, the approval of Unitholders will not be sought in respect of all such other existing interested person transactions but such other existing interested person transactions will continue to be aggregated with the other interested person transactions (other than the Proposed Divestment) which may be entered into by EC World REIT (whether directly or indirectly) in the current financial year in accordance with the Listing Manual.

11.3 Interests of Directors and Substantial Unitholders⁸²

As at the Latest Practicable Date, the details of the unitholdings of the Directors are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%(¹)
	No. of Units	%(¹)	No. of Units	%(¹)		
Mr Zhang Guobiao	–	–	354,653,140 ⁽²⁾	43.793	354,653,140 ⁽²⁾	43.793
Mr Goh Toh Sim	1,052,675	0.130	–	–	1,052,675	0.130
Mr Chan Heng Wing	300,000	0.037	–	–	300,000	0.037
Dr David Wong See Hong	–	–	–	–	–	–
Mr Chia Yew Boon	200,000	0.025	–	–	200,000	0.025
Mr Li Guosheng	–	–	–	–	–	–

Notes:

- (1) The percentage interest is based on a total of 809,838,247 Units in issue as at the at the Latest Practicable Date.
- (2) Zhang Guobiao owns 80.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

As at the Latest Practicable Date, Mr Zhang Guobiao is the Chairman and Non-Executive Director of the Manager as well as the Chairman of the Sponsor.

⁸² "Substantial Unitholders" refers to Unitholders with an interest in not less than 5.0% of all the Units in issue.

Based on the Register of Substantial Unitholders as at the Latest Practicable Date, the details of the unitholdings of the Substantial Unitholders are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
FGPL	322,957,200	39.879	–	–	322,957,200	39.879
FIPL ⁽²⁾	25,732,615	3.178	328,920,525	40.615	354,653,140	43.793
The Sponsor ⁽³⁾	–	–	354,653,140	43.793	354,653,140	43.793
Zhang Guobiao ⁽⁴⁾	–	–	354,653,140	43.793	354,653,140	43.793
Zhang Zhangsheng ⁽⁵⁾	–	–	354,653,140	43.793	354,653,140	43.793
Fosun International Holdings Ltd.	73,966,000	9.133	–	–	73,966,000	9.133
Guo Guangchang ⁽⁶⁾	–	–	73,966,000	9.133	73,966,000	9.133
Sunkits Resources Limited	81,526,700	10.067	–	–	81,526,700	10.067
China Cinda (HK) Asset Management Co., Limited ⁽⁷⁾	–	–	81,526,700	10.067	81,526,700	10.067
China Cinda (HK) Holdings Company Limited ⁽⁸⁾	–	–	81,526,700	10.067	81,526,700	10.067
China Cinda Asset Management Co., Ltd. ⁽⁹⁾	–	–	81,526,700	10.067	81,526,700	10.067
Ministry of Finance of The People's Republic of China ⁽¹⁰⁾	–	–	81,526,700	10.067	81,526,700	10.067
Dazhong Capital (Hong Kong) Co Ltd	43,546,300	5.377	–	–	43,546,300	5.377
Yang Yiqing ⁽¹¹⁾	–	–	43,546,300	5.377	43,546,300	5.377
Franklin Medici Alternative Investment VCC ⁽¹²⁾	–	–	58,000,000	7.162	58,000,000	7.162

Notes:

- (1) The percentage interest is based on a total of 809,838,247 Units in issue at the Latest Practicable Date.
- (2) FIPL is deemed to be interested in the Units held by its wholly-owned subsidiaries, FGPL and ECWAM.
- (3) The Sponsor is the sole shareholder of FIPL, which is in turn the sole shareholder of FGPL and ECWAM. Accordingly, the Sponsor is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

- (4) Zhang Guobiao owns 80.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.
- (5) Zhang Zhangsheng owns 20.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Zhangsheng is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.
- (6) Guo Guangchang owns 64.45% of Fosun International Holdings Ltd. Accordingly, he is deemed to be interested in the Units held by Fosun International Holdings Ltd.
- (7) China Cinda (HK) Asset Management Co., Limited is deemed to be interested in the Units held by its wholly-owned subsidiary, Sunkits Resources Limited.
- (8) China Cinda (HK) Holdings Company Limited is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited, which is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited.
- (9) China Cinda Asset Management Co., Ltd. is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited, which is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited. China Cinda (HK) Holdings Company Limited is 100.0% owned by China Cinda Asset Management Co., Ltd.
- (10) The Ministry of Finance of the People's Republic of China is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited. China Cinda (HK) Asset Management Co., Limited is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited, which is in turn 100.0% owned by China Cinda Asset Management Co., Ltd. The Ministry of Finance of the People's Republic of China owns 67.84% of China Cinda Asset Management Co., Ltd.
- (11) Dazhong Capital (Hong Kong) Co Ltd is a company wholly owned by Yang Yiqing. Therefore, Yang Yiqing is deemed to be interested in all the Units held by Dazhong Capital (Hong Kong) Co Ltd.
- (12) FGPL granted a charge over 58,000,000 units ("**Charged Units**") to Franklin Medici Alternative Investment VCC, to secure certain obligations of FIPL to Franklin Medici Alternative Investment VCC. Franklin Medici Alternative Investment VCC is deemed to be interested in the Charged Units.

As at the Latest Practicable Date, the Sponsor, through its indirect wholly-owned subsidiaries (including the Manager), holds an aggregate indirect interest of approximately 43.793% in EC World REIT and is deemed to be a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT.

As at the Latest Practicable Date, based on information available to the Manager and save as disclosed above, none of the Directors or the "controlling unitholders" (as defined in the Listing Manual) of EC World REIT has any interest, direct or indirect, in the Proposed Divestment.

11.4 Director's Service Contracts

No person is proposed to be appointed as a Director in relation to the Proposed Divestment or any other transactions contemplated in relation to the Proposed Divestment.

12. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

12.1 IFA

The Manager has appointed Provenance Capital Pte. Ltd. as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Audit and Risk Committee, the Independent Directors and the Trustee in respect of the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an interested person transaction. In addition, taking into consideration the confirmation of the Manager and the Directors set out in paragraph 5 of this Letter to Unitholders above, the IFA will also opine on whether the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an

interested person transaction is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

Each of Mr Chan Heng Wing, Dr David Wong See Hong, Mr Chia Yew Boon and Mr Li Guosheng are Independent Directors.

A copy of the letter from the IFA (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix B** to this Circular and Unitholders are advised to read the IFA Letter carefully.

12.2 Advice of the IFA

Having considered the factors described in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the assumptions and qualifications set out therein, (i) the IFA is of the opinion that the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an interested person transaction are on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders; and (ii) taking into consideration the confirmation of the Manager and the Directors set out in paragraph 5 of this Letter to Unitholders above, the IFA is of the opinion that the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, the IFA advises the Audit and Risk Committee and the Independent Directors to recommend that the independent Unitholders **VOTE IN FAVOUR** of the resolution to approve the Supplementary Agreement.

An extract of the IFA’s opinion in the IFA Letter is reproduced in italics below. Unitholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix B** to this Circular. Unless otherwise defined or the context otherwise requires, all capitalised terms in the extract below shall have the same meanings as defined in the IFA Letter.

“**OUR OPINION**

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT are on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders. In addition, taking into consideration the Manager and Directors’ Confirmation, we are of the opinion that the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an IPT is on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, we advise the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders VOTE IN FAVOUR of the resolution to approve the Supplementary Agreement.”

13. RECOMMENDATIONS

Having considered the following:

- (i) the terms of the Supplementary Agreement;
 - (ii) the rationale for the Supplementary Agreement, including the following:
 - (a) enables the ECW Group to meet its repayment obligations under its financing arrangements; and
 - (b) provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders,
- (further details of the rationale are set out in paragraph 3 of this Letter to Unitholders above); and
- (iii) the opinion of the IFA (as set out in the IFA Letter in **Appendix B** to this Circular),

the Independent Directors and Audit and Risk Committee are of the view that the Supplementary Agreement is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, the Independent Directors and Audit and Risk Committee recommend that Unitholders vote in favour of the resolution to approve the Supplementary Agreement.

14. EGM AND ACTION TO BE TAKEN BY UNITHOLDERS

14.1 Date, time and conduct of EGM

The EGM will be held in a wholly physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **Thursday, 7 September 2023 at 10.00 a.m. (Singapore time)**, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM. **There will be no option for Unitholders to participate virtually.**

The purpose of this Circular is to provide Unitholders with relevant information about the resolution.

Approval by way of Ordinary Resolution is required in respect of the Supplementary Agreement.

14.2 Question and answer and EGM minutes

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) will be able to submit questions related to the resolution to be tabled for approval at the EGM to the Chairman of the EGM, at the EGM.

Unitholders, including CPF and SRS investors, may also submit questions related to the resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted in the following manner by **10.00 a.m. (Singapore time) on Monday, 28 August 2023**:

- (a) if submitted by post, be deposited at the office of the Unit Registrar of EC World REIT, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**"), at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, via email to the Manager at ir@ecwreit.com.

Unitholders, including CPF and SRS investors, who submit questions by post to the Unit Registrar or via email to the Manager must provide the following information:

- (1) the Unitholder's full name;
- (2) the Unitholder's address; and
- (3) the manner in which the Unitholder holds Units in EC World REIT (e.g., via CDP, CPF or SRS).

Unitholders are strongly encouraged to submit their questions via email.

The Manager will endeavour to address all substantial and relevant questions received by it in advance of the EGM in the manner set out above, prior to or during the EGM. The Manager will publish the responses to such substantial and relevant questions which the Manager is unable to address during the EGM, on EC World REIT's website and on SGXNET. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

The Manager will publish the minutes of the EGM on EC World REIT's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

14.3 Circular, Notice of EGM, Proxy Form and Request Form

Pursuant to the Listing Manual and the Trust Deed, this Circular will be sent to Unitholders solely by electronic means via publication on EC World REIT's website at the URL <https://ecwreit.listedcompany.com/circular.html>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Circular will **not** be sent to Unitholders, unless requested for by a Unitholder completing and returning the request form for a printed copy of the Circular ("**Request Form**") accompanying the Notice of EGM and the instrument appointing proxy(ies) ("**Proxy Form**") in accordance with paragraph 14.4 of this Letter to Unitholders.

Printed copies of the Notice of EGM, the Proxy Form and the Request Form will be sent to Unitholders. The Notice of EGM, the Proxy Form and the Request Form will also be made available on EC World REIT's website at the URL <https://ecwreit.listedcompany.com/egm2023.html>, and SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

14.4 Request for printed copies of the Circular

Unitholders may obtain printed copies of the Circular by completing and returning the Request Form to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by completing and signing the Request Form, and attaching and sending a clear PDF copy of the same via email to the Manager c/o the Unit Registrar at srs.teamc@boardroomlimited.com, which should reach the Manager c/o the Unit Registrar by **5.00 p.m. (Singapore time) on Wednesday, 30 August 2023**. A printed copy of the Circular will then be sent to the address specified by the Unitholder at his/her/its own risk.

14.5 Arrangements for participation in EGM

Unitholders may participate in the EGM by:

- (i) attending the EGM in person;
- (ii) submitting questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM or at the EGM itself (see paragraph 14.2 of this Letter to Unitholders above); and/or
- (iii) voting at the EGM (a) in person or (b) by his/her/its duly appointed proxy(ies).

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) who will be attending the EGM in person should bring along their NRIC/passport so as to enable the verification of their identity on the day of the EGM.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“**CDP**”) as at 72 hours before the time fixed for the EGM.

Unitholders who wish to appoint proxy(ies) are requested to complete the Proxy Form in accordance with the instructions therein and submit it to the Manager c/o the Unit Registrar in the following manner:

- (i) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at srs.teamc@boardroomlimited.com,

in either case, by **10.00 a.m. (Singapore time) on Monday, 4 September 2023**, being 72 hours before the time fixed for the EGM.

The completion and return of the Proxy Form by a Unitholder shall not preclude such Unitholder from attending and voting in person at the EGM if such Unitholder so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the Unitholder attends the EGM in person and, in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

Persons who have an interest in the approval of the resolution in the Proxy Form must decline to accept appointments as proxies unless the Unitholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

14.6 Unitholders who hold their Units through relevant intermediaries (other than CPF and SRS investors)

Persons who hold Units through relevant intermediaries (as defined below), other than CPF and SRS investors, and who wish to participate in the EGM should contact the relevant intermediary through which they hold such Units as soon as possible. Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, may (i) vote at the EGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

“**Relevant intermediary**” means:

- (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or
- (iii) (if applicable) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

14.7 Information relating to CPF and SRS investors

CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks⁸³ or SRS Operators⁸⁴, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Monday, 28 August 2023**⁸⁵, being at least seven working days before the date of the EGM, to ensure their votes are submitted.

14.8 Important Notice

The Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/egm2023.html> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.

83 “**CPF Agent Bank**” means an agent bank appointed to maintain CPF investment accounts under the CPF Investment Scheme.

84 “**SRS Operator**” means a bank appointed to operate Supplementary Retirement Scheme accounts.

85 Please note that this deadline may be earlier if any day between 28 August 2023 and 7 September 2023 (inclusive) is gazetted a public holiday. In such event, the Manager will release an announcement on SGXNET in relation to the applicable deadline.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, the Supplementary Agreement, EC World REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16. CONSENTS

Each of the Independent Valuers and the IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, (in the case of Colliers and JLL) its Summary Property Valuation Report(s) and (in the case of the IFA) the IFA Letter and all references in relation to the foregoing as well as (in the case of Colliers and JLL) all references to its 2023 Independent Valuation Report(s), in the form and context in which they are included in this Circular.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 6 Shenton Way, #41-03 OUE Downtown 1, Singapore 068809 from the date of this Circular up to and including the date falling three months thereafter⁸⁶:

- (i) the Equity Purchase Agreement;
- (ii) the supplementary agreement dated 30 January 2023;
- (iii) the Supplementary Agreement;
- (iv) the 2023 Independent Valuation Reports;
- (v) the IFA Letter; and
- (vi) the written consents of each of the Independent Valuers and the IFA.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as EC World REIT is listed.

⁸⁶ Prior appointment with the Manager (telephone: +65 6221 9018) will be appreciated.

18. CAUTIONARY STATEMENT

Unitholders should note that the Proposed Divestment is subject to fulfilment of conditions. The Manager wishes to highlight that regardless of whether Unitholders' approval for the Supplementary Agreement is obtained at the EGM, there is no certainty or assurance that the Proposed Divestment will be completed, and/or that the Proposed Divestment will be completed by 31 October 2023.

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.

Yours faithfully

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

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

The past performance of EC World REIT is not necessarily indicative of the future performance of EC World REIT.

This Circular 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. 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.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States of America ("**United States**"). It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

GLOSSARY

“2022 Circular”	:	The circular to Unitholders dated 24 November 2022
“2022 Independent Valuations”	:	The valuations of the Divestment Properties by the independent valuers as set out in the 2022 Circular
“2023 Independent Valuations”	:	The valuations of the Divestment Properties by the Independent Valuers as set out in the 2023 Independent Valuation Reports
“2023 Independent Valuation Reports”	:	The valuation reports of the Divestment Properties issued by Colliers dated 30 June 2023 and JLL dated 30 June 2023
“Aggregate Revised Agreed Property Value”	:	The aggregate of the Revised Agreed Property Values for all the Divestment Properties
“Agreed Financing Principles”	:	The financing principles as set out in the Equity Purchase Agreement which shall govern, among others, the Transaction Financing
“Audit and Risk Committee”	:	The Audit and Risk Committee of the Manager, which comprises Dr David Wong See Hong (Chairman), Mr Chia Yew Boon (Member), and Mr Li Guosheng (Member)
“Beigang Logistics Stage 1”	:	Stage 1 Properties of Bei Gang Logistics, located at Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC
“Board”	:	The board of Directors of the Manager
“Business Day”	:	A day which is not a Saturday, a Sunday or a public holiday in Singapore or the PRC
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Unitholders dated 16 August 2023
“Chongxian Investment”	:	Hangzhou Chongxian Port Investment Co., Ltd.
“Chongxian Logistics”	:	Hangzhou Chongxian Port Logistics Co., Ltd.
“Chongxian Port Logistics”	:	Chongxian Port Logistics, located at No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC
“Collateralised Cash Deposits”	:	The cash deposits placed by certain onshore entities in the ECW Group as collateral with their onshore lenders in relation to the Existing SBLC, from time to time
“Colliers”	:	Colliers Appraisal & Advisory Services Co., Ltd.

“Completion”	:	The completion of the Proposed Divestment pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement)
“Completion Date”	:	The date on which Completion takes place (for the avoidance of doubt, in the case where the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the Two-Stage Completion as referred to in paragraph 4.4 of the Letter to Unitholders, this would be the Completion Stage Two Date)
“Completion Stage One”	:	The first stage of completion under the Two-Stage Completion, whereby Chongxian Logistics is to be divested in accordance with the Supplementary Agreement
“Completion Stage One Date”	:	A date no later than the Long-Stop Date and to be notified by the Vendor or Hangzhou Beigang in writing to the Purchasers as the date on which Completion Stage One shall take place
“Completion Stage Two”	:	The second stage of completion under the Two-Stage Completion, whereby Hangzhou Beigang is to be divested in accordance with the Supplementary Agreement
“Completion Stage Two Date”	:	A date no later than the Long-Stop Date and to be notified by the Vendor or Hangzhou Beigang in writing to the Purchasers as the date on which Completion Stage Two shall take place
“Conditions”	:	The conditions precedent in respect of the Proposed Divestment
“CPF Agent Bank”	:	An agent bank appointed to maintain CPF investment accounts under the CPF Investment Scheme
“CPF Board”	:	Central Provident Fund Board
“Directors”	:	Directors of the Manager
“Divestment Fee”	:	The divestment fee payable to the Manager for the Proposed Divestment pursuant to the Trust Deed
“Divestment Longstop Date”	:	31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities)
“Divestment Fee Units”	:	The Units to be issued to the Manager as payment for the Divestment Fee
“Divestment Properties”	:	Beigang Logistics Stage 1 and Chongxian Port Logistics, collectively

“DPU”	:	Distribution per Unit
“ECW Group”	:	The Vendor, its subsidiaries, EC World REIT and other entities under the same control of EC World REIT from time to time which, for the avoidance of doubt, shall include the Target Companies before Completion
“ECW Treasure”	:	ECW Treasure Pte. Ltd.
“EC World REIT” or “ECW”	:	EC World Real Estate Investment Trust
“ECWAM”	:	EC World Asset Management Pte. Ltd.
“EGM”	:	The extraordinary general meeting of Unitholders to be held in a wholly physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 7 September 2023 at 10.00 a.m. (Singapore time) to approve the matters set out in the Notice of EGM
“Equity Consideration”	:	The aggregate equity consideration for the sale and purchase of the Target Equity Interests of RMB1,370,000,000
“Equity Purchase Agreement”	:	The conditional equity purchase agreement dated 30 September 2022 made between the Vendor, the Sponsor and the Purchasers to divest the Vendor’s indirect interests in the Divestment Properties
“Existing Offshore Bank Loans”	:	All outstanding amounts as at 31 May 2023 pursuant to an offshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between ECW Treasure, FZDS and various banks coordinated by DBS Bank Ltd. and United Overseas Bank Limited
“Existing Onshore Bank Loans”	:	All outstanding amounts as at 31 May 2023 pursuant to an onshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between certain wholly-owned subsidiaries of EC World REIT, being Chongxian Investment, Hangzhou Beigang, Hengde Sangpu and FZDS and various banks coordinated by DBS Bank (China) Limited Hangzhou Branch and United Overseas Bank (China) Limited Hangzhou Branch
“Existing SBLC”	:	The standby letters of credit issued by the onshore lenders of certain onshore entities in the ECW Group in connection with the Collateralised Cash Deposits, from time to time
“Extended Timeline”	:	31 October 2023, being the date by which the Proposed Divestment must be completed pursuant to the Waiver

“Facilities”	:	Collectively, the onshore facilities and offshore facilities entered into by the ECW Group by 31 May 2023 in connection with the refinancing of the outstanding loans granted under the Existing Offshore Bank Loans and the Existing Onshore Bank Loans
“FGPL”	:	Forchn Global Pte. Ltd.
“Financing Drawdown Request”	:	The drawdown request to be issued by Hangzhou Beigang at the request of the Purchasers for the purposes of drawing (whether partially or in full) on the loans under the Transaction Financing
“FIPL”	:	Forchn International Pte. Ltd.
“Forchn Unitholders”	:	FIPL, FGPL and ECWAM
“Fu Zhuo Industrial”	:	Fu Zhuo Industrial, located at No. 5-1, Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC
“FY2022”	:	Financial year ended 31 December 2022
“FZDS”	:	Zhejiang Fuzhou E-Commerce Co., Ltd.
“Hangzhou Beigang”	:	Hangzhou Bei Gang Logistics Co., Ltd.
“Hengde Sangpu”	:	Zhejiang Hengde Sangpu Logistics Co., Ltd.
“HFBEM”	:	Hangzhou Futou Beigang Enterprise Management Co., Ltd.
“HZBG Loan Repayment Amount”	:	All the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be no more than RMB266,361,216
“HZBG Net Related Party Payable”	:	The net amount payable as at Completion by Hangzhou Beigang to the HZBG Related Parties, representing the sum of the amounts payable by Hangzhou Beigang to the HZBG Related Parties (taking into account the Internal Restructuring) after netting off the amounts which are receivable by Hangzhou Beigang from the HZBG Related Parties, which net amount shall be no more than RMB189,901,359
“HZBG Related Parties”	:	EC World REIT and its subsidiaries (other than Hangzhou Beigang and Chongxian Logistics)
“IFA”	:	The independent financial adviser to the Audit and Risk Committee and the Independent Directors of the Manager and to the Trustee, being Provenance Capital Pte. Ltd.

“IFA Letter”	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee as set out in Appendix B to this Circular
“Illustrative Exchange Rates”	:	The exchange rates of RMB1.00 = S\$0.1934 and US\$1.00 = S\$1.3270 used to translate certain RMB and USD amounts in this Circular into Singapore dollars for illustrative purposes
“Independent Directors”	:	The independent Directors, being Mr Chan Heng Wing, Dr David Wong See Hong, Mr Chia Yew Boon and Mr Li Guosheng
“Independent Valuers”	:	Colliers and JLL, collectively
“Internal Restructuring”	:	The transfer of Chongxian Investment’s 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang
“JLL”	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“KF”	:	Knight Frank Petty Limited
“Latest Practicable Date”	:	8 August 2023, being the latest practicable date prior to the issuance of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST
“Long-Stop Date”	:	The long-stop date pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement), being the date by which the Proposed Divestment shall be completed
“Long-Stop Date Extension”	:	The extension of the long-stop date under the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) to the Long-Stop Date
“Manager”	:	EC World Asset Management Pte. Ltd., as manager of EC World REIT
“Mandatory Offshore Repayment”	:	The repayment of at least 25.0% of the aggregate principal amount of the Existing Offshore Bank Loans whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise by 31 December 2022
“Mandatory Onshore Repayment”	:	The repayment of at least 25.0% of the aggregate principal amount of the Existing Onshore Bank Loans whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise by 31 December 2022
“MAS”	:	Monetary Authority of Singapore

“Material Adverse Change”	:	Any event that has, or would have, a material adverse effect on the business, results of operations, financial condition or the assets of (a) any one or more of the Target Companies resulting in a diminution in the value of the Divestment Property(ies) exceeding the threshold(s) set out in the Equity Purchase Agreement; or (b) any one Target Company resulting in a diminution in the value of the Divestment Property of such Target Company in the amount exceeding the thresholds set out in the Equity Purchase Agreement, in each case, in accordance with the terms set out in the Equity Purchase Agreement
“Minimum Mandatory Repayment”	:	The amount of at least S\$75,465,424 ¹ which the ECW Group is required repay under its financing arrangements by the Divestment Longstop Date
“NAV”	:	Net asset value
“NDRC”	:	National Development and Reform Commission of the PRC
“Non-Binding MOU”	:	The non-binding memorandum of understanding entered into by the Manager and FIPL on 13 June 2022 to explore the potential divestment of the Divestment Properties
“NTA”	:	Net tangible assets
“Offshore Undertaking”	:	The undertaking dated 31 May 2022 provided by the Sponsor to the relevant lenders of the Existing Offshore Bank Loans
“Onshore Undertaking”	:	The undertaking dated 28 June 2022 provided by the Sponsor to the relevant lenders of the Existing Onshore Bank Loans
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
“O2O”	:	Online to Offline
“Parties”	:	The Vendor, the Sponsor and the Purchasers, collectively, being the parties to the Equity Purchase Agreement
“PN Balance”	:	The balance of the PN Principal Amount which is not set off by the relevant Forchn Unitholders’ entitlements to the Special Distribution (if any)
“PN Principal Amount”	:	The aggregate principal amount of the Promissory Notes

¹ Calculated based on the Illustrative Exchange Rates as at 31 March 2023.

“PRC”	:	People’s Republic of China
“Promissory Notes”	:	Three transferable, duly indorsed original promissory notes, each issued or to be issued by a Forchn Unitholder to the Vendor
“Promissory Notes Arrangement”	:	The arrangement by which it is intended that the Forchn Unitholders would issue the Promissory Notes to the Vendor to discharge part of the Equity Consideration
“Properties”	:	The seven properties directly or indirectly owned by EC World REIT in the PRC as at the Latest Practicable Date, which, for the avoidance of doubt, excludes Fu Zhuo Industrial
“Property Funds Appendix”	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
“Proposed Divestment”	:	The proposed divestment of EC World REIT’s indirect interests in the Divestment Properties pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement)
“Proxy Form”	:	The instrument appointing proxy(ies) in respect of the EGM
“Purchasers”	:	HFBEM and FIPL, collectively
“Record Date”	:	The date on which Hangzhou Beigang first issues a Financing Drawdown Request
“Release of the HZBG Collateralised Cash Deposits”	:	The release of the Collateralised Cash Deposits to Hangzhou Beigang pursuant to the intended repayment of the Relevant Offshore Revolving Credit Facilities
“Relevant Entity”	:	An entity which may be established by HFBEM and/or FIPL (or their respective designated persons) to be the actual purchaser (or one of the actual purchasers) under the Proposed Divestment provided that such entity fulfils the criteria set out in paragraph 2.3 of the Letter to Unitholders of the 2022 Circular
“Relevant Factors”	:	The relevant factors taken into account by the Board in arriving at its view that the proposed Special Distribution is in the best interests of EC World REIT and its independent Unitholders, as referred to in paragraph 10 of the Letter to Unitholders
“Relevant Mandatory Prepayment Amount”	:	An amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group

“Relevant Mutual Consent”	:	The mutual consent which the Vendor and the Purchasers may provide within five Business Days from the obtaining of the approval of independent Unitholders of ECW referred to in paragraph 4.3 of the Letter to Unitholders, or such other date as may be agreed by the Relevant Parties in writing, in order for the Two-Stage Completion to take place
“Relevant Offshore Revolving Credit Facilities”	:	The portion of the offshore revolving credit facilities owing by ECW Treasure which the Manager intends to repay using a portion of the proceeds from the Proposed Divestment
“Relevant Parties”	:	The Vendor, the Purchasers, the Sponsor and Hangzhou Beigang, collectively, being the parties to the Supplementary Agreement
“Relevant Payables”	:	The net inter-company payables to Chongxian Logistics based on the management accounts of Chongxian Logistics as of the Completion Stage One Date
“Relevant Percentage”	:	In respect of the Transaction, the percentage of the market value of the total consolidated assets of the Target Companies sold, transferred or disposed of pursuant to the Transaction as it bears to the market value of the total consolidated assets of the ECW Group immediately prior to the Completion, as calculated by the facility agent (acting on the instructions of the lenders of the ECW Group)
“Relevant Transaction Costs”	:	The professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment of approximately S\$9.7 million
“Remaining Properties”	:	The Properties remaining in ECW’s portfolio immediately after completion of the Proposed Divestment, namely Chongxian Port Investment, Fu Heng Warehouse, Hengde Logistics, Wuhan Meiluote and Fuzhou E-Commerce
“Request Form”	:	The request form for a printed copy of the Circular
“Revised Agreed Property Value”	:	The revised agreed property value of each Divestment Property, as set out in the Supplementary Agreement and also in paragraph 2.1(iii) of the Letter to Unitholders of this Circular
“Securities Account”	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a depository agent
“Settlement Agreements”	:	The separate settlement agreements which will be entered into by each of the Forchn Unitholders with the Vendor and the Trustee for the settlement of the Promissory Notes

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Special Distribution”	:	The special distribution that the Manager intends to make in connection with the Proposed Divestment
“Sponsor”	:	Forchn Holdings Group Co., Ltd.
“SRS Operator”	:	A bank appointed to operate Supplementary Retirement Scheme accounts
“Substantial Unitholders”	:	Unitholders with an interest in not less than 5.0% of all the Units in issue
“Summary Property Valuation Reports”	:	The summary property valuation reports issued by Colliers and JLL, as set out in Appendix A to this Circular
“Supplementary Agreement”	:	The supplementary agreement dated 9 July 2023 to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) for purposes of amending the terms of the divestment
“Target Companies”	:	Hangzhou Beigang and Chongxian Logistics
“Target Equity Interests”	:	All of the equity interests in Hangzhou Beigang
“Transaction”	:	The sale and purchase of the Target Equity Interests pursuant to the Equity Purchase Agreement (as amended) and other transactions contemplated by the Equity Purchase Agreement (as amended)
“Transaction Financing”	:	The onshore tranche of financing which may be entered into by the relevant Target Companies for the purpose of repaying part of the existing banking facilities of the Vendor’s Group (which shall comply with the Agreed Financing Principles)
“Trustee”	:	DBS Trustee Limited, in its capacity as trustee of EC World REIT
“Trust Deed”	:	The deed of trust constituting EC World REIT dated 5 August 2015 (as amended and restated)
“Two-Stage Completion”	:	The two-stage completion process pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement)
“Unit”	:	A unit representing an undivided interest in EC World REIT

“Unitholder”	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
“United States”	:	The United States of America
“Unit Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“Vendor”	:	Richwin Investment Pte. Ltd.
“Vendor’s Group”	:	The Vendor and its subsidiaries from time to time and shall include the Target Companies before Completion
“Waiver”	:	The conditional waiver from compliance with paragraph 5.4(b)(ii) of the Property Funds Appendix granted by the MAS

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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APPENDIX A
SUMMARY PROPERTY VALUATION REPORTS



Valuation Advisory

Client: DBS Trustee Limited
(in its capacity as Trustee of EC World Real Estate Investment Trust)

Property: Chongxian Port Logistics and Stage 1 Properties of Bei Gang Logistics in Hangzhou, Zhejiang Province, the People's Republic of China

June 2023

Important

This report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear



Our ref: CON101651063

30 June 2023

Prepared for:
DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
(the “Trustee”)

Dear Sirs,

Re: Summary Letter - Valuation of Chongxian Port Logistics and Stage 1 of Bei Gang Logistics in Hangzhou, Zhejiang Province, the People’s Republic of China (“the PRC”)

In accordance with your instructions to value Chongxian Port Logistics and Stage 1 of Bei Gang Logistics (hereinafter referred to as the “Properties” or individually as the “Property”) in Hangzhou, Zhejiang Province, the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values of the Properties as at 30 June 2023 (the “Valuation Date”) for divestment and circular disclosure purpose of your company.

We confirm that comprehensive valuation reports have been prepared and are vested with EC World Real Estate Investment Trust, EC World Asset Management Pte. Ltd., (in its capacity as manager of EC World Real Estate Investment Trust) (the “**Manager**”) and DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust).

Our valuations are made on the basis of Market Value, defined by the International Valuation Standards (IVS) and SISV Valuation Standards defined as follows:

“Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no responsibility for any inaccuracies in the information disclosed by the managers or other parties.



We have relied to a very considerable extent on the information given by the Manager, and have accepted advice given to us on such matters as tenure, particulars of occupancy and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Manager. We have also sought confirmation from the Manager that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

We have collected and analysed market information from various sources in particular JLL developed asset management platform – Zhenliang including but not limited to rent, vacancy, capitalisation rate, etc., which can be accessed at www.zhenliang.com. Whilst care has been taken in preparing the analysis, we do not guarantee the accuracy of the data.

We have been shown the copies of various title documents including the State-owned Land Use Right Grant Contract, Real Estate Title Certificate and other official plans relating to the Properties and have made relevant enquiries. However, we have not examined the original documents to verify the existing titles to the Properties in the PRC and any material encumbrances that might be attached to the Properties or any lease amendments. It is assumed that the copies of the documents obtained are consistent with their originals.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the Properties unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services.



Unless otherwise stated, our valuation has been made on the assumption that the seller sells the Properties in the market without the benefit of a deferred term contract, leaseback, joint venture or any similar arrangement, which could serve to affect the values of the Properties.

No allowance has been made in our report for any charge, mortgage or amount owing on the Properties valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its values.

For the purpose of this valuation, we have assumed that all title certificates of the Properties have been obtained and the Properties can be freely transferred in the market in its existing state with no outstanding payable fees or monies.

The leasing area of the Properties we obtained is based on the information provided. We assume that the leasing area is correct.

The existing tenancy agreements of the Properties are legally binding and valid.

The Properties can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees.

The Properties will be maintained and managed appropriately in its residual term of use.

Our valuation normally includes all plant and machinery that form part of the building services installation. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' commercial processes, together with furniture and furnishings, tenants' fixtures and fittings, are excluded in our valuation.

General Description of the Properties

Property Name	Chongxian Port Logistics	Stage 1 Properties of Bei Gang Logistics
Brief Description	Four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard	One 15-storey office erected over a 4-storey retail podium, one 4-storey retail building and six 5-storey buildings for O2O office
Tenure	Expiring on 30 December 2055 with remaining lease term of 32.5 years	Expiring on 14 March 2052 with remaining lease term of 28.7 years
Land Area	160,022.50 sq.m.	99,897.6 sq.m.
Gross Floor Area	117,384.78 sq.m.	120,449.17 sq.m.
Net Lettable Area	125,826.75 sq.m.	120,449.17 sq.m.

Tenancy Profile & Master Lease

Property Name	Chongxian Port Logistics
Major Tenants	Hangzhou Fu Gang Supply Chain Co., Ltd. Zhejiang Yuntong E-Commerce Co., Ltd.
Occupancy	99.3%
WALE (by area)	0.6 year
Master lease	Not Applicable
Income Support	Not Applicable

Tenancy Profile & Master Lease (Cont'd)

Property Name	Stage 1 Properties of Bei Gang Logistics																			
Major Tenants	Forchn Holdings Group Co., Ltd.																			
Occupancy	100%																			
WALE (by area)	1.3 years																			
Master lease	<p>Based on the information provided, Forchn Holdings Group Co., Ltd. as lessee entered into the master lease for a term of 48 months commencing from 1 November 2020 to 31 October 2024 with rent review structure as follows:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Monthly Rent (Inclusive of VAT)</th> <th>Rent Review Structure</th> </tr> </thead> <tbody> <tr> <td>1 Nov 2020 to 31 Dec 2020</td> <td>RMB10,825,403</td> <td>N/A</td> </tr> <tr> <td>1 Jan 2021 to 31 Dec 2021</td> <td>RMB10,825,403</td> <td>N/A</td> </tr> <tr> <td>1 Jan 2022 to 31 Dec 2022</td> <td>RMB10,933,657</td> <td>1.0%</td> </tr> <tr> <td>1 Jan 2023 to 31 Dec 2023</td> <td>RMB11,042,994</td> <td>1.0%</td> </tr> <tr> <td>1 Jan 2024 to 31 Oct 2024</td> <td>RMB11,153,424</td> <td>1.0%</td> </tr> </tbody> </table> <p>As of 30 June 2023, the contracted gross rent is approximately RMB11,042,994 per month or approximately RMB3.01/sq.m. (NLA)/day with gross rent structure inclusive of VAT based on NLA (RMB2.87/sq.m. (NLA)/day if exclusive of VAT).</p> <p>In arriving at our value opinion, we have adopted both Discounted Cashflow Approach and Income Capitalisation Method. The prevailing overall market rent adopted in the valuation is approximately RMB2.31/sq.m./day with similar rental structural basis (RMB2.20/sq.m./day if exclusive of VAT) with range of rental comparable for office portion and retail portion at RMB2.0/sq.m./day to RMB2.7/sq.m./day and RMB3.0/sq.m./day to RMB3.7/sq.m./day respectively. Rental growth at 3% for Year 1 to 2 and 4% for Year 3 to 10 together with a long term capital expenditure allowance at 1% of rental income on top of the budgeted 2023 capital expenditure are assumed in the Discounted Cashflow Approach.</p> <p>In respect of the master lease, we have assumed NLA of the Property as provided is correct and the existing master lease is legally binding and valid. We further assumed that the lessee is capable of meeting their financial obligations under the master lease and that there are no arrears of rent or undisclosed breaches of covenant.</p>		Period	Monthly Rent (Inclusive of VAT)	Rent Review Structure	1 Nov 2020 to 31 Dec 2020	RMB10,825,403	N/A	1 Jan 2021 to 31 Dec 2021	RMB10,825,403	N/A	1 Jan 2022 to 31 Dec 2022	RMB10,933,657	1.0%	1 Jan 2023 to 31 Dec 2023	RMB11,042,994	1.0%	1 Jan 2024 to 31 Oct 2024	RMB11,153,424	1.0%
Period	Monthly Rent (Inclusive of VAT)	Rent Review Structure																		
1 Nov 2020 to 31 Dec 2020	RMB10,825,403	N/A																		
1 Jan 2021 to 31 Dec 2021	RMB10,825,403	N/A																		
1 Jan 2022 to 31 Dec 2022	RMB10,933,657	1.0%																		
1 Jan 2023 to 31 Dec 2023	RMB11,042,994	1.0%																		
1 Jan 2024 to 31 Oct 2024	RMB11,153,424	1.0%																		
Income Support	Not Applicable																			



Key Parameters & Summary of Values

Due to the nature of the Properties and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interest of each Property has therefore been valued by Discounted Cash Flow (“DCF”) Approach and Income Capitalisation Method.

DCF Approach involves discounting future cash flow of the property to its present value by using an appropriate discount rate with due allowance for the reversionary net income of the property, which is capitalized with a terminal capitalization rate. With regards to the existing market conditions, the income and expenses, stabilization period and rental growth for each component of the property are estimated to reflect the property performance in the market. The projections in the discounted cash flow have been prepared for valuation purposes and not as a business plan forecast.

The Income Capitalisation Method is based on the capitalisation of the fully leased, current passing rental income and potential reversionary income from the date of valuation at appropriate investment yield to arrive at the market value. The appropriate adjustments / deductions for rent free period and ongoing vacancy voids / marketing periods for the vacant space have been allowed.

In arriving at our opinion of value, we attributed equal weighting as both methods are commonly adopted valuation method for income generating asset with key parameters and summary of values as follows:

Property Name	Chongxian Port Logistics	Stage 1 Properties of Bei Gang Logistics
Capitalisation Rate	5.5%	5.5%
Terminal Capitalisation Rate	5.5%	5.5%
Discount Rate	8.5%	8.5%
Income Capitalisation Method	RMB811,000,000	RMB1,195,000,000
DCF Approach	RMB807,000,000	RMB1,187,000,000
Market Value	RMB809,000,0000	RMB1,191,000,000

We are of the opinion that the market value of the total portfolio, subject to the assumptions, comments, terms and conditions contained within and annexed, assuming the Properties are free of all encumbrances, as at 30 June 2022 is in the sum of **RMB2,000,000,000 (RENMINBI TWO BILLION ONLY)**.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited



Gilbert C.H. Chan
MCIREA, MHKIS, MRICS, RPS (GP) (RICS No.:0837776)
Senior Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 29 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

Ref.no: CON101651063

VALUATION CERTIFICATE

Chongxian Port Logistics

Property Address	:	Chongxian Port Logistics No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China
Client	:	DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
Purpose of Valuation	:	Divestment and circular disclosure purpose
Registered Owner	:	Hangzhou Chongxian Port Logistics Co., Ltd. (杭州崇賢港物流有限公司)
Interest Valued	:	100% leasehold interest of the Property
Site Area	:	Approximately 160,022.50 sq.m.
Land Tenure	:	Expiring on 30 December 2055 with remaining lease terms of approximately 32.5 years for port pier (港口码头用地) use. Information of total lease term and lease commencement date are not available in the Real Estate Ownership Certificate and we assume no effect on the remaining lease terms.
Gross Floor Area	:	Approximately 117,384.78 sq.m. as stated on copies of Real Estate Ownership Certificate (不动产权证书) of the Property
Net Lettable Area	:	Approximately 125,826.75 sq.m. as advised
Brief Description	:	The Property is known as Chongxian Port Logistics, comprises of four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard completed in 2009
Tenancy Details	:	As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 25 April 2024 with an occupancy of 99.3% Major tenants includes Hangzhou Fu Gang Supply Chain Co., Ltd., and Zhejiang Yuntong E-Commerce co. Ltd. with a WALE (by area) at 0.6 year
Basis of Valuation	:	Market Value of the Property in its existing state as at the Valuation Date



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Valuation Standards	:	In the course of our valuation, we have complied with all the requirements contained in the “International Valuation Standards Effective 31 January 2022” published by the International Valuation Standards Council (IVSC), the “RICS Valuation – Global Standards Effective from 31 January 2022” published by the Royal Institution of Chartered Surveyors (RICS)” subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.
Valuation Approach	:	Income Capitalisation Method & Discounted Cash Flow Analysis
Valuation Date	:	30 June 2023
Inspection Date	:	27 June 2023
Date of the Valuation Report	:	30 June 2023
Market Value	:	RMB809,000,000 <i>(RMB6,892/sq.m. on gross floor area of 117,384.78 sq.m. or RMB6,429/sq.m. on net lettable area of 125,826.75 sq.m.)</i>
Term Cap Rate	:	5.00%
Reversionary Cap Rate	:	5.50%
Terminal Cap Rate	:	5.50%
Discount Rate	:	8.50%
Assumptions, Disclaimers, Limitations & Qualifications	:	<p>This certificate has been prepared subject to the assumptions, disclaimers, limitations and qualifications detailed in the valuation report. Reliance of this certificate is conditional on readers’ acknowledgement of the same and satisfy themselves as to the statements made therein. In the valuation of the Property, we have made the following assumptions:</p> <ol style="list-style-type: none">1) Hangzhou Chongxian Port Logistics Co., Ltd. legally holds the ownership rights of the Property and all title certificates mentioned above issued for the Property are in full force and effect;2) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by Hangzhou Chongxian Port Logistics Co., Ltd. with no outstanding payable fees or monies; and3) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

VALUATION CERTIFICATE

Stage 1 Properties of Bei Gang Logistics

Property Address	: Stage 1 Properties of Bei Gang Logistics Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China
Client	: DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
Purpose of Valuation	: Divestment and circular disclosure purpose
Registered Owner	: Hangzhou Bei Gang Logistics Co., Ltd. (杭州北港物流有限公司)
Interest Valued	: 100% leasehold interest of the Property
Site Area	: Approximately 99,897.6 sq.m.
Land Tenure	: Expiring on 14 March 2052 with remaining lease terms of approximately 28.7 years for commerce use. Information of total lease term and lease commencement date are not available in the Real Estate Ownership Certificate and we assume no effect on the remaining lease terms.
Gross Floor Area	: Approximately 120,449.17 sq.m. as stated on copies of Real Estate Ownership Certificates (不动产权证书) of the Property and as advised
Net Lettable Area	: Approximately 120,449.17 sq.m. as advised
Brief Description	: The Property is known as Stage 1 Properties of Bei Gang Logistics, comprises of one 15-storey office erected over a 4-storey retail podium, one 4-storey retail building and six 5-storey buildings for O2O office completed in 2015.
Tenancy Details	: As at the Valuation Date, the Property was master leased with a WALE (by area) of 1.3 years.
Master Lease	: Based on the information provided, Forchn Holdings Group Co., Ltd. as lessee entered into the master lease for a term commencing from 1 November 2020 to 31 October 2024 with 1.0% annual rent growth. As of 30 June 2023, the contracted gross rent is approximately RMB11,042,994 per month with gross rent structure inclusive of VAT based on NLA. The lessee will be responsible for rental fee and other charges including charges for remittance and transfer from the lease commencement date.

Basis of Valuation	:	Market Value of the Property in its existing state as at the Valuation Date
Valuation Standards	:	In the course of our valuation, we have complied with all the requirements contained in the “International Valuation Standards Effective 31 January 2022” published by the International Valuation Standards Council (IVSC), the “RICS Valuation – Global Standards Effective from 31 January 2022” published by the Royal Institution of Chartered Surveyors (RICS)” subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.
Valuation Approach	:	Income Capitalisation Method & Discounted Cash Flow Analysis
Valuation Date	:	30 June 2023
Inspection Date	:	27 June 2023
Date of the Valuation Report	:	30 June 2023
Market Value	:	RMB1,191,000,000 (RMB9,888/sq.m. on gross floor area of 120,449.17 sq.m. or RMB9,888/sq.m. on net lettable area of 120,449.17 sq.m.)
Term Cap Rate	:	5.00%
Reversionary Cap Rate	:	5.50%
Terminal Cap Rate	:	5.50%
Discount Rate	:	8.50%
Assumptions, Disclaimers, Limitations & Qualifications	:	<p>This certificate has been prepared subject to the assumptions, disclaimers, limitations and qualifications detailed in the valuation report. Reliance of this certificate is conditional on readers’ acknowledgement of the same and satisfy themselves as to the statements made therein. In the valuation of the Property, we have made the following assumptions:</p> <ol style="list-style-type: none"> 1) Hangzhou Bei Gang Logistics Co., Ltd. legally holds the ownership rights of the Property and all title certificates mentioned above issued for the Property are in full force and effect; 2) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by Hangzhou Bei Gang Logistics Co., Ltd. with no outstanding payable fees or monies; and 3) The Master Lease relating to the Property are legally binding, valid and enforceable.

LIMITING CONDITIONS

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.
2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.
3. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.
4. As instructed, this report has been compiled for divestment and circular disclosure purposes for DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust) and certain assumptions have been made which may not be confirmed upon external checking.
5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.
6. This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.
7. Reliance on this valuation report is permitted only:
 - (i) by a party expressly identified by the report as being permitted to rely on it;
 - (ii) when the given party has received the report directly from JLL; and
 - (iii) for a purpose expressly identified by the report as being a permitted use of the report.

VALUER'S PROFESSIONAL DECLARATION

We, the following valuers, hereby certify, to the best of our knowledge and belief that:

- Information in this report has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analysis, opinions, and conclusions are subject to the assumptions and limiting conditions as stated in the report and based on our personal, unbiased professional analysis, opinions, and conclusions.
- We are external valuers, independent from the client and the owners of the subject property interest and property related interests, their subsidiaries and jointly controlled entities (collectively, the "Group") and their respective directors and controlling shareholder and that we do not have any direct or indirect material interests in the securities or assets of the Group, its connected persons, or any associate of the Group and we have no bias with respect to the parties involved.
- Our professional fee is not contingent upon the amount of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The under mentioned persons provided professional assistance in the compilation of this report.

Gilbert Chan

Senior Director

Charles Choi

Director

Melissa Shi

Manager

Josh Wang

Senior Manager

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JLL China Valuation
WeChat Account



ZhenLiang
WeChat Account



RICS China Tech Partner
Website: www.zhenliang.com

About Zhenliang

Zhenliang – RICS Tech Partner in China - is a CRE cashflow modeling and valuation solution developed by JLL China Valuation & Advisory Services, dedicated to creating a digital solution for investors and real estate professionals. It automates DCF modeling and increase efficiency.

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Colliers Appraisal & Advisory Services Co., Ltd.

30 June 2023

**DBS TRUSTEE LIMITED
(AS TRUSTEE OF EC WORLD REAL ESTATE INVESTMENT TRUST)**

Dear Sir/Madam,

Re: Summary Letter - Valuation for DBS Trustee Limited (as Trustee of EC World Real Estate Investment Trust)

We refer to your instructions to carry out a valuation in respect of the EC World Real Estate Investment Trust (EC World REIT) for potential divestment purpose. Our instructions are to provide our opinion of the Market Value of the long leasehold interest in the Properties as at 30 June 2023. The basis of the valuation is stated in the valuation certificates appended.

We confirm that we have prepared formal valuation reports and this Letter, in accordance with the requirements of the instructions.

The full valuation reports have been prepared and are vested with EC World REIT and EC World Asset Management Pte. Ltd. (the "Manager"). The valuations have been carried out in accordance with latest edition of The Royal Institution of Chartered Surveyors (RICS) Valuation Standards and Guidelines, incorporating International Valuation Standards (IVS).

Our valuations are on the basis of Market Value which is intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

This definition of value is consistent with the international definition of Market Value as advocated by RICS and IVS.

Brief Description of the Properties

No.	Property Name	Brief Description	Tenure (Remaining Term)	Land Area (sq m)	Gross Floor Area (sq m)	Net Lettable Area (sq m)
1	Chongxian Port Logistics	Four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard	32.5 years	160,022.50	117,384.78	125,826.56 (including storage yard)
2	Stage 1 Properties	A mixed-use development	28.7 years	99,897.60 (total area)	90,601.17 (total)	120,449.17 (including

Accelerating success.



No.	Property Name	Brief Description	Tenure (Remaining Term)	Land Area (sq m)	Gross Floor Area (sq m)	Net Lettable Area (sq m)
	of Bei Gang Logistics	comprising a 15-storey office and retail tower (#1), a 4-storey retail building (#2), six 5-storey (#3 - #8) O2O offices and one basement level for car parking		of Bei Gang Logistics	aboveground)	underground)

Tenancy Profile

No.	Property Name	Major tenants	Occupancy Rate	WALE by Lettable Area (yrs)
1	Chongxian Port Logistics	Hangzhou Fu Gang Supply Chain Co., Ltd. Zhejiang Yuntong E-commerce Co., Ltd. Hangzhou Yonglei Logistics Co., Ltd.	99.3%	0.57
2	Stage 1 Properties of Bei Gang Logistics	Forchn Holdings Group Co., Ltd.	100.0%	1.34

Master Lease

No.	Property Name	Master Lease	Income Support																																																							
1	Chongxian Port Logistics	N/A	N/A																																																							
2	Stage 1 Properties of Bei Gang Logistics	<p>Based on the information provided by the Client, Forchn Holdings Group Co., Ltd. has entered into a master lease with Hangzhou Bei Gang Logistics Co., Ltd., a linked company.</p> <p>The master lease to Forchn Holdings Group Co., Ltd. is for approximately nine year commencing from 1 November 2015 to 31 October 2024, with a 1.0% annual rent growth. In 2023, the contracted gross rent is approximately RMB11,042,994 per month. The rent structure is gross rent based on NLA.</p> <table border="1"> <thead> <tr> <th>Portion</th> <th>Contracted LFA (sq m)</th> <th>Duration (Years)</th> <th>Occupancy Rate</th> <th>In-place Daily Rent (RMB/sq m)</th> </tr> </thead> <tbody> <tr> <td>Building #1</td> <td>17,325.13</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #2</td> <td>6,538.34</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #3</td> <td>6,878.60</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #4</td> <td>15,490.24</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #5</td> <td>6,878.60</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #6</td> <td>15,447.77</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #7</td> <td>6,587.30</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Building #8</td> <td>15,455.19</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Underground Car Park</td> <td>29,848.00</td> <td>9</td> <td>100%</td> <td>3.01</td> </tr> <tr> <td>Total</td> <td>120,449.17</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Portion	Contracted LFA (sq m)	Duration (Years)	Occupancy Rate	In-place Daily Rent (RMB/sq m)	Building #1	17,325.13	9	100%	3.01	Building #2	6,538.34	9	100%	3.01	Building #3	6,878.60	9	100%	3.01	Building #4	15,490.24	9	100%	3.01	Building #5	6,878.60	9	100%	3.01	Building #6	15,447.77	9	100%	3.01	Building #7	6,587.30	9	100%	3.01	Building #8	15,455.19	9	100%	3.01	Underground Car Park	29,848.00	9	100%	3.01	Total	120,449.17				N/A
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No.	Property Name	Master Lease	Income Support
		<p>The master lessee will be responsible for rental fee and other charges including charges for remittance and transfer from the lease commencement date.</p> <p>As per the provided tenancy schedule, we are not aware of any onerous and or unusual provision of rental incentives.</p> <p>In respect of the master lease, we have assumed NLA of the Property as provided is correct and the existing master lease is legally binding and valid. We further assumed that the lessee is capable of meeting their financial obligations under the master lease and that there are no arrears of rent and undisclosed breaches of covenant.</p>	

Normally, in undertaking a market valuation, we would assess the property to be valued assuming its highest and best use and competent and efficient management. The typical methods employed of commercial assets are the income approach (Discounted Cash Flow (DCF) Method).

The DCF Method is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. During the DCF technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

By using the above approach, the resultant value is considered the best practice estimate.

Key parameters adopted for the valuation as set below.

Assumptions and Parameters

No.	Property Name	Capitalisation Rate	Terminal Capitalisation Rate	Discount Rate
1	Chongxian Port Logistics	N/A	6.25%	8.25%
2	Stage 1 Properties of Bei Gang Logistics	N/A	6.25%	9.25%

Summary of Values

In arriving at our opinion of market value, we have using 100% weight on the Income Approach - Discounted Cash Flow Method.

In view of the nature of the Property and market information available, we are comfortable with using the DCF method in this particular case. We summarise the valuation result as follows:

S/N	Property	Valuation Methodologies	Weightage	Market Value (RMB)
2	Chongxian Port Logistics	DCF Method	100	<u>820,000,000</u> 820,000,000



S/N	Property	Valuation Methodologies	Weightage	Market Value (RMB)
3	Stage 1 Properties of Bei Gang Logistics	DCF Method	100	<u>1,213,000,000</u> 1,213,000,000
			Total	2,033,000,000

We are of opinion that the market value of the above-mentioned properties, subject to the assumptions, comments, terms and conditions contained within and annexed, assuming the Property is free of all encumbrances, as at 30 June 2023 is in the sum of **RMB2,033,000,000 (RENMINBI TWO BILLION AND THIRTY THREE MILLION ONLY)**.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

This letter and the valuation certificates do not contain all the necessary data and information included in arriving at our valuation opinions.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated values are based upon the factual information provided. Property data/information provided is assumed to be correct. Whilst Colliers has endeavored to ensure the accuracy of the information, it has not independently verified all information provided.
- The valuation and reports were undertaken based upon information available as at the date of valuation. Colliers accepts no responsibility for subsequent changes in information as to proposed scheme, areas, income, expenses or market conditions.
- The methodologies adopted in valuing the properties are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the property and future economic conditions in the local market.

The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinions and conclusions.

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Client and have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as particulars of occupancy, ownership title, lettings, site and floor areas, statutory notices, easements, tenure, joint venture agreements, the identification of the property interests and all other relevant matters. Dimensions, measurements and areas included in the valuation summary are based on information provided to us by the Client, that we assume to be true and correct for valuation purposes.



Our valuations have been made on the assumption that the owners can sell the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements that would serve to affect the value of the Property.

No allowance has been made in our valuations for any charges, mortgages or amounts owing either on the Property or for any expense or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

We have conducted the valuation assuming that:

- the information about the Property provided by the Client is true and correct;
- the Property is free from contamination and the ground conditions are satisfactory;
- the full and proper ownership title of the Property has been obtained, and all payable land premium or land-use rights fees have been fully settled;
- We have assumed proper title has been obtained, and the Property and the interest valued therein can be freely transferred, mortgaged and let in the market;
- We have assumed that all information, estimates and opinions furnished to us and contained in this report, including all information provided by the Client, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. We assume no responsibility for accuracy;
- We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements;
- We have assumed that, for any use (s) of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained, and are capable of renewal without difficulty;
- The tenanted property will continue to be occupied and maintained in good order.

This valuation report is also subject to our standard Caveats and Assumptions in the appendix.

We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorized to practice as valuers.



Our Valuation Certificates are appended.

Yours faithfully,

Colliers Appraisal & Advisory Services Co., Ltd.

A handwritten signature in black ink, appearing to read "Zhirong He".

Zhirong He (Flora He)
MFINCOM, FRICS
(RICS Registration No.: 1259301)
Executive Director
Head of China Valuation & Advisory Services

VALUATION CERTIFICATE 1

Name of Property	: Chongxian Port Logistics
Valuation Prepared for	: DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
Address of Property	: No. 5-2, Yunhe Road, Yuhang District, Hangzhou, Zhejiang Province, PRC
Instructing Party	: DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)



Purpose of Valuation : Divestment

Date of Valuation : 30 June 2023

Valuer : This valuation has been prepared by Zhirong He (Flora He) (RICS Registration No.:1259301), who is a Fellow of the Royal Institution of Chartered Surveyors. Flora is head of the China Valuation Services team at Colliers. She is suitably qualified to carry out the valuation and has over 20 years' experience in the valuation of properties of this magnitude and nature in China.

The valuer has carried out an internal inspection within the Property on 14 June 2023 and made independent investigations as necessary for carrying out this valuation.

All information used has been verified as far as is reasonable and has included information and data provided by EC World Asset Management Pte. Ltd. (as manager of EC World Real Estate Investment Trust) (the "Manager"), from government departments, in the public domain, and our own internal database.

No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested.

We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in China.

Valuation Standards : This valuation has been carried out in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC).

Valuation Basis : Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Brief Description : The Property, known as Chongxian Port Logistics, comprises five single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard. As advised, the Property was completed in 2010.

Legal Description : Pursuant to the Real Estate Ownership Certificate Zhe (2020) Yu Hang Qu Bu Dong Chan Quan Di 0039903 Hao, the land-use rights of the land located at No.5-2 Yunhe Road, Chongxian Neighbourhood, Yuhang District, with a total site area of 160,022.50 sq m have been granted to Hangzhou Chongxian Port Logistics Co., Ltd. for Port and Dock uses for a term expiring on 30 December 2055.



Interest Valued	: 100% Leasehold Interest of the Property (as advised)
Registered Owner	: Hangzhou Chongxian Port Logistics Co., Ltd.
Tenure	: Land-use term: 50 years (commencing on 31 December 2005 and expiring on 30 December 2055) Remaining lease term: 32.5 years
Master Plan Zoning	: N.A.
Land Area (sq m)	: 160,022.50
Gross Floor Area (GFA) (sq m)	: 117,384.78
Net Lettable Area (NLA) (sq m)	: 125,826.56 (including storage yard)
Year of Completion	: 2010
Permitted Uses	: Port and Dock
Condition	: At the time of inspection, the Property was completed and in normal operation.
Tenancy Profile	: Multi-tenanted development with tenancies expiring in 1 year. The occupancy for the subject development, as at the date of valuation, was approximately 99.3% with weighted average lease expiry (WALE) of 0.57 years. Top 3 major tenants by lettable area includes: 杭州富港供应链有限公司 (Hangzhou Fu Gang Supply Chain Co., Ltd.), 浙江运通电子商务有限公司 (Zhejiang Yuntong E-commerce Co., Ltd.) and 杭州华贤金属剪切有限公司 (Hangzhou Huaxian Metal Cutting Co., Ltd.). The lease information is provided by the Manager.
Method of Valuation	: Income Approach – Discounted Cash Flow Method
Capitalisation Rate	: N.A.
Terminal Capitalisation Rate	: 6.25%
Discount Rate	: 8.25%
Assumptions, Disclaimers, Limitations & Qualifications	: This summary report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

For the purpose of the valuation, we have relied upon various sources of information provided which included full-year historical trading/operating performance accounts from 2019 to 2022. Information concerning the trading/operating performance accounts for the first six months of 2023 have also been provided. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all



the information that has a material effect upon the value of the property.

Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

Valuation

- : In view of the foregoing, and having taken into consideration the prevailing market conditions as at 30 June 2023, we are of the opinion that the market value of the Property on its existing status, free from any encumbrances, is:

MARKET VALUE

RMB820,000,000

RENMINBI EIGHT HUNDRED TWENTY MILLION ONLY

Unit Value on GFA

RMB6,990 psm

Unit Value on NLA

RMB6,520 psm

VALUATION CERTIFICATE 2

Name of Property	: Stage 1 Properties of Bei Gang Logistics	
Valuation Prepared for	: DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust)	
Address of Property	: Block 1 – 8, No. 5-4 Yunhe Road, Yuhang District, Hangzhou, Zhejiang Province, PRC	
Instructing Party	: DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust)	
Purpose of Valuation	: Divestment	
Date of Valuation	: 30 June 2023	
Valuer	: This valuation has been prepared by Zhirong He (Flora He) (RICS Registration No.:1259301), who is a Fellow of the Royal Institution of Chartered Surveyors. Flora is head of the China Valuation Services team at Colliers. She is suitably qualified to carry out the valuation and has over 20 years' experience in the valuation of properties of this magnitude and nature in China.	
	<p>The valuer has carried out an internal inspection within the Property on 14 June 2023 and made independent investigations as necessary for carrying out this valuation.</p> <p>All information used has been verified as far as is reasonable and has included information and data provided by EC World Asset Management Pte. Ltd. (as manager of EC World Real Estate Investment Trust) (the "Manager"), from government departments, in the public domain, and our own internal database.</p> <p>No structural survey or environmental survey of the Property has been carried out. Services and facilities have not been tested.</p> <p>We have assumed that the lease agreements are current, with good covenants and in line with the general market practice in China.</p>	
Valuation Standards	: This valuation has been carried out in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC).	
Valuation Basis	: Market Value on 'As-Is' Basis. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".	
Brief Description	: The Property, Stage 1 Properties of Bei Gang Logistics, is a mixed-use development comprising of a 15-storey office and retail tower (#1), a 4-storey retail building (#2), six 5-storey (#3 - #8) O2O offices and one basement for car park use. The Property is at No. 5-4 Yunhe Road, enjoying easy accessibility to Hangzhou Ring Expressway, Chang-Shen Expressway and Beijing-Hangzhou Grand Canal.	
Legal Description	: Pursuant to the State-owned Land-use Rights Certificates Hang Yu Chu Guo Yong (2012) Di 108-415 Hao dated 13 July 2012, the land-use rights of the Property with a site area of 99,897.60 sq m have been granted to Hangzhou Bei Gang Logistics Co., Ltd. ("Bei Gang	



Logistics") for commercial purpose for a term expiring on 14 March 2052.

Interest Valued	:	100% Leasehold Interest of the Property (as advised)			
Registered Owner	:	Hangzhou Bei Gang Logistics Co., Ltd.			
Tenure	:	Land-use term: 40 years (Commencing on 15 March 2012 and expiring on 14 March 2052)			
		Remaining lease term: 28.7 years			
Master Plan Zoning	:	N.A.			
Land Area (sq m)	:	99,897.60 (total area of Bei Gang Logistics)			
Gross Floor Area (sq m)	:	90,601.17 (total aboveground)			
		Building #1	17,325.13	Building #5	6,878.60
		Building #2	6,538.34	Building #6	15,447.77
		Building #3	6,878.60	Building #7	6,587.30
		Building #4	15,490.24	Building #8	15,455.19
Net Lettable Area (sq m)	:	120,449.17 (including underground)			
Year of Completion	:	2015			
Permitted Uses	:	Commercial			
Condition	:	At the time of inspection, the Property was completed and in normal operation.			
Tenancy Profile	:	Single-tenanted development with the tenancy expiring on 31 October 2024. The occupancy for the subject development, as at the date of valuation, was 100%. The lease information is provided by the Manager.			
Master Lease	:	Based on the information provided by the Manager, Forchn Holdings Group Co., Ltd. has entered into a master lease with Hangzhou Bei Gang Logistics Co., Ltd., a linked company.			
		The master lease to Forchn Holdings Group Co., Ltd. is for approximately nine year commencing from 1 November 2015 to 31 October 2024, with a 1.0% annual rent growth. In 2023, the contracted gross rent is approximately RMB11,042,994 per month. The rent structure is gross rent based on NLA.			
		The master lessee will be responsible for rental fee and other charges including charges for remittance and transfer from the lease commencement date.			
		Our valuation was based on the provided information of the master lease and the market rents would be taken into consideration after the expiration of the master lease.			
Method of Valuation	:	Income Approach – Discounted Cash Flow Method			
Capitalisation Rate	:	N.A.			



Terminal Capitalisation Rate : 6.25%

Discount Rate : 9.25%

Assumptions, Disclaimers, Limitations & Qualifications : This summary report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

For the purpose of the valuation, we have relied upon various sources of information provided which included full-year historical trading/operating performance accounts from 2017 to 2022. Information concerning the trading/operating performance accounts for the first six months of 2023 have also been provided. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all the information that has a material effect upon the value of the property.

Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

Valuation : In view of the foregoing, and having taken into consideration the prevailing market conditions as at 30 June 2023, we are of the opinion that the market value of the Property on its existing status, free from any encumbrances, is:

MARKET VALUE **RMB1,213,000,000**
(RENMINBI ONE BILLION TWO HUNDRED THIRTEEN MILLION ONLY)

Market Value based on GFA	RMB13,390 psm
Market Value based on NLA	RMB10,070 psm

This valuation summary is subject to the standard Caveats and Assumptions attached

CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

- 1.1 In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:
- 'Confidential Information' means information that:
- (a) Is by its nature confidential.
 - (b) Is designed by Us as confidential.
 - (c) You know or ought to know is confidential.
 - (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.
- 'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.
- 'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.
- 'Parties' means You or Us as the context dictates.
- 'Quotation' means the written quote provided by Us in relation to the Services.
- 'Services' means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.
- 'The Property' means the assets which are subject of our appointment as your advisor.
- 'We', 'Us', 'Our', 'Colliers' means Colliers Appraisal & Advisory Services Co., Ltd.
- 'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.
- 'Professional Property Practice Standards' refers to RICS Valuation and Appraisal Handbook, or appropriate standards.

2. PERFORMANCE OF SERVICES

- 2.1 We have provided the Services in accordance with:
- (a) The Terms and Conditions contained herein; or
 - (b) As specifically instructed by You for the purpose of the Services; and
 - (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made; no detailed on site measurements have been taken.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We have not undertaken a detailed inspection of any plant and equipment or obtained advice on its condition or suitability.
- 3.10 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.11 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show that the site is contaminated, our valuation may require revision.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.
 - (b) All licences and permits can be renewed and We have not made any enquires in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/ dilapidation reports), we will rely upon the apparent expertise of such experts/ specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the client has provided us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report.
- 6.6 Our opinion about the Market Value of the property is free from any influence and/ or point of views of any other parties.

7. VALUATION FOR FIRST MORTGAGE SECURITY

- 7.1 Where the Services are provided for mortgage purposes, You agree that You will not use the valuation report where the property:
 - (a) Is used as security other than by first registered mortgage;
 - (b) Is used as part of a group of securities (except where the property forms part of a trust); or
 - (c) Is used as security for more than one loan.
- 7.2 We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment where:
 - (a) The proposed assignee is not a major recognised lending institution (such as a major bank);
 - (b) The assignment is sought in excess of 3 months after the date of valuation;
 - (c) We consider that there has been a change in conditions which may have a material impact on the value of the property.
 - (d) The proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at Clause 7.1); or
 - (e) Our fee has not been paid in full.
- 7.3 Where we decline to provide an assignment on either of the basis at 7.2(b) or (c), we may be prepared to provide an updated valuation on terms to be agreed at that time.
- 7.4 In the event that You request Us to assign Our valuation and We agree to do so, You authorize Us to provide to the assignee a copy of these Terms and Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.

8. ESTIMATED SELLING PRICE

- 8.1 Where you instruct Us to provide an Estimated Selling Price, You agree that the Services:
 - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.

- 8.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

9. CURRENCY OF VALUATION

- 9.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 9.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 9.3 Without limiting the generality of 9.2, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

10. MARKET PROJECTIONS

- 10.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 10.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 10.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

11. YOUR OBLIGATIONS

- 11.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 11.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 11.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 11.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided that You shall provide any such recipient with a copy of these Terms and Conditions.
- 11.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
- 11.6 If You release any part of the valuation advice or its substance without written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this valuation.

12. CONFIDENTIALITY

- 12.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 12.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 12.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 12.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

13. PRIVACY

- 13.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

14. SUBCONTRACTING

- 14.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

15. LIMITATION OF COLLIERS LIABILITY

- 15.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 15.2 All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 15.3 Colliers International, or any employee of Ours shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we are properly reimbursed.
- 15.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 15.5 The amount of aggregate liability of Colliers is limited to our public liability insurance coverage.

16. ENTIRE AGREEMENT

- 16.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 16.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.

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APPENDIX B
INDEPENDENT FINANCIAL ADVISER'S LETTER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

16 August 2023

To: The Audit and Risk Committee and the Independent Directors of EC World Asset Management Pte. Ltd., as Manager of EC World REIT

Mr Chan Heng Wing (Independent Non-Executive Director and Lead Independent Director)
Dr David Wong See Hong (Independent Non-Executive Director)
Mr Chia Yew Boon (Independent Non-Executive Director)
Mr Li Guosheng (Independent Non-Executive Director)

To: DBS Trustee Limited
(in its capacity as Trustee of EC World REIT)

Dear Sirs,

SEEKING UNITHOLDERS' APPROVAL FOR THE SUPPLEMENTARY AGREEMENT DATED 9 JULY 2023 IN RESPECT OF THE PROPOSED DIVESTMENT OF THE DIVESTMENT PROPERTIES

*Unless otherwise defined or the context otherwise requires, all terms used in this letter ("**Letter**") have the same meanings as defined in the circular to Unitholders of EC World REIT dated 16 August 2023 ("**Circular**"). For the purposes of this Letter, the latest practicable date is 8 August 2023 ("**Latest Practicable Date**") and the foreign exchange rate used for illustration purposes is RMB1:S\$0.1934, being the exchange rate prevailing as at 31 March 2023.*

1. BACKGROUND

1.1 Seeking approval from Unitholders for the Supplementary Agreement at the forthcoming EGM

On 30 September 2022, EC World REIT entered into the Equity Purchase Agreement with the Purchasers and the Sponsor in relation to the divestment of its indirect 100.0% interests in the Divestment Properties namely, Beigang Logistics Stage 1 and Chongxian Port Logistics to the Purchasers. The Purchasers are wholly-owned subsidiaries of the Sponsor. The Divestment Properties are located in Hangzhou, PRC. The above divestment constitutes an interested person transaction ("**IPT**") under Chapter 9 of the Listing Manual and an interested party transaction under the Property Funds Appendix, thus requiring Unitholders' approval under the Listing Manual and the Property Funds Appendix.

On 24 November 2022, EC World REIT issued a circular to Unitholders seeking their approval for the divestment ("**2022 Circular**") and on 16 December 2022, EC World REIT obtained Unitholders' approval at an extraordinary general meeting for the divestment pursuant to the Equity Purchase Agreement. The long-stop date for the completion of the divestment was then intended to be on 31 January 2023.

Between 30 January 2023 and 30 May 2023, the long-stop date for the completion of the divestment was extended several times.

Pursuant to paragraph 5.4(b)(ii) of the Property Funds Appendix, the Equity Purchase Agreement would need to be completed (if it was intended to be completed) within 6 months from the date when the approval of the Unitholders was obtained for the divestment on 16 December 2022, i.e. by 16 June 2023.

However, the Purchasers and the Sponsor have advised the Manager that they were unable to complete the divestment by 16 June 2023 as the Purchasers have yet to secure the requisite financing for the divestment. Accordingly, the Manager had, on 13 June 2023, obtained a waiver from the MAS from compliance with paragraph 5.4(b)(ii) of the Property Funds Appendix subject to the MAS conditions (collectively, the “**MAS Conditions**”) as set out in paragraph 2.2 of the Circular. The MAS Conditions are set out below for reference:

- (a) that the divestment must be completed by 31 October 2023 (“**Extended Timeline**”);
- (b) that Unitholders’ approval is obtained for the Extended Timeline as well as any proposed revision to the terms of the divestment;
- (c) the Manager obtaining two independent valuations for the current market valuations of the Divestment Properties, and complying with paragraph 5.1(d) of the Property Funds Appendix which requires the transaction price of an asset sold to an interested party to be not less than the lower of the two assessed values. The updated valuations should be disclosed in the circular to Unitholders in relation to the extraordinary general meeting to be convened; and
- (d) the board of the Manager (“**Board**”) providing the MAS with a written confirmation that the Board has assessed that the Extended Timeline and any proposed revision to the terms of the divestment are in the best interests of EC World REIT and its Unitholders. The Board’s assessment should be disclosed in an SGXNET announcement and in the circular to Unitholders.

On 9 July 2023, the supplementary agreement (“**Supplementary Agreement**”) to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023) was entered into for purposes of amending the terms of the divestment as mentioned in paragraph 2.1 of the Letter to Unitholders of the Circular. Certain terms under the Supplementary Agreement are summarised below for reference:

- (aa) the long-stop date to be extended to 31 October 2023 or such other date as may be determined by the Vendor with the approval of the MAS and the independent Unitholders (“**Long-Stop Date Extension**”);
- (bb) the flexibility for the Vendor, the Purchasers, the Sponsor and Hangzhou Beigang (collectively, the “**Relevant Parties**”) to proceed with a two-stage completion process (“**Two-Stage Completion**”), whereby the completion of the Proposed Divestment (as defined herein) may take place in two stages if (and only if) the Vendor and the Purchasers provide their mutual consent to do so within 5 business days immediately after the date of EGM, or such other date as may be agreed by the Relevant Parties in writing (“**Relevant Mutual Consent**”);
- (cc) the agreed property values for Beigang Logistics Stage 1 property and Chongxian Port Logistics to be revised to RMB1,217,400,000 and RMB824,400,000 respectively (“**Revised Agreed Property Values**”), such that the pro forma consolidated NAV of Hangzhou Beigang as at 31 March 2023 would be equivalent to RMB1,370 million based on the Divestment Properties at the Revised Agreed Property Values; and
- (dd) the term “**Relevant Mandatory Prepayment Amount**” (as defined in the Circular) to be amended to mean, an amount agreed or to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group (as defined in the Circular).

The Manager is seeking Unitholders' approval for the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date) by way of an ordinary resolution at the forthcoming EGM.

The Manager and the Directors have confirmed that:

- (i) any material changes to the terms of the Proposed Divestment (including the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) from what was disclosed in the 2022 Circular; and
- (ii) the salient terms of the Proposed Divestment,

have been disclosed in the Circular ("**Manager and Directors' Confirmation**").

Accordingly, if the Supplementary Agreement is approved by Unitholders at the forthcoming EGM, the divestment of EC World REIT's indirect interests in the Divestment Properties will be made pursuant to the Equity Purchase Agreement (as amended by the supplementary agreement dated 30 January 2023 and the Supplementary Agreement) ("**Proposed Divestment**").

1.2 Appointment of IFA

We were previously appointed as the IFA to opine on the divestment (including the Promissory Notes Arrangement) as an IPT, as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Audit and Risk Committee, the Independent Directors and the Trustee. Our IFA letter dated 24 November 2022 ("**2022 IFA Letter**") is attached as Appendix B to the 2022 Circular.

We have been retained as the IFA to advise the Audit and Risk Committee, the Independent Directors and the Trustee on the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement.

For the avoidance of doubt, the Manager has confirmed that the scope of the IFA's opinion need not cover the Relevant Mandatory Prepayment Amount, taking into account that the purpose of the revised definition of the Relevant Mandatory Prepayment Amount is so that this term is pegged to what has been agreed or is to be agreed by all the existing offshore lenders and all the existing onshore lenders of the ECW Group.

We note that the Audit and Risk Committee and the Independent Directors have remained unchanged since the 2022 Circular and up to the Latest Practicable Date:

Audit and Risk Committee members

Dr David Wong See Hong (Chairman)
Mr Chia Yew Boon (Member)
Mr Li Guosheng (Member)

Independent Directors

Mr Chan Heng Wing (Lead Independent Director)
Dr David Wong See Hong
Mr Chia Yew Boon
Mr Li Guosheng

This Letter is issued pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Audit and Risk Committee, the Independent Directors and the Trustee, and sets out, *inter alia*, our evaluation and opinion on whether the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT are on normal commercial terms and are not prejudicial to the interests of EC World REIT and the minority Unitholders. In addition, on the basis of the Manager and Directors' Confirmation, this Letter also sets out our opinion on whether the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an IPT is on normal commercial terms and is not prejudicial to the interests of EC World REIT and the minority Unitholders. This Letter forms part of the Circular which provides, *inter alia*, details of

the Supplementary Agreement, and the recommendation of the Audit and Risk Committee and the Independent Directors to the minority Unitholders. This Letter is attached as Appendix B to the Circular.

2. TERMS OF REFERENCE

Provenance Capital Pte. Ltd. ("**Provenance Capital**") is appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Audit and Risk Committee, the Independent Directors and the Trustee in respect of the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT. In addition, taking into consideration the Manager and Directors' Confirmation, we will opine on whether the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an IPT is on normal commercial terms and is not prejudicial to the interests of EC World REIT and the minority Unitholders.

We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement, nor were we involved in the deliberations leading up to the decision on the part of the Directors and the Manager to propose the above, and we do not, by this Letter, warrant the merits of the proposal, other than to express an opinion on the matters set out in the immediately preceding paragraph above, as required under Rule 921(4)(a) of the Listing Manual.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the divestment, or to compare their relative merits *vis-à-vis* alternative transactions previously considered by EC World REIT, the Trustee or the Manager (if any) or that may otherwise be available to EC World REIT, the Trustee or the Manager currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Directors and/or the Manager although we may draw upon the views of the Directors and/or the Manager or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and management of the Manager ("**Management**") and/or their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors and Management and/or the professional advisers (where applicable) of EC World REIT and the Manager, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the divestment have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the divestment, EC World REIT and its subsidiaries (“**Group**”) and the Manager which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors, the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of EC World REIT and/or the Group at any time or as at the Latest Practicable Date. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information and representations.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Group. Such evaluation or comments remain the responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors and Management, and is predicated on the economic and market conditions prevailing as at the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Group, and we do not express any views as to the prices at which the Units may trade after the divestment or if the divestment is not proceeded with.

We have not made an independent evaluation or appraisal of the assets and liabilities of EC World REIT and/or the Group (including without limitation, the properties of the Group).

Pursuant to the MAS Conditions and in connection with the Supplementary Agreement, the Trustee has commissioned the independent valuer, Colliers Appraisal & Advisory Services Co. Ltd. (“**Colliers**”), and the Manager has commissioned the independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”, and together with Colliers, the “**Independent Valuers**”), to respectively value the Divestment Properties as at 30 June 2023 (“**2023 Independent Valuations**”).

Details of the 2023 Independent Valuations are set out in the respective summary valuation reports by the Independent Valuers (“**Summary Property Valuation Reports**”) attached as Appendix A to the Circular.

We are not experts in the evaluation or appraisal of the Divestment Properties concerned, and for the purposes of evaluating and assessing the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT, we have taken into account, *inter alia*, the 2023 Independent Valuations for such appraisals and we have not made any independent verification of the contents thereof.

Our opinion as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Manager, we have considered certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Unitholders should take note of any announcements relevant to the Proposed Divestment which may be released by the Manager after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder or any specific group of Unitholders. As each Unitholder may have different investment objectives and profiles, we recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

EC World REIT, the Manager and the Trustee have been separately advised by their own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither EC World REIT, the Group, the Directors, the Manager, the Trustee nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for the purposes of any matter, other than for the purposes relating to the EGM and the Proposed Divestment, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case. For the avoidance of doubt, notwithstanding anything to the contrary, nothing in this Letter shall (i) prevent EC World REIT, the Directors, the Manager, the Trustee or the Unitholders from reproducing, disseminating or quoting this Letter without prior consent of the IFA for the purpose of any matter relating to the EGM and/or the Proposed Divestment; or (ii) prevent or exclude Unitholders from relying on this Letter in connection with the EGM and/or the Proposed Divestment, whether pursuant to the Contract (Rights of Third Parties) Act 2001 of Singapore or otherwise.

We have prepared this Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Audit and Risk Committee, the Independent Directors and the Trustee in connection with their consideration of the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT, as well as the Proposed Divestment (taking into consideration the above terms as set out in the Supplementary Agreement) as an IPT. The recommendation made to the minority Unitholders by the Audit and Risk Committee and the Independent Directors remains the responsibility of the Audit and Risk Committee and the Independent Directors.

Our opinion in relation to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT as well as the Proposed Divestment (taking into consideration the above terms as set out in the Supplementary Agreement) as an IPT should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors' responsibility statement in relation to the accuracy of the information given in the Circular in connection with the Proposed Divestment, the Supplementary Agreement, EC World REIT and its subsidiaries is set out in the Circular.

The Directors have given us the above representation for the purposes of this Letter.

3. SALIENT INFORMATION IN RELATION TO THE LONG-STOP DATE EXTENSION, THE TWO-STAGE COMPLETION AND THE REVISED AGREED PROPERTY VALUES UNDER THE SUPPLEMENTARY AGREEMENT AS AN IPT

Details of the Supplementary Agreement are set out in paragraph 4 of the Circular.

The Manager is seeking Unitholders' approval for the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date) by way of an ordinary resolution at the EGM.

3.1 Long-Stop Date Extension

Under paragraph 5.4(b)(ii) of the Property Funds Appendix, the Equity Purchase Agreement would have been required to be completed (if it was intended to be completed) within 6 months from 16 December 2022, being the date when the approval of the Unitholders was obtained for the divestment pursuant to the Equity Purchase Agreement, i.e. by 16 June 2023.

However, the Purchasers and the Sponsor have advised the Manager that they were unable to complete the divestment by 16 June 2023 as the Purchasers have yet to secure the requisite financing for the divestment.

As at the Latest Practicable Date, out of the Equity Consideration of RMB1,370 million, a total of RMB333,028,995 has been prepaid to the Vendor by the Sponsor group. The Purchasers will therefore need to pay the outstanding balance of RMB1,036,971,005 to the Vendor to complete the divestment.

To avoid any potential breach arising from the non-completion of the Equity Purchase Agreement by 16 June 2023, the Manager had made an application to the MAS to seek a waiver from the requirement under paragraph 5.4(b)(ii) of the Property Funds Appendix.

On 13 June 2023, the Manager obtained a waiver from the MAS from compliance with paragraph 5.4(b)(ii) of the Property Funds Appendix subject to the MAS Conditions, as set out below for reference:

- (a) that the divestment must be completed by the Extended Timeline;
- (b) that Unitholders' approval is obtained for the Extended Timeline as well as any proposed revision to the terms of the divestment;
- (c) the Manager obtaining two independent valuations for the current market valuations of the Divestment Properties, and complying with paragraph 5.1(d) of the Property Funds Appendix which requires the transaction price of an asset sold to an interested party to be not less than the lower of the two assessed values. The updated valuations should be disclosed in the circular to Unitholders in relation to the extraordinary general meeting to be convened; and
- (d) the Board providing the MAS with a written confirmation that the Board has assessed that the Extended Timeline and any proposed revision to the terms of the divestment are in the best interests of EC World REIT and its Unitholders. The Board's assessment should be disclosed in an SGXNET announcement and in the circular to Unitholders.

It is envisaged that the Purchasers' financiers will be able to finalise their internal approval process only after they are updated of the Unitholders' approval of the Supplementary Agreement having been obtained at the forthcoming EGM, and the Purchasers will require approximately one month following the receipt of Unitholders' approval at the EGM for the fulfilment of the various conditions precedent leading to the drawdown of their acquisition loan.

3.2 Revised Agreed Property Values

Following arm's length negotiations and taking into account the above market valuations of the Divestment Properties as at 30 June 2023, the Relevant Parties to the Supplementary Agreement have agreed that the Equity Consideration for the Divestment Properties shall remain unchanged. Based on the financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023, the Relevant Parties have agreed on the Revised Agreed Property Values of the respective Divestment Properties, such that the pro forma consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370 million based on the Divestment Properties at the Revised Agreed Property Values.

A comparison of the Agreed Property Values (based on the then latest financial information of Hangzhou Beigang and Chongxian Logistics as at 30 June 2022 prior to the signing of the Equity Purchase Agreement) and the Revised Agreed Property Values (based on the financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023) for the Divestment Properties is set out in the table below:

	Divestment Properties	Agreed Property Values under the Equity Purchase Agreement (RMB 'million)	Revised Agreed Property Values under the Supplementary Agreement (RMB 'million)
(i)	Beigang Logistics Stage 1 property	1,212.6	1,217.4
(ii)	Chongxian Port Logistics	820.1	824.4
	Aggregate agreed property value	2,032.7	2,041.8

3.3 Two-Stage Completion

The Supplementary Agreement provides for the flexibility of the Two-Stage Completion, whereby the completion of the Proposed Divestment may take place in two stages if (and only if) the Vendor and the Purchasers provide their Relevant Mutual Consent to do so within 5 business days immediately after the date of EGM, or such other date as may be agreed by the Relevant Parties in writing.

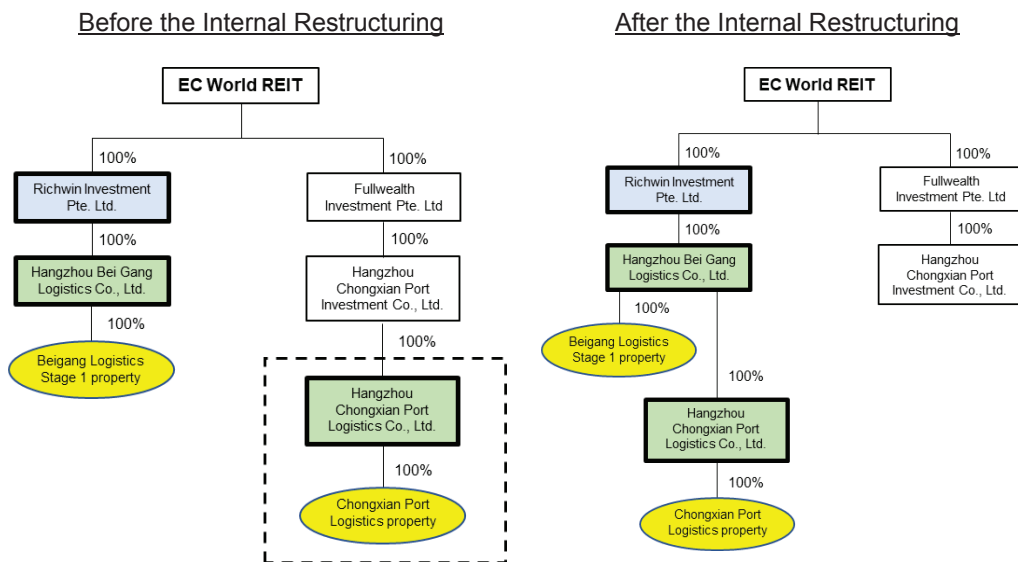
In the event that the Vendor and the Purchasers provide the Relevant Mutual Consent to proceed with the completion in two stages, Chongxian Logistics will be divested first (“**Completion Stage One**”), followed by Hangzhou Beigang (“**Completion Stage Two**”).

Completion Stage Two is subject to Completion Stage One, and accordingly, Completion Stage Two shall not take place unless Completion Stage One has been completed.

The Relevant Parties have agreed and acknowledged that the purpose of the Purchasers’ implementation of the transaction is to acquire the equity interests in all the Target Companies and thereby get control over the Divestment Properties and none of the Relevant Parties shall have the right to proceed only with Completion Stage One without being also obligated to proceed to Completion Stage Two (or *vice versa*). The obligations in connection with the completion shall be deemed fulfilled only after both the Completion Stage One and the Completion Stage Two are completed.

3.3.1 Internal Restructuring

Under the Equity Purchase Agreement, the divestment is conditional upon *inter alia* completion of an Internal Restructuring. This condition has been fulfilled, as the Internal Restructuring was completed on 9 April 2023 which has resulted in Hangzhou Beigang owning 100.0% of the equity interests in Chongxian Logistics, which in turn owns Chongxian Port Logistics. Following the Internal Restructuring, Beigang Logistics Stage 1 property is held directly under Hangzhou Beigang while the Chongxian Port Logistics property is held directly under Chongxian Logistics which is in-turn held under Hangzhou Beigang, as illustrated in the group charts below:



Note: The above charts focus only on the relevant entities involved in the Proposed Divestment.

In the event that the Vendor and the Purchasers provide their Relevant Mutual Consent to proceed with the Completion in two stages, Completion Stage One will involve Hangzhou Beigang disposing of its 100% interest in Chongxian Logistics to the Purchasers and Completion Stage Two (which follows after Completion Stage One) will involve Richwin Investment Pte. Ltd. (the Vendor) divesting its 100% interest in Hangzhou Beigang to the Purchasers. The above Two-Stage Completion will eventually result in achieving the objective of the Equity Purchase Agreement where the Group will divest its entire equity interests in all Target Companies to the Purchasers for an Equity Consideration of RMB1,370 million.

In this regard, as at the Latest Practicable Date, out of the Equity Consideration of RMB1,370 million, a total of RMB333,028,995 has been prepaid to the Vendor by the Sponsor group. The Purchasers will therefore need to pay the outstanding balance of RMB1,036,971,005 to the Vendor to complete the divestment.

3.3.2 Payment arrangement under the Two-Stage Completion

Under the Equity Purchase Agreement, the Purchasers shall pay the Equity Consideration in full upon completion of the divestment, comprising the equity consideration for Chongxian Logistics of RMB770 million and Hangzhou Beigang of RMB600 million (without Chongxian Logistics).

However, if the Vendor and the Purchasers give the Relevant Mutual Consent to proceed with the Two-Stage Completion, the Purchasers will pay for the Equity Consideration in the following manner:

Completion Stage One

Purchasers shall acquire its 100% equity interest in Chongxian Logistics from Hangzhou Beigang and pay to Hangzhou Beigang:

- (a) RMB770 million, being the equity consideration for Chongxian Logistics; and
- (b) the outstanding inter-company payable, being the net amount owing by Hangzhou Beigang to Chongxian Logistics as at the date of Completion Stage One.

As at 31 March 2023, the inter-company payable amounted to RMB16.8 million.

Our observations

Such inter-company balances are eliminated upon consolidation of the accounts of Hangzhou Beigang as Chongxian Logistics is a wholly-owned subsidiary of Hangzhou Beigang, and hence not included in the equity consideration of Chongxian Logistics of RMB770 million, and which has the effect of reducing the NAV of Chongxian Logistics. Upon the Completion Stage One, such net amount receivable by Chongxian Logistics will need to be settled as Chongxian Logistics will cease to be a subsidiary of Hangzhou Beigang. Under the Supplementary Agreement, the Relevant Parties agree for the net amount payable by Hangzhou Beigang to Chongxian Logistics to be novated to the Purchasers, and such novated amount will be set-off against the amount payable by the Purchasers under (b) above.

From the perspective of Hangzhou Beigang, its net amount payable to Chongxian Logistics will need to be settled as such amount was not taken into account in the equity consideration for Hangzhou Beigang (without Chongxian Logistics) (due to inter-company balances being eliminated upon consolidation of the accounts of Hangzhou Beigang), and which has the effect of increasing the NAV of Hangzhou Beigang (without Chongxian Logistics).

From the perspective of the Purchasers, they will be net neutral as the inter-company amount that they pay to Hangzhou Beigang will be set-off against the novated amount.

Completion Stage Two

To acquire the 100% equity interest in Hangzhou Beigang (which follows after Completion Stage One), the Purchasers shall pay to Hangzhou Beigang an amount of RMB1,370 million.

As mentioned above, as at the Latest Practicable Date, out of the Equity Consideration of RMB1,370 million, a total of RMB333,028,995 has been prepaid to the Vendor by the Sponsor group. The Purchasers will therefore need to pay the outstanding balance of RMB1,036,971,005 of the equity consideration to the Vendor to complete the Proposed Divestment.

Our observations

Under the Promissory Notes Arrangement, as part of the terms of the Equity Purchase Agreement, one of the Purchasers, namely Forchn International Pte. Ltd., may elect to pay part of the Equity Consideration by way of the Promissory Notes Arrangement.

Save as otherwise disclosed in the Circular, the terms of the Promissory Notes Arrangement remain the same in all material respects as the terms of the Promissory Notes Arrangement set out in the 2022 Circular. For the avoidance of doubt, in the case of a two-stage completion process, the Promissory Notes Arrangement will be allowed only for Completion Stage Two and not Completion Stage One pursuant to the terms of the Supplementary Agreement.

3.3.3 Repayment obligations of Hangzhou Beigang by the Purchasers

As set out in our 2022 IFA Letter, the Divestment Properties are mortgaged to secure onshore bank loans in the PRC and offshore bank loans in Singapore. Under the terms of the divestment, the Purchasers will pay or procure the repayment of the HZBG Loan Repayment Amount of up to RMB266,361,216 and the HZBG Net Related Party Payable of up to RMB189,901.359.

We note that these obligations remain and are not affected by the Supplementary Agreement. As at 31 March 2023, the outstanding HZBG Loan Repayment Amount and the HZBG Net Related Party Payable amounted to RMB183.9 million and RMB71.3 million respectively.

4. **Manager's reasons and Board's assessment of the Supplementary Agreement**

Details of the Manager's reasons and Board's assessments are set out in paragraphs 2.1 and 6 of the Circular respectively.

We note the Manager's reasons for allowing the Long-Stop Date Extension as summarized below:

- (a) the Purchasers and the Sponsor have advised the Manager that they were unable to complete the divestment by 16 June 2023 as they have not secured the requisite financing for the divestment;
- (b) the Long-Stop Date Extension will provide the Purchasers with the opportunity to complete the divestment and make full payment to the Group of the Equity Consideration pursuant to the divestment, allowing EC World REIT to fulfil its repayment obligations, among others, under the Group's financing arrangements, which would require the Group to repay the minimum mandatory repayment of at least S\$75,465,424 by 31 October 2023 (or such later date, that is on or prior to 30 April 2024, that is agreed to by all the lenders under the Facilities). The Long-Stop Date Extension is beneficial in providing more time for the completion of the divestment which increases the likelihood that the Group would be able to avoid a potential default on such financing obligations;
- (c) the Sponsor has continued to demonstrate its support for EC World REIT by working closely together with the Manager to engage the lenders in relation to EC World REIT's refinancing exercise which has been completed as announced by the Manager on 6 June 2023;
- (d) EC World REIT will continue to receive income from the Divestment Properties, pending completion of the Proposed Divestment; and
- (e) the Long-Stop Date Extension provides Unitholders with an opportunity to realise the value of the Divestment Properties and preserve the long-term value of EC World REIT for Unitholders.

The Manager's reason for allowing the flexibility for the Relevant Parties to proceed with the Two-Stage Completion is that it would potentially allow the Purchasers to provide the first tranche of the divestment proceeds to the ECW Group earlier (as part of Completion Stage One), thereby increasing the likelihood that the ECW Group would be able to partially repay its loans earlier and could potentially help to facilitate the Purchasers in securing their financing for the Proposed Divestment.

The Manager's reason for allowing the Revised Agreed Property Values to increase from the agreed property values set out in the 2022 Circular is so that the Parties are able to fix the Equity Consideration at RMB1,370 million.

Board's assessment of the Supplementary Agreement

Mr Zhang Guobiao, who is the Chairman and Non-Executive Director of the Manager, and owns 80% equity interest of the Sponsor as at the Latest Practicable Date, and Mr Goh Toh Sim, who is an Executive Director and Chief Executive Officer of the Manager, both had abstained from voting on the resolution in relation to the divestment at the extraordinary general meeting held on 16 December 2022 and will both abstain from voting on the resolution on the Supplementary Agreement at the forthcoming EGM. They have also abstained from participating in the following Board's assessment on the Supplementary Agreement, as extracted from paragraph 6.1 of the Letter to Unitholders of the Circular:

“The Board (with the non-independent Directors abstaining) has assessed the Supplementary Agreement and is of the view that it is in the best interests of EC World REIT and the Unitholders. This is on the basis of the Manager’s reasons set out at paragraph 2.1 of the Letter to Unitholders above.”

5. Our evaluation of the Equity Consideration vs Revised Agreed Property Values of the Divestment Properties and pro forma revalued NAV (“RNAV”) of Hangzhou Beigang

5.1 Agreed Property Value and Revised Agreed Property Values

Under the Equity Purchase Agreement, Parties have agreed for the Equity Consideration pertaining to the equity interests of the Divestment Properties to be RMB1,370 million, which was arrived at *inter alia* after taking into consideration the aggregate agreed property value of the Divestment Properties as at 30 June 2022.

In turn, the Agreed Property Value for each of the Divestment Properties was arrived at after negotiations and after taking into account the market values of the Divestment Properties as at 30 June 2022. In particular, the Agreed Property Value for each of the Divestment Properties was not lower than the lower of the two market values as at 30 June 2022 as determined by the Independent Valuers, in compliance with paragraph 5.1(d) of the Property Funds Appendix. Overall, the Group was to divest the Divestment Properties at a slight premium of 0.5% above their aggregate average market value as at 30 June 2022.

Details of the above are set out in Section 1.1 and 3.1 of our 2022 IFA Letter.

Pursuant to the MAS Condition (c), an update of the current market valuations of the Divestment Properties by two independent valuers is required, to ensure that the transaction price for each of the Divestment Properties sold to an interested party is at not less than the lower of the two assessed values.

For the above purposes, Colliers and JLL were commissioned as the Independent Valuers to provide the market values of the Divestment Properties as at 30 June 2023. For the purpose of carrying out the market valuations of the Divestment Properties as at 30 June 2023, Colliers had used the discounted cash flow approach, and JLL had used the discounted cash flow approach and income capitalisation approach.

Details of the above 2023 Independent Valuations are set out in Appendix A to the Circular.

Following arm’s length negotiations and taking into account, among others, the 2023 Independent Valuations of the Divestment Properties as at 30 June 2023, the Relevant Parties to the Supplementary Agreement have agreed that the Equity Consideration for the Divestment Properties shall remain unchanged. Based on the financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023, the Relevant Parties have agreed on the Revised Agreed Property Values of the Divestment Properties, such that the pro forma consolidated NAV of Hangzhou Beigang would be equivalent to RMB1,370 million based on the Divestment Properties at the Revised Agreed Property Values.

A comparison of (a) the market values of the Divestment Properties as at 30 June 2022 and the Agreed Property Values under the Equity Purchase Agreement; and (b) the current market values of the Divestment Properties as at 30 June 2023 and the Revised Agreed Property Values pursuant to the Supplementary Agreement (in RMB ’million), is summarized in the table below:

Divestment Properties	Market Value as at 30 June 2022 (RMB 'million)		Agreed Property Value (RMB 'million)	Market Value as at 30 June 2023 (RMB 'million)		Revised Agreed Property Value (RMB 'million)
	KF	JLL		Colliers	JLL	
Beigang Logistics Stage 1	1,178	1,238	1,212.6	1,213	1,191	1,217.4
Chongxian Port Logistics	797	833	820.1	820	809	824.4
Total	1,975	2,071	2,032.7	2,033	2,000	2,041.8
Average market value	← 2,023.0 →			← 2,016.5 →		

Based on the above:

- Each of the Divestment Properties would be sold to the Purchasers at the Revised Agreed Property Value which is not less than the lower of the two current market values of the Divestment Properties as at 30 June 2023 as assessed by the Independent Valuers, hence complying with paragraph 5.1(d) of the Property Funds Appendix;
- the aggregate Revised Agreed Property Value of the Divestment Properties of RMB2,041.8 million represents a premium of 2.1% above the aggregate of the lower market values of the Divestment Properties of RMB2,000 million as at 30 June 2023 (compared to the premium of 2.9% as at 30 June 2022); and
- the aggregate Revised Property Value of the Divestment Properties of RMB2,041.8 million represents a premium of 1.3% above the aggregate average market value of the Divestment Properties of RMB2,016.5 million as at 30 June 2023 (compared to a premium of 0.5% as at 30 June 2022).

5.2 Pro forma NAV of Hangzhou Beigang (after the Internal Restructuring) vs the Equity Consideration

Pro forma NAV of Hangzhou Beigang as at 30 June 2022

The Equity Consideration for the divestment was fixed at RMB1,370 million as at 30 September 2022, being the date of the Equity Purchase Agreement, which comprises the Equity Consideration for Hangzhou Beigang of RMB600 million and Chongxian Logistics of RMB770 million.

As disclosed in the 2022 Circular and our 2022 IFA Letter, the pro forma NAV of Hangzhou Beigang (after the Internal Restructuring) as at 30 June 2022 was RMB1,360 million. The above pro forma NAV had incorporated the market values of the Divestment Properties based on the average of the market values of the respective Divestment Properties as at 30 June 2022.

The Equity Consideration of RMB1,370 million therefore represented a slight premium of 0.7% above the pro forma NAV of Hangzhou Beigang (after the Internal Restructuring) of RMB1,360 million as at 30 June 2022.

Pro forma NAV and RNAV of Hangzhou Beigang as at 31 March 2023

The Group had released its unaudited financial results for the first quarter ended 31 March 2023 ("1Q2023"), being the latest announced financial results at the time of the Supplementary Agreement. For the purposes of our evaluation, we have evaluated the pro forma NAV of Hangzhou Beigang as at 31 March 2023.

We note that in the latest results announcement of the Group for 1Q2023, the entire assets and liabilities relating to the divestment were presented as a disposal group classified as held-for-sale as at 31 March 2023. Assets and liabilities of the disposal group classified as held-for-sale amounted to S\$426 million and S\$147 million as at 31 March 2023 respectively. The above net assets represent the amount of the Equity Consideration of RMB1,370 million plus the outstanding HZBG Net Related Party Payable of RMB71.3 million as at 31 March 2023. The above HZBG Net Related Party Payable is in relation to the amount owed by Hangzhou Beigang to related parties of the Group other than Chongxian Logistics, which the Group expects to recover from Hangzhou Beigang following the completion of the Proposed Divestment.

The latest unaudited pro forma balance sheet of Hangzhou Beigang (after the Internal Restructuring) (in RMB currency) as at 31 March 2023 is set out below:

Pro forma balance sheet of Hangzhou Beigang (after the Internal Restructuring)	Unaudited as at 31 March 2023 RMB 'million
<u>Current assets</u>	
Cash and bank balances	35.6
Trade and other receivables	124.4
Other current assets	0.6
	160.6
<u>Non-current assets</u>	
Investment properties	2,032.6
Total assets	2,193.2
<u>Current liabilities</u>	
Term loans	183.9
Inter-company payable (net balance)	71.3
Other current liabilities	100.5
	355.7
<u>Non-current liabilities</u>	
Tenancy related deposits	113.9
Deferred tax liabilities	358.7
Deferred income	4.1
	476.7
Total liabilities	832.4
Total equity / NAV	1,360.8

Source: Management

The pro forma NAV of Hangzhou Beigang as at 31 March 2023 was RMB1,360.8 million. The Divestment Properties were stated at RMB2,032.6 million with reference to their respective agreed property values under the Equity Purchase Agreement.

Based on the average of the two market values of the Divestment Properties as determined by the Independent Valuers of RMB2,016.5 million as at 30 June 2023, there is a slight revaluation deficit of RMB16.1 million on the Divestment Properties since 31 March 2023 to 30 June 2023.

Accordingly, the pro forma RNAV of Hangzhou Beigang as 31 March 2023 after taking into consideration the average of the two market values of the Divestment Properties as at 30 June 2023 is RMB1,344.7 million, as shown in the table below:

	RMB 'million
Pro forma NAV of Hangzhou Beigang as at 31 March 2023	1,360.8
Less: Revaluation deficit on the Divestment Properties based on the average of the two market values of the Divestment Properties by the Independent Valuers	(16.1)
Pro forma RNAV of Hangzhou Beigang as at 31 March 2023	1,344.7

Based on the above, the Equity Consideration of RMB1,370 million represents a slight premium of 1.9% above the pro forma RNAV of Hangzhou Beigang of RMB1,344.7 million as at 31 March 2023.

5.3 Summary of our evaluation

With respect to the Long-Stop Date Extension and the Revised Agreed Property Values

Based on the information provided to us and our assessment as set out in Sections 3 to 5 of this Letter, we are of the opinion that the Long-Stop Date Extension and the Revised Agreed Property Values are on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders, taking into consideration the following factors:

- (a) the Manager's rationale for seeking the Long-Stop Date Extension;
- (b) based on the unaudited financial information of Hangzhou Beigang and Chongxian Logistics as at 31 March 2023 and the market values of the Divestment Properties as at 30 June 2023, the Relevant Parties' consensus for the Equity Consideration for the Proposed Divestment to remain the same has resulted in a higher Revised Agreed Property Values for the Divestment Properties as compared to the agreed property values under the Equity Purchase Agreement;
- (c) each the Revised Agreed Property Value for the Divestment Properties is higher than the lower of the two market values of the respective Divestment Properties as at 30 June 2023, which is therefore in compliance with paragraph 5.1(d) of the Property Funds Appendix; and
- (d) the Equity Consideration of RMB1,370 million represents a slight premium of 1.9% above the pro forma RNAV of Hangzhou Beigang (after the Internal Restructuring) of RMB1,344.7 million as at 31 March 2023.

With respect to the Two-Stage Completion

Based on the information provided to us and our assessment as set out in Section 3.3 of this Letter, we are of the opinion that the Two-Stage Completion is on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders, taking into consideration the following factors:

- (i) the Two-Stage Completion provides the flexibility for a part-by-part completion of the Divestment Properties which could speed up the receipt of the sale proceeds, and which could then be applied towards the repayment of certain onshore loans of the Group;

- (ii) the Manager and Directors' Confirmation;
- (iii) the Two-Stage Completion requires the Relevant Mutual Consent to proceed;
- (iv) the Two-Stage Completion may entail settlement of intercompany balances between Hangzhou Beigang and Chongxian Logistics under Completion Stage One, but otherwise does not materially affect the payment of the Equity Consideration at RMB1,370 million for the Proposed Divestment; and
- (v) as Hangzhou Beigang would have received RMB770 million equity consideration for the sale of Chongxian Logistics to the Purchasers under Completion Stage One, upon Completion Stage Two, the Purchasers will need to pay RMB1,370 million equity consideration for the sale of Hangzhou Beigang (which includes the sale consideration for Chongxian Logistics).

As mentioned in Section 3.3.1 of this Letter, as at the Latest Practicable Date, out of the Equity Consideration of RMB1,370 million, a total of RMB333,028,995 has been prepaid to the Vendor by the Sponsor group. The Purchasers will therefore need to pay the outstanding balance of RMB1,036,971,005 of the Equity Consideration to the Vendor to complete the Proposed Divestment.

With respect to the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values)

We have given our opinion as set out in our 2022 IFA Letter that the Proposed Divestment as an IPT is on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, taking into consideration our evaluation of the key terms of the Supplementary Agreement and the Manager and Directors' Confirmation, we are of the opinion that the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an IPT is on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders.

6. Use of divestment proceeds and the Special Distribution

The Group's intention on the use of the divestment proceeds remains largely similar as what was set out in the 2022 Circular and our 2022 IFA Letter, i.e. mainly to settle the Group's existing offshore bank loans and fund the transactions costs, and the balance for the Special Distribution.

However, since the 2022 Circular, the Group has settled some of its existing offshore bank loans, resulting in a lower outstanding amount as at 31 March 2023. In addition, the strengthening of S\$ against the RMB between 30 September 2022 (the illustrative exchange rate of RMB1:S\$0.2001 used in the 2022 Circular) and 31 March 2023 (the illustrative exchange rate of RMB1:S\$0.1934 for the purpose of this Letter and the Circular) has resulted in some variations in the illustrative estimates of the use of proceeds and the Special Distribution in S\$ equivalent, as shown in the table below:

	As disclosed in the 2022 Circular (S\$ 'million)	Estimate as at 31 March 2023 (S\$ 'million)
Equity Consideration of RMB1,370 million	274.1	265.0
Proposed estimated amount for the use of proceeds:		
(a) settlement of the Group's existing offshore bank loans ⁽¹⁾	(172.6)	(156.2)
(b) Relevant Transaction Costs ⁽²⁾	(10.0)	(9.7)
(c) retention for contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment	(1.3)	(1.0)
Net balance after the use of proceeds which is available for the Special Distribution	90.2	98.1
Special Distribution per Unit based on 809,838,247 Units in issue as at the Latest Practicable Date	S\$0.1114	S\$0.1211

Notes:

1. Details of the settlement of the Group's existing offshore bank loans are set out in paragraph 9 of the Circular; and
2. Relevant Transaction Costs means the estimated professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment.

Accordingly, based on the above estimation and illustration, the Special Distribution per Unit would be S\$0.1211.

Unitholders should take note of any further announcements by the Manager with regard to the details of the Special Distribution, the applicable record date for the purpose of determining Unitholders' entitlements to the Special Distribution and the date of payment of the Special Distribution.

Details on the Special Distribution are set out in paragraph 10 of the Circular.

7. OUR OPINION

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT are on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders. In addition, taking into consideration the Manager and Directors' Confirmation, we are of the opinion that the Proposed Divestment (taking into consideration the terms of the Supplementary Agreement pertaining to the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values) as an IPT is on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, we advise the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders VOTE IN FAVOUR of the resolution to approve the Supplementary Agreement.

Our opinion should be considered in the context of the entirety of this Letter and the Circular.

Our opinion, as disclosed in this Letter, is based on publicly available information and information provided by the Directors and the Manager, and does not reflect any projections of future performance of EC World REIT and/or the Group after the completion of the Proposed Divestment. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT as well as the Proposed Divestment (taking into consideration the above terms as set out in the Supplementary Agreement) as an IPT.

Our opinion is required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Audit and Risk Committee, the Independent Directors and the Trustee for their benefit and for the purpose of their consideration of the Long-Stop Date Extension, the Two-Stage Completion and the Revised Agreed Property Values under the Supplementary Agreement as an IPT as well as the Proposed Divestment (taking into consideration the above terms as set out in the Supplementary Agreement) as an IPT. The recommendation to be made by the Audit and Risk Committee and the Independent Directors to the minority Unitholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither EC World REIT, the Directors, the Trustee nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX C

OTHER PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

For the avoidance of doubt, the following terms of the Proposed Divestment have also been disclosed in the 2022 Circular and there have been no material changes to these terms since then.

1. Sponsor's Guarantee, Indemnity and Undertaking

In consideration of the Vendor and the Purchasers agreeing to enter into the Equity Purchase Agreement:

- (i) the Sponsor has unconditionally and irrevocably guaranteed to the Vendor the due and punctual performance and observance by the Purchasers of the Specified Obligations¹, and has agreed to pay to the Vendor or as it may direct upon the Vendor's first demand all amounts due and owing by the Purchasers to the Vendor arising from any breach by the Purchasers of the Specified Obligations². Such obligations of the Sponsor are and will remain in full force and effect by way of continuing security until no sum remains payable under the Specified Obligations by the Purchasers;
- (ii) the Sponsor shall not be discharged, nor shall its liability be affected, by any act, thing, omission or other means whereby its liability would not have been discharged if it had been principal debtor, nor shall its liability be affected, by (a) any time, indulgence, waiver or consent at any time given to the Purchasers or any other person, (b) any amendment to any provision of the Equity Purchase Agreement or any other agreement or document to be entered into between the Parties pursuant to or in connection with the Equity Purchase Agreement, (c) the making or absence of any demand on the Purchasers or any other person for payment or (d) the insolvency, winding-up or liquidation of the Purchasers or any other person; and
- (iii) the Sponsor has irrevocably agreed to indemnify and make whole the Vendor or at its option any Target Company for any and all losses which the Vendor or such Target Company (as the case may be) suffered or is reasonably expected to suffer by reason of any breach by the Purchasers of any of the Specified Obligations, and has agreed to pay the Vendor or at its option the Target Company or as the Vendor may otherwise direct the amount of such loss.

2. Limitation of Liability

The Purchasers have acknowledged and agreed that with effect from the date of the Equity Purchase Agreement, the Purchasers' sole remedy and right of recovery for any warranty claims shall be against the Sponsor (and not the Vendor), and no right of rescission or termination shall be available after Completion by reason of any breach of the Vendor's warranties (other than the Condition in paragraph 2.2(vii) of the Letter to Unitholders) (other than fraud on the part of the Vendor's Group and then only to the extent such warranty claim relates to such fraudulent conduct). Other than fraud or gross negligence on the part of the Vendor's Group, the Purchasers will not be entitled to make any warranty claim against the Vendor, except only to the extent required to permit a warranty claim against the Sponsor but only on the basis that the Vendor shall have no liability for any warranty claim beyond S\$1.00, irrespective of whether the claim against the Sponsor may be subject to limitations or exclusions.

1 "Specified Obligations" means all of the commitments, undertakings, warranties and indemnities of the Purchasers under the Equity Purchase Agreement (as amended).

2 For the avoidance of doubt, the Specified Obligations include the indemnity granted by the Purchasers in favour of the Vendor in relation to the Promissory Notes Arrangement.

3. Pre-Completion Notice

The Vendor has the right to notify the Purchasers of any matters which arise between the date of the Equity Purchase Agreement and Completion which may or would have affected any Vendor's warranty. The Parties have agreed that any such notice shall operate as a disclosure against the Vendor's warranties (other than the fundamental warranties set out in the Equity Purchase Agreement) only for the purposes of any liability of the Vendor, and shall in no event operate as a disclosure against any of the Vendor's warranties for the purposes of any liability of the Sponsor under the Equity Purchase Agreement. For the avoidance of doubt, such notice will not operate to prejudice the Purchasers' rights under or in respect of the Conditions as set out in paragraphs 2.2(v), 2.2(vi) and 2.2(vii) of the Letter to Unitholders.

4. Fees and Taxes

- (i) The Purchasers shall bear the cost of all taxes and any notarial fees (including the stamp duty levied on the Equity Purchase Agreement and all other agreements and documents pertaining to the Transaction) incurred in connection with the Transaction (including the Internal Restructuring), including any taxes arising from any gain on the sale of the Target Equity Interests which would otherwise be payable by Vendor to the PRC tax authorities.
- (ii) The Purchasers or the Sponsor (as the case may be) shall be responsible for arranging the payment of such taxes and notarial fees, which includes, among others, any stamp duty and withholding tax which may be payable to the PRC tax authorities.
- (iii) The Sponsor and the Purchasers agree that post-Completion, the Sponsor and the Purchasers shall not, and shall procure that the Target Companies shall not make any claim against any member of the Vendor's Group for any taxes in connection with the Transaction (including any stamp duty and withholding tax which may be payable to the PRC tax authorities).
- (iv) The Sponsor indemnifies the Vendor against (i) any losses which any member of the Vendor's Group may at any time and from time to time sustain, incur or suffer as a result of or arising out of or in connection with the Purchasers failing to comply with their obligations under this paragraph 4 of this Appendix C and/or (ii) any claim against the Vendor or the Vendor's subsidiaries post-Completion in connection with the Transaction by any PRC tax authority or pursuant to any PRC taxation statute.
- (v) The Vendor shall provide all necessary documents and assistance as reasonably requested by the Purchasers in order for the Purchasers or the Sponsor (as the case may be) to perform their obligations under this paragraph 4 of this Appendix C, such assistance includes, without limitation, to pay the relevant tax in the name of Vendor (if necessary) and to dispute and contest any levy of the taxes by the relevant government authorities in the name of Vendor (if necessary). All reasonable costs to be incurred by the Vendor pursuant to this paragraph 4(v) of this Appendix C shall be borne by the Purchasers or the Sponsor (as the case may be).

5. Repayment of the Relevant Mandatory Prepayment Amount

If at any time prior to Completion the Vendor has repaid the Relevant Mandatory Prepayment Amount, the Vendor, the Sponsor and the Purchasers upon agreement in writing may terminate the Equity Purchase Agreement (as amended) (other than, among others, certain surviving provisions under the Equity Purchase Agreement (the "**Surviving Provisions**").

6. Transaction Financing

6.1 Overview

The Target Companies may enter into the Transaction Financing Documents, for the purpose of repaying part of the existing banking facilities of the Vendor's Group (specifically, to repay the HZBG Loan Repayment Amount³). The Transaction Financing Documents shall comply with the Agreed Financing Principles. In connection with the Transaction Financing, it is intended that the Target Companies will provide third ranking mortgages over all the Divestment Properties in favour of the lenders to secure the Transaction Financing (the "**Third Ranking Mortgages**").

As stated in the Equity Purchase Agreement (as amended), the Purchasers (or their related corporations or other affiliates) have as at the date of the Equity Purchase Agreement (as amended), or will have, on Completion, available cash from loan facilities and available cash from their own resources to unconditionally provide them with immediately available funds necessary to pay the Equity Consideration at Completion and meet their other obligations under the Equity Purchase Agreement (as amended).

For the avoidance of doubt, the entry into the Transaction Financing is not a condition precedent to the Proposed Divestment (i.e., the Equity Purchase Agreement (as amended) does not contain a financing-out), and the failure to enter into the Transaction Financing is also not a ground of termination for the Purchasers under the Equity Purchase Agreement (as amended).

6.2 Entry into the Transaction Financing Documents

Pursuant to the Equity Purchase Agreement (as amended), the Purchasers undertook to use commercially best efforts to procure the finalisation and entry into of the documents in connection with the Transaction Financing (the "**Transaction Financing Documents**") with the lenders under the Transaction Financing by no later than the Transaction Financing Long-Stop Date, being the date falling seven weeks after the signing of the Equity Purchase Agreement (i.e. 18 November 2022), provided that:

- (i) the Vendor shall cooperate in good faith to procure the relevant Target Companies to enter into the Transaction Financing Documents on terms and conditions reasonable to the Vendor (having regard to the Vendor's own commercial position) prior to the issuance of the notice of the extraordinary general meeting as set out in paragraph 2.2(ii) of the Letter to Unitholders of this Circular;
- (ii) in no event shall the Vendor or the Purchasers be required to accept any terms and conditions that are not reasonably acceptable to it, or which contradict the Agreed Financing Principles.

Please refer to Appendix D of this Circular for the salient terms of the Agreed Financing Principles.

³ For the avoidance of doubt, the Transaction Financing is separate from, and is not intended to be used to fund, the Equity Consideration.

6.3 Safeguards for ECW given that the Transaction Financing Documents were not executed by the Transaction Financing Long-Stop Date

According to the Equity Purchase Agreement (as amended), if the Transaction Financing Documents are not executed by the Transaction Financing Long-Stop Date:

- (i) the Sponsor shall indemnify the Vendor for the costs and expenses incurred by the Vendor in connection with the preparation, negotiation and entry into of the Equity Purchase Agreement (as amended), the proposed sale of the Target Equity Interests, the Transaction Financing and the Transaction Financing Documents;
- (ii) the Vendor shall be entitled (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages) by notice in writing to the Purchasers to terminate the Equity Purchase Agreement (as amended) (other than the Surviving Provisions) forthwith without liability on its part,

provided that, if the Vendor does not terminate the Equity Purchase Agreement (as amended) in accordance with this paragraph 6.3 of this Appendix C and the Transaction Financing Documents are executed after the Transaction Financing Long-Stop Date, upon such execution, the indemnity described in paragraph 6.3(i) of this Appendix C above shall cease to be applicable and the Sponsor shall not be required to indemnify the Vendor and the Vendor shall not be entitled to claims for any damages pursuant to such provisions.

In view that the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date has passed, the potential courses of action which are currently available to EC World REIT (through the Vendor) include the following:

- (a) procure the relevant Target Companies to enter into the Transaction Financing Documents notwithstanding that the Transaction Financing Long-Stop Date may have passed, and in this regard, the Vendor will not accept any terms and conditions of the Transaction Financing Documents that are not reasonably acceptable to it or which contradict the Agreed Financing Principles. In such event, as mentioned in this paragraph 6.3 of this Appendix C above, the indemnity described in paragraph 6.3(i) of this Appendix C above shall cease to be applicable and the Sponsor shall not be required to indemnify the Vendor and the Vendor shall not be entitled to claims for any damages pursuant to such provisions. For avoidance of doubt, the Vendor's right to terminate the Equity Purchase Agreement in accordance with paragraph 6.3(ii) of this Appendix C above remains applicable;
- (b) proceed to Completion of the Proposed Divestment without the entry into of any Transaction Financing Documents or any Transaction Financing. The Manager wishes to highlight that subject to and conditional upon satisfaction or waiver (as the case may be) of the relevant conditions under the Equity Purchase Agreement (as amended), the Purchasers shall be obligated to proceed with Completion of the Proposed Divestment, regardless of whether any Transaction Financing has been entered into by the Transaction Financing Long-Stop Date; or
- (c) exercise the Vendor's right to terminate the Equity Purchase Agreement in accordance with paragraph 6.3(ii) of this Appendix C above, without prejudice to all other rights or remedies available.

For the avoidance of doubt, the entry into the Transaction Financing is not a condition precedent to the Proposed Divestment (i.e., the Equity Purchase Agreement (as amended) does not contain a financing-out), and the failure to enter into the Transaction Financing is also not a ground of termination for the Purchasers under the Equity Purchase Agreement (as amended).

6.4 Relevant Amendments to the Transaction Financing Documents

In the event the Vendor reasonably requests for any amendments to, or any terms or conditions to be included in the Equity Purchase Agreement (as amended) or the Transaction Financing Documents, in each case, arising from, among others, applicable laws and regulations (including the Code on Collective Schemes) and the Listing Manual or pursuant to any requests from any governmental authority (collectively, the “**Relevant Amendments**”) and provided that such Relevant Amendments have been proposed in writing to the Purchasers and the Sponsor as soon as practicable before the clearance of this Circular is granted by the SGX-ST, the Sponsor and the Purchasers shall use commercially reasonable efforts to incorporate or to procure the lenders under the Transaction Financing to incorporate the Relevant Amendments into the Equity Purchase Agreement (as amended) or the Transaction Financing Documents (as the case may be), and shall perform such other reasonable acts and things to give full effect to the Relevant Amendments. In the event the Relevant Amendments are commercially unacceptable to the Purchasers (if any Relevant Amendment results in the lenders under the Transaction Financing having to re-obtain internal approval in connection with the Transaction Financing and such internal procedure is not expected to complete within a reasonable period of time, such Relevant Amendment shall be regarded as commercially unacceptable to the Purchasers), the Sponsor or the lenders under the Transaction Financing, either the Vendor or the Purchasers has the right to terminate the Equity Purchase Agreement (as amended) (other than the Surviving Provisions) forthwith without any liability on any Party, except that the Purchasers and the Sponsor shall:

- (i) take, and shall procure that the lenders under the Transaction Financing shall, with the reasonable efforts of the Vendor take, any necessary steps to unwind the Transaction Financing, including the termination of any Transaction Financing Documents to which any member of the Vendor’s Group is a party and the release of any mortgage and any other encumbrances in connection with the Transaction Financing; and
- (ii) indemnify the Vendor or at its option any Target Company for the losses, costs and expenses incurred by the Vendor and any Target Company in connection with the entry into of the Transaction Financing Documents.

6.5 Safeguards for ECW in relation to the Transaction Financing should Completion not occur

Pursuant to the Equity Purchase Agreement (as amended), the Purchasers have undertaken to procure that the Transaction Financing Documents will provide that if Completion does not occur within 10 Business Days (or such later date as may be agreed by the Parties) of the Record Date (the “**Expected Completion Date**”) or by the Long-Stop Date, (i) all documents entered into in connection with the Transaction Financing, and all obligations of the Vendor’s Group under or in connection with the Transaction Financing, will be terminated and cancelled within 10 Business Days of the Expected Completion Date or the Long-Stop Date (as the case may be); and (ii) the Third Ranking Mortgages in connection with the Transaction Financing will be cancelled and discharged within 15 Business Days of the Expected Completion Date or the Long-Stop Date (as the case may be).

Further, subject to the Transaction Financing Documents being executed and the Equity Purchase Agreement (as amended) and the Transaction Financing Documents not being terminated pursuant to paragraph 6.3(ii) or 6.4 of this Appendix C, in the event Completion has not occurred on the date scheduled for Completion and:

- (i) the Purchasers have not requested Hangzhou Beigang to make any Financing Drawdown Request by the Long-Stop Date; or
- (ii) any Financing Drawdown Request has been issued but Completion does not occur on the date scheduled for Completion,

in either case, the Vendor may terminate the Equity Purchase Agreement (as amended) (other than the Surviving Provisions), and the Sponsor shall:

- (a) take, and shall procure that the lenders under the Transaction Financing shall, with the reasonable efforts of the Vendor take, any necessary steps to unwind the Transaction Financing, including the termination of any Transaction Financing Documents to which any member of the Vendor's Group is a party and the release of any mortgage and any other encumbrances in connection with the Transaction Financing, and
- (b) indemnify the Vendor and any Target Company for any and all losses which the Vendor and such Target Company (as the case may be) suffered or is reasonably expected to suffer by reason of the failure by the Purchasers to request Hangzhou Beigang to issue the Financing Drawdown Request or the Completion not occurring after the issuance of the Financing Drawdown Request (including whether arising from the Transaction Financing and the existing banking facilities of the Vendor's Group) (including, but not limited to prepayment and break funding costs) and in this regard, shall either pay the amount of such losses to the Vendor or as it may direct such that no default or event of default (however described) shall occur under the Transaction Financing Documents.

APPENDIX D

SALIENT TERMS OF THE AGREED FINANCING PRINCIPLES

1. There will be no commingling of liability between the Vendor's Group on the one hand and the Purchasers' Group¹ on the other. For instance, the borrowers and (if any) guarantors under the Transaction Financing should consist of only the members of the Vendor's Group prior to Completion, and not include any member of the Purchasers' Group prior to Completion.
2. The Transaction Financing shall be cancelled if Completion does not occur by the Long-Stop Date or the Transaction is otherwise terminated. In such event, any security which has been provided in respect of the Transaction Financing (including any third ranking mortgage) shall be discharged in full within fifteen Business Days of such cancellation of the Transaction Financing.
3. Any utilisation of the Transaction Financing will take place on or after Completion.
4. Any events affecting the Purchasers' Group will not trigger any prepayment obligations and/or payment obligations under the Transaction Financing prior to Completion. There will not be any cross-default between onshore and offshore financings prior to Completion, if there is any offshore financing.
5. The only security to be provided by the Target Companies prior to Completion is the third-ranking mortgage(s). For the avoidance of doubt, except for the foregoing, no account receivables pledge and no other security shall be provided by the Target Companies or the Vendor's Group prior to Completion. Any other security to be provided by the Target Companies may be provided only on or after Completion.
6. Other than representations/undertakings relating to capacity, authority, title to the Divestment Properties and other representations/undertakings as may be agreed by the Vendor (acting reasonably) to enter into the Transaction Financing Documents and the third-ranking mortgage(s), all other representations and undertakings (such as financial covenants) may apply only on or after Completion, and not before Completion, provided that in no event shall the Vendor or its subsidiaries (including the Target Companies) be required to represent, warrant or undertake on behalf of the Purchasers or any of their subsidiaries (including the Target Companies after Completion).

¹ "Purchasers' Group" refers to the Purchasers and their subsidiaries from time to time.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of EC World Real Estate Investment Trust (“**EC World REIT**”) will be convened and held in a wholly physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **Thursday, 7 September 2023 at 10.00 a.m. (Singapore time)** for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular to unitholders of EC World REIT (“**Unitholders**”) dated 16 August 2023 (the “**Circular**”)):

THE SUPPLEMENTARY AGREEMENT (ORDINARY RESOLUTION)

That:

- (i) approval be and is hereby given for the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date), and the foregoing be and is hereby approved and ratified; and
- (ii) the Manager, any Director and/or the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of EC World REIT to give effect to the Supplementary Agreement and all transactions in connection therewith (including, but not limited to, the Long-Stop Date Extension and all transactions contemplated under the Supplementary Agreement).

Details of the Supplementary Agreement and other related matters are set out in the Circular.

BY ORDER OF THE BOARD

EC World Asset Management Pte. Ltd.

(as manager of EC World Real Estate Investment Trust)

(Company Registration No. 201523015N)

Josephine Toh
Company Secretary

Singapore
16 August 2023

Important Notice:

1. A Unitholder who is not a relevant intermediary (as defined in paragraph 2 below) and entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary and entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

“**Relevant intermediary**” means:

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

(iii) (if applicable) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The EGM will be held in a physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. **There will be no option for Unitholders to participate virtually.** Printed copies of this Notice of EGM will be sent to Unitholders. This Notice of EGM will also be made available on EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/egm2023.html> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

4. Arrangements for conduct of the EGM

Arrangements relating to the conduct of the EGM, including:

- (a) attending the EGM in person;
- (b) submitting questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM or at the EGM itself; and/or
- (c) voting at the EGM by the Unitholder (i) in person or (ii) by his/her/its duly appointed proxy(ies),

are set out in the Circular. Any reference to a time of day is made by reference to Singapore time. The Circular may be accessed at EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/circular.html>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Please bring along your NRIC/passport to enable the Manager to verify your identity on the day of the EGM.

5. Question and answer and EGM minutes

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) will be able to submit questions related to the resolution to be tabled for approval at the EGM to the Chairman of the EGM, at the EGM.

Unitholders, including CPF and SRS investors, may also submit questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM. To do so, all questions must be submitted in the following manner by **10.00 a.m. (Singapore time) on Monday, 28 August 2023**:

- (a) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, via email to the Manager at ir@ecwreit.com.

Unitholders, including CPF and SRS investors, who submit questions by post to the Unit Registrar or via email to the Manager must provide the following information:

- (1) the Unitholder’s full name;
- (2) the Unitholder’s address; and
- (3) the manner in which the Unitholder holds Units in EC World REIT (e.g., via CDP, CPF or SRS).

Unitholders are strongly encouraged to submit their questions via email.

The Manager will endeavour to address all substantial and relevant questions received by it in the manner set out above, prior to or during the EGM. The Manager will publish the responses to such substantial and relevant questions which the Manager is unable to address during the EGM, on EC World REIT’s website and on SGXNET. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

The Manager will publish the minutes of the EGM on EC World REIT’s website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions received from Unitholders which are addressed during the EGM.

6. Voting, or appointing proxy(ies) to vote, at the EGM

A Unitholder who wishes to exercise his/her/its voting rights at the EGM may: (a) vote at the EGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the EGM.

A Unitholder who wishes to submit an instrument appointing proxy(ies) must complete the accompanying proxy form (“**Proxy Form**”), before submitting it in the manner set out below. Printed copies of the Proxy Form will be sent to Unitholders. The Proxy Form may also be accessed at EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/egm2023.html>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

7. The Proxy Form must be submitted to the Manager c/o EC World REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (a) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at srs.teamc@boardroomlimited.com,

in either case, by **10.00 a.m. (Singapore time) on Monday, 4 September 2023**, being 72 hours before the time fixed for holding the EGM.

8. Relevant intermediaries

Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, and who wish to participate in the EGM should contact the relevant intermediary through which they hold such Units as soon as possible. Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, may (i) vote at the EGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

In addition, CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Monday, 28 August 2023**, being at least seven working days before the date of the EGM, to ensure their votes are submitted.

9. The Circular has been uploaded on SGXNET on 16 August 2023 at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at EC World REIT's website at the URL <https://ecwreit.listedcompany.com/circular.html>. Printed copies of the Circular will **not** be sent to Unitholders unless requested for by a Unitholder completing and returning the Request Form accompanying this Notice of EGM and the Proxy Form in the following manner:

- (a) by completing and returning the Request Form to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) by completing and signing the Request Form, and attaching and sending a clear PDF copy of the same via email to the Manager c/o the Unit Registrar at srs.teamc@boardroomlimited.com,

which should reach the Manager c/o the Unit Registrar by **5.00 p.m. (Singapore time) on Wednesday, 30 August 2023**.

A printed copy of the Circular will then be sent to the address specified by the Unitholder at his/her/its own risk.

10. **Important reminder:**

The Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at the URL <https://ecwreit.listedcompany.com/egm2023.html> and SGXNET at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the EGM.

Personal Data Privacy:

By either (a) attending the EGM or (b) submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof; and/or (c) submitting any question in advance of, or at, the EGM, each in accordance with this Notice of EGM, a Unitholder:

- (i) consents to the collection, use and disclosure of the Unitholder's personal data by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for the following purposes:
 - (1) the processing, administration and analysis by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) of instruments appointing proxy(ies) and/or representative(s) for the EGM (including any adjournment thereof);
 - (2) the addressing of relevant and substantial questions received from Unitholders in advance of or at the EGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;
 - (3) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
 - (4) in order for EC World REIT, the Manager and the Trustee (or their respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,(collectively, the "**Purposes**");

- (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to EC World REIT, the Manager and the Trustee (or their respective agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) agrees to provide the Manager and the Trustee with written evidence of such prior consent upon reasonable request;
- (iv) agrees that the Unitholder will indemnify EC World REIT, the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty; and
- (v) agrees and consents to such photographic, sound and/or video recordings of the EGM as may be made by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of the Unitholder (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she propose/second) may be recorded by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for such purpose.

EC WORLD REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 5 August 2015
under the laws of the Republic of Singapore)

EC WORLD ASSET MANAGEMENT PTE. LTD.
(as Manager of EC World Real Estate Investment Trust)
(Company Registration No. 201523015N)
(Incorporated in the Republic of Singapore)

**PROXY FORM
EXTRAORDINARY GENERAL MEETING (“EGM”)**

NOTE

This instrument appointing proxy(ies) (“**Proxy Form**”) has been made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at EC World Real Estate Investment Trust’s (“**EC World REIT**”) website at the URL <https://ecwreit.listedcompany.com/egm2023.html>.

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the unitholder of EC World REIT (“**Unitholder**”) accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 16 August 2023.

IMPORTANT:

- The EGM will be held in a wholly physical format. **There will be no option for Unitholders to participate virtually.** Printed copies of the Notice of EGM, the Proxy Form and the Request Form will be sent to Unitholders. However, printed copies of the circular dated 16 August 2023 issued by the Manager to the Unitholders (the “**Circular**”) will not be sent to Unitholders. Any Unitholder who wishes to receive a printed copy of the Circular should submit his/her/its completed Request Form to the Unit Registrar. Please refer to the Notice of EGM for details of the arrangements relating to the conduct of the EGM. The Notice of EGM, the Proxy Form, the Request Form and the Circular are also available on EC World REIT’s website at the URL <https://ecwreit.listedcompany.com/egm2023.html>, and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
- Arrangements relating to (a) attendance at the EGM; (b) submission of questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM, or at the EGM itself, and addressing of substantial and relevant questions in advance of, or at the EGM itself; and (c) voting at the EGM by the Unitholder in person or by his/her/its duly appointed proxy(ies), are set out in the Notice of EGM.
- A Unitholder who wishes to exercise his/her/its voting rights at the EGM may: (a) vote at the EGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the EGM.
- For investors holding units in EC World REIT (“**Units**”) through relevant intermediaries (including CPF or SRS), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Investors holding Units through relevant intermediaries who wish to participate/vote in the EGM should contact their respective relevant intermediary as soon as possible. CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Monday, 28 August 2023**, being at least seven working days before the date of the EGM, to ensure their votes are submitted.
- Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall have the same meanings ascribed to them in the Circular.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies) to attend, speak and vote on a Unitholder’s behalf at the EGM.**

*I/We _____ (Name), _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a *Unitholder/Unitholders of **EC World REIT**, hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Email Address:			

*and/or

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of Units	%
Email Address:			

or, both of whom failing, the Chairman of the EGM as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the EGM to be held in a wholly physical format at Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **Thursday, 7 September 2023 at 10.00 a.m. (Singapore time)**, and at any adjournment thereof.

I/We direct my/our proxy(ies) to vote for, against or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our proxy(ies) will vote or abstain from voting at his/her/their discretion.

	No. of Votes For**	No. of Votes Against**	No. of Votes Abstain**
Ordinary Resolution To approve the Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date)			

* Delete where applicable.

** Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes “For” or “Against” the resolution, please indicate with a “✓” in the space provided under “For” or “Against”. If you wish your proxy(ies) to abstain from voting on the resolution, please indicate with a “✓” in the space provided under “Abstain”. Alternatively, please indicate the number of Units that your proxy(ies) is directed to vote “For” or “Against” or to abstain from voting.

Dated this _____ day of _____ 2023

Total number of Units held

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

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IMPORTANT: PLEASE READ NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM:

1. A Unitholder who is not a relevant intermediary (as defined in Note 2 below) and entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary and entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to different Unit(s) held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or
 - (c) (if applicable) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. This Proxy Form may be accessed at EC World REIT's website at the URL <https://ecwreit.listedcompany.com/egm2023.html>, and will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

Persons who have an interest in the approval of the resolution in the Proxy Form must decline to accept appointments as proxies unless the Unitholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of EC World REIT, the Unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder's name in the said Depository Register and Units registered in the Unitholder's name in the Register of Unitholders of EC World REIT, the Unitholder should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.

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**EC WORLD ASSET MANAGEMENT PTE. LTD.
(AS MANAGER OF EC WORLD REAL ESTATE INVESTMENT TRUST)**

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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5. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, by completing and signing the Proxy Form, and lodging the same at EC World REIT's Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to EC World REIT's Unit Registrar at srs.teamc@boardroomlimited.com,

in either case, not later than **10.00 a.m. (Singapore time) on Monday, 4 September 2023**, being not less than 72 hours before the time fixed for the EGM.

Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Completion and return of this instrument appointing proxy(ies) shall not preclude a Unitholder from attending and voting at the EGM. Any appointment of proxy(ies) shall be deemed to be revoked if a Unitholder attends the EGM in person, and in such event, the Manager reserves the right to refuse to admit any person(s) appointed under the instrument of proxy(ies) to the EGM.
9. Any reference to a time of day is made by reference to Singapore time.
10. The Manager shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager (a) may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager; and (b) shall be entitled and bound to accept as accurate the number of Units entered against the name of that Unitholder as shown in the Depository Register as at a time not earlier than 72 hours prior to the time of the EGM, supplied by CDP to the Trustee and to accept as the maximum number of votes which in aggregate that Unitholder and his proxy(ies) (if any) are able to cast on poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.
11. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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