

## EC WORLD REAL ESTATE INVESTMENT TRUST

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

### MINUTES OF EXTRAORDINARY GENERAL MEETING HELD WHOLLY IN PHYSICAL FORMAT

PLACE : Meeting Room 325-326, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

DATE : 7 September 2023

TIME : 10.00 a.m.

PRESENT : **BOARD OF DIRECTORS**

Mr Zhang Guobiao	Board 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 Director

IN ATTENDANCE : Unitholders, the Trustee and other professionals as set out in the attendance records maintained by the Manager

CHAIRMAN OF THE MEETING : Mr Chan Heng Wing

### INTRODUCTION

The emcee welcomed the Unitholders (as defined below) to the Extraordinary General Meeting of EC World Real Estate Investment Trust (“**EC World REIT**”) (the “**Meeting**”).

The unitholders of EC World REIT (“**Unitholders**”) were informed that Mr Chan Heng Wing, the Lead Independent Director of the Board of EC World Asset Management Pte. Ltd. (the “**Manager**”), had been nominated by the Trustee (as defined below) to preside as the chairman of the Meeting (the “**Chairman**”), in accordance with the Trust Deed constituting EC World REIT (as amended and restated).

### QUORUM

As a quorum was present, the Chairman declared the Meeting open.

### ATTENDEES

The Chairman introduced the below present at the Meeting:

- the Board of Directors of the Manager (the “**Board**”); and
- the Chief Financial Officer of the Manager;

The Chairman invited the Chairman of the Board, Mr Zhang Guobiao (“**Mr Zhang**”), to greet the Unitholders at this juncture.

Mr Zhang expressed his appreciation of Unitholders' continued support and shared the following with the Unitholders present:

### **Current Economic Environment in the People's Republic of China ("PRC")**

In the first half of 2023, the PRC's GDP had grown only 5.5% year-on-year. However, sustained economic recovery in the PRC remains uncertain due to low domestic demand and numerous risks in key areas. The real estate market in the PRC continues to see downward trend, and the PRC economy might face significant challenges in the second half of 2023.

During the summer season, housing sales in the PRC saw a significant decline, indicating a lack of confidence among buyers. In the logistics real estate sector, overall leasing activity remained weak. Further, there was a significant increase in new warehousing supply in numerous cities in the PRC in the second quarter which resulted in an increased in vacancy rates and downward pressure on market rentals.

### **Challenges in the Industry as a Whole**

The real estate market in the PRC is facing challenges due to weakening expectations, sluggish demand, and declining property prices. These factors have put tremendous pressure on participants in the industry, leading to a rapid downturn. More than thirty (30) Chinese real estate companies, including several leading companies, have defaulted on international debts.

Real estate companies are generally under pressure due to high levels of debt.

### **Challenges and Strategy**

There are challenges of reduced net profits and deteriorating cash flow conditions for enterprises in the real estate market.

Speaking on behalf of Forchn Holdings Group Co., Ltd., being the sponsor of EC World REIT (the "**Sponsor**"), Mr Zhang added that the Sponsor is making every effort to support EC World REIT to the fullest extent possible. The Sponsor had pre-paid approximately RMB 333 million to EC World REIT, enabling EC World REIT to repay its lenders.

The Sponsor's group is currently in the process of adjusting its own strategy, focusing on stabilising cash flows and enhancing profitability. The Sponsor's group will review strategically on its allocation of funds, seeking improvements in its project execution, and actively seeking new development paths to address the financial challenges.

Mr Zhang also highlighted the potential of the PRC market with its 1.41 billion population and he remained optimistic of EC World REIT overcoming its challenges. With the opening of borders post COVID-19, the PRC has good fundamentals to remain competitive worldwide. The PRC government has recently introduced stimulus measures to alleviate the property sector in the PRC. For EC World REIT, its properties are situated within Yangtze Delta in Hangzhou and Hangzhou is considered a first tier city in the PRC.

Mr Zhang earnestly requested all Unitholders to provide EC World REIT and the Sponsor with greater support and understanding.

The Chairman thanked Mr Zhang for his updates on the PRC's economy and continued by introducing the professionals present at the meeting:

- the representatives from DBS Trustee Limited, the trustee of EC World REIT (the "**Trustee**");
- the representatives from Allen & Gledhill LLP, as legal adviser to the Manager; and

- the representatives from Provenance Capital Pte. Ltd., as independent financial adviser for the Proposed Divestment (as defined below).

## **CONDUCT OF THE MEETING AND VOTING**

With the consent of the Unitholders, the notice convening the Meeting was taken as read.

The Chairman informed Unitholders that, in his capacity as Chairman of the Meeting, he directed voting of the resolution to be conducted by way of electronic poll voting. The Chairman also informed Unitholders that he had been appointed as proxy by several Unitholders and would be voting in accordance with their instructions.

Unitholders were informed that DrewCorp Services Pte Ltd and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as scrutineer and polling agent respectively for the conduct of the poll. Unitholders were then briefed on the electronic poll voting procedures.

## **PRESENTATION BY THE CHIEF EXECUTIVE OFFICER**

Unitholders were informed that the purpose of the Meeting was to seek Unitholders' approval for the Supplementary Agreement (as defined in the circular to Unitholders dated 16 August 2023 (the "**Circular**")) in respect of the proposed divestment of Stage 1 Properties of Bei Gang Logistics and Chongxian Port Logistics ("**the Proposed Divestment**") including the amendment to the Long-Stop Date (as defined in the Circular). The relevant parties have also agreed that the Long-Stop Date under the Equity Purchase Agreement be amended to 31 October 2023 or such other date as may be determined by the Vendors with the approval of the Monetary Authority of Singapore and independent Unitholders.

The rationale for the Supplementary Agreement was detailed on pages 19 to 20 of the Circular.

To give Unitholders a better understanding of the Supplementary Agreement, the Chairman invited Mr Goh Toh Sim, the Executive Director and Chief Executive Officer of the Manager (the "**CEO**"), to outline the salient matters in the Supplementary Agreement. A copy of the CEO's presentation slides was also uploaded via SGXNet on 7 September 2023.

The CEO then proceeded with his presentation.

## **QUESTIONS AND ANSWERS**

After the presentation, Unitholders were invited to ask any questions relating to the proposed resolution. In order to give each Unitholder a fair opportunity to seek clarifications, Unitholders were reminded to keep their questions to not more than three.

Queries from Unitholders were dealt with as per **Annexure A**.

The Chairman then proceeded with the business of the Meeting.

### **1. APPROVE THE SUPPLEMENTARY AGREEMENT IN RESPECT OF THE PROPOSED DIVESTMENT (ORDINARY RESOLUTION)**

1.1 The Chairman informed Unitholders that as the Proposed Divestment is an interested person transaction, the Sponsor, together with each of its associates including the Manager, will refrain from voting on the said resolution.

1.2 Mr Zhang, who is the Chairman and Non-Executive Director of the Manager and who also owns 80% of the equity interest of the Sponsor, will also refrain from voting on the Ordinary Resolution.

1.3 For good corporate governance, Mr Goh Toh Sim, Executive Director and CEO, will also refrain from voting on the Ordinary Resolution.

1.4 The motion was proposed by the Chairman.

## RESULTS OF THE POLL

Following the tabulation of votes, the results of the poll (percentage rounded to the nearest two decimal places) were read:

Resolution Number and Details	Total number of Units represented by votes for and against the relevant resolution	For		Against	
		Number of Units	As a percentage of total number of votes for and against the resolution (%)	Number of Units	As a percentage of total number of votes for and against the resolution (%)
<b><u>Ordinary Resolution</u></b> To approve Supplementary Agreement in respect of the Proposed Divestment (including the Long-Stop Date)	183,152,890	182,194,890	99.48	958,000	0.52

Based on the results of the poll, the Chairman declared the Ordinary Resolution carried and it was RESOLVED 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 (as defined in the Circular) and all transactions contemplated under the Supplementary Agreement).

## **CONCLUSION**

There being no other business to transact, the Chairman declared the Meeting of EC World REIT closed at 11.30 a.m. and thanked everyone for their attendance.

**Confirmed As True Record of Proceedings Held**

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**Chan Heng Wing**  
**Chairman of the Meeting**