



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)

CIRCULAR DATED 4 JUNE 2019

**CIRCULAR TO UNITHOLDERS IN RELATION TO
THE PROPOSED ACQUISITIONS AND THE MASTER
LEASE AGREEMENTS OF FUZHOU E-COMMERCE WHICH
CONSTITUTE AN INTERESTED PERSON TRANSACTION**



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

MANAGED BY

EC World Asset Management Pte. Ltd.

(Company Registration Number: 201523015N)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms	16 June 2019 at 10:00 a.m.
Date and time of Extraordinary General Meeting	19 June 2019 at 10:00 a.m.
Place of Extraordinary General Meeting	Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989

Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of EC World Asset Management Pte. Ltd. and DBS Trustee Limited (as trustee of EC World REIT)

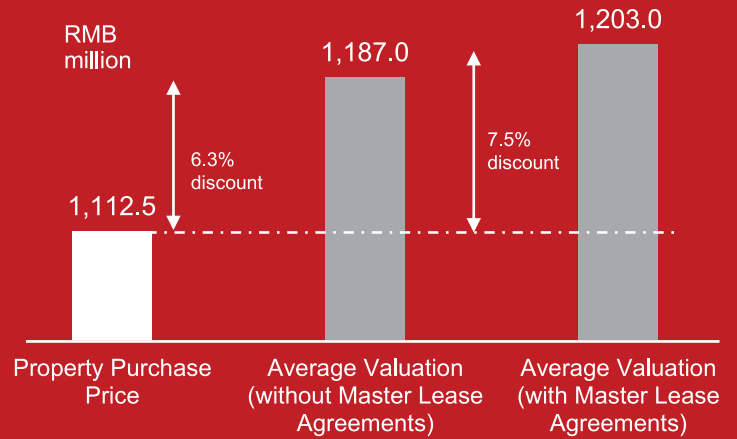
Ernst & Young Corporate Finance Pte. Ltd.
(Company Registration Number: 199702967E)

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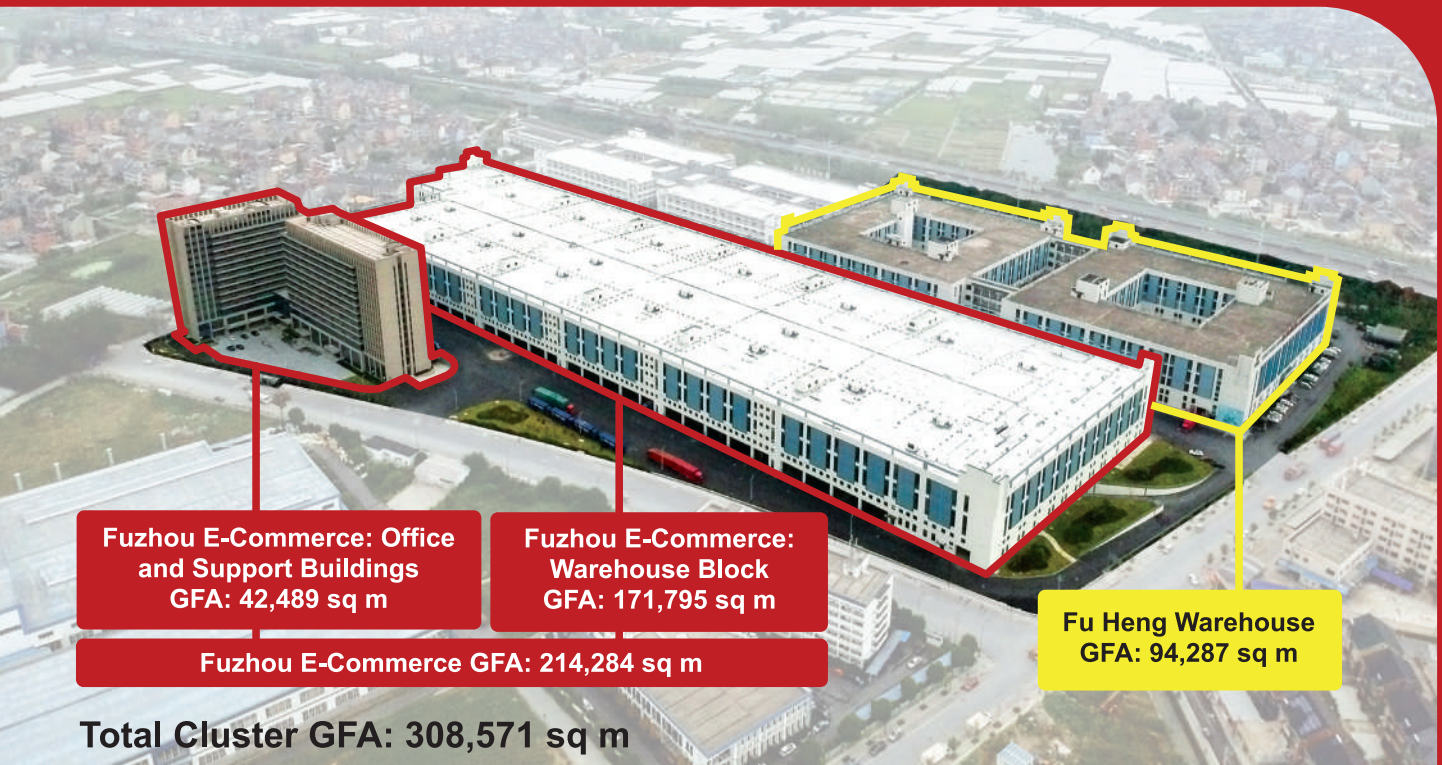
If you have sold or transferred all your units in EC World Real Estate Investment Trust ("EC World REIT", and the units in EC World REIT, "Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser 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" or "U.S."). It is not an offer of securities for sale into the U.S. The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction, and the Units may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of EC World REIT in the U.S. would be made by means of a prospectus that would contain detailed information about EC World REIT and EC World Asset Management Pte. Ltd., as manager of EC World REIT (the "Manager"), as well as financial statements. The Manager does not intend to conduct a public offering of securities in the U.S.

Property Purchase Price		RMB million	S\$ million ¹
			1,112.5
Valuation with Master Lease Agreements	Colliers	1,147.0	228.9
	Knight Frank	1,259.0	251.3
Valuation without Master Lease Agreements	Colliers	1,128.0	225.1
	Knight Frank	1,246.0	248.7



(1) Based on an illustrative renminbi exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.



1 ATTRACTIVE INVESTMENT IN HANGZHOU AND PRC E-COMMERCE SECTOR



Population ⁽¹⁾ 9.8 million	Capital of Zhejiang Province
GDP ⁽¹⁾ over RMB 1.35 trillion	E-Commerce Capital of China

- ✓ One of the **core cities** in the Yangtze River Delta Economic Zone, Hangzhou is positioned as an economic, cultural, science and education centre and a transport hub
- ✓ **Strong economic growth** with GDP growth rates outstripping national average ⁽¹⁾
- ✓ Rapidly expanding e-commerce sector in Hangzhou, registering a growth of 17.5% ⁽¹⁾ in 2018.

(1) Hangzhou Bureau of Statistics: <http://tj.hangzhou.gov.cn>

2 OWNERSHIP OF A RARE SIZABLE INTEGRATED E-COMMERCE LOGISTICS ASSET

Strategically Located E-Commerce Logistics and Fulfillment Centre

- ✓ **Adjacent** to one of EC World REIT's existing assets, **Fu Heng Warehouse**, which is also focused on e-commerce related fulfilment activities
- ✓ Creation of a **combined 308,571 sq m logistics hub** catering to the fulfilment of the rapidly growing e-commerce sector in Hangzhou and China
- ✓ **Convenient access and transportation:** located within Dongzhou Sub-District which **enjoys close proximity to downtown Hangzhou and Changshen Highway** and enjoys **convenient water transportation** provided by Fuchun river
- ✓ **Well supported** by industry participants such as online market places, brand manufacturers, last mile delivery companies as well as office spaces and other auxiliary facilities



3 STRATEGIC COLLABORATION WITH CAINIAO NETWORK AND ALIBABA'S LING SHOU TONG ("LST")

- ✓ The Warehouse is operated by Ruyicang (wholly owned subsidiary of the Sponsor), a leading E-Commerce logistics services provider in China.
- ✓ One of the key partners to Cainiao network (Alibaba's logistic arm) and a core service provider to Alibaba's LST.
- ✓ Ruyicang's Hangzhou LST business was awarded the "Double Eleven Best Partner Award" (双十一最佳合作伙伴奖) for the quality, accuracy and reliability of its fulfilment and warehousing services.

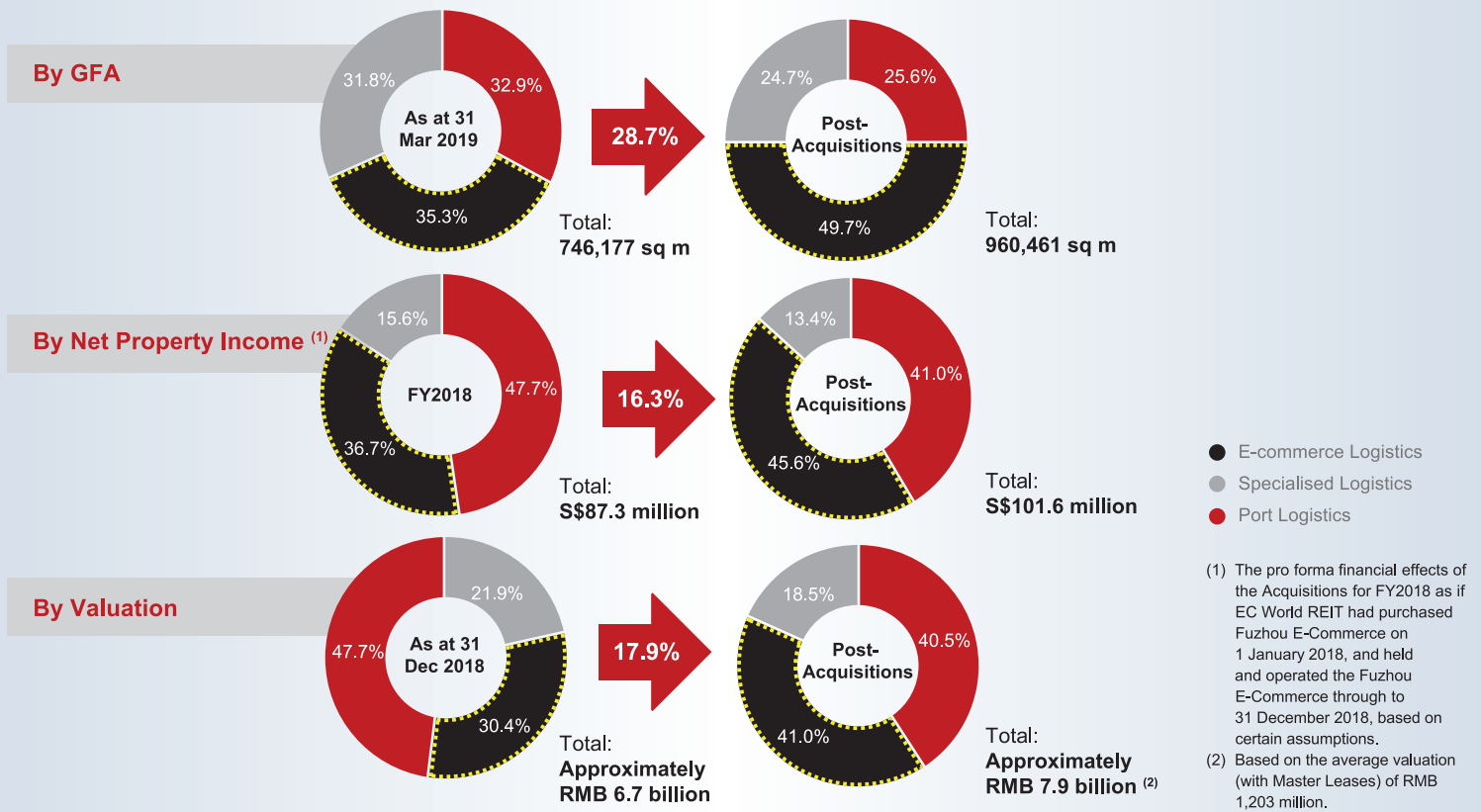
PARTNERSHIP



4

ENLARGED PORTFOLIO WITH ENHANCED FOCUS ON THE E-COMMERCE LOGISTICS SECTOR

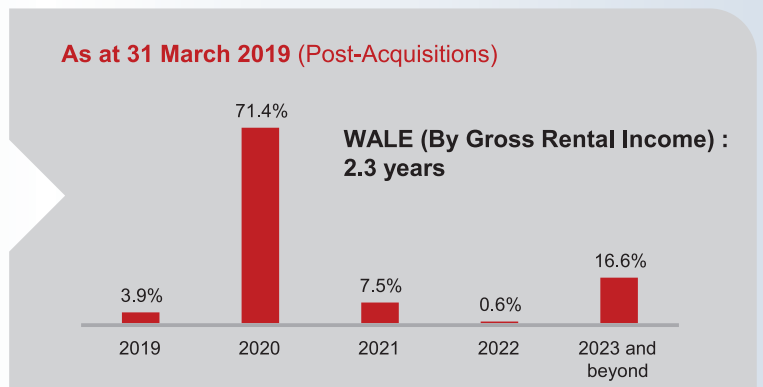
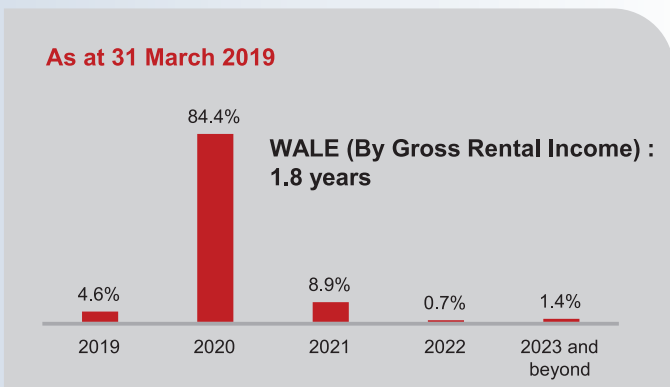
Larger Portfolio with Increased Exposure to E-Commerce Logistics



5

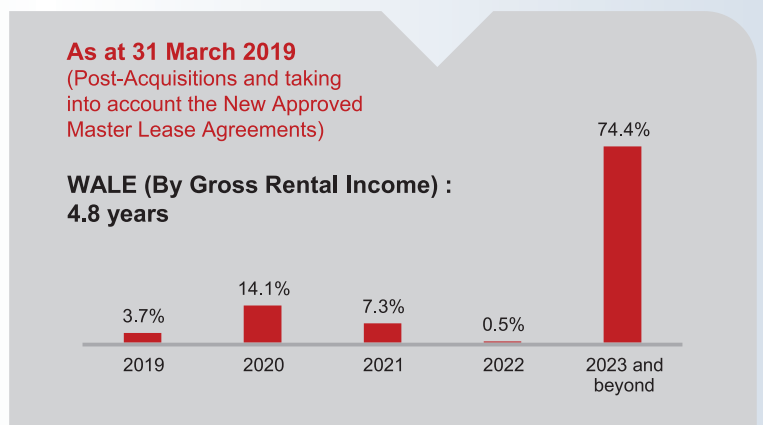
IMPROVES PORTFOLIO WALE PROFILE PROVIDING GREATER INCOME VISIBILITY

Increase WALE with Embedded Organic Growth



✓ Embedded organic growth with **annual rental escalation of 2.25%** for the first five years of the Master Lease Agreements

✓ Provides **income visibility** and **stability** with **predictable cash flow**

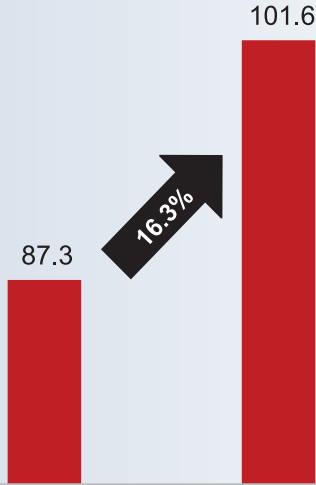


YIELD ACCRETIVE TRANSACTION

Financial Accretive Transaction on a Historical Pro Forma Basis
based on the FY2018 Audited Consolidated Financial Statements

Net Property Income ⁽¹⁾

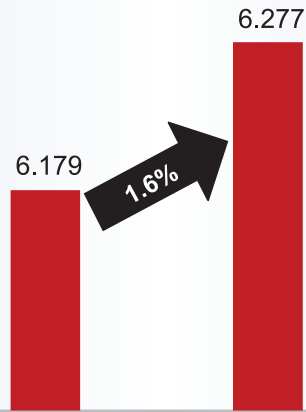
S\$ million



Before Acquisitions Post-Acquisitions

DPU ⁽¹⁾

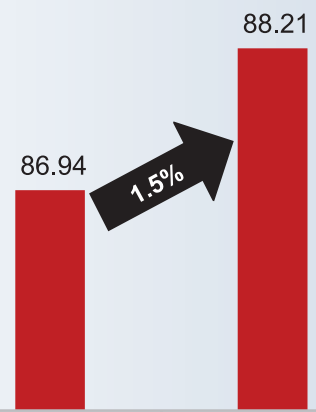
Singapore cents



Before Acquisitions Post-Acquisitions

NAV per unit ⁽¹⁾

Singapore cents



Before Acquisitions Post-Acquisitions

(1) The historical pro forma financial effects of the Acquisitions for FY2018 as if EC World REIT had purchased the Fuzhou E-Commerce on 1 January 2018, and held and operated the Fuzhou E-Commerce through to 31 December 2018, based on certain assumptions.



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CORPORATE INFORMATION

Directors of EC World Asset Management Pte. Ltd. (the “Directors”)	: Mr Zhang Guobiao (Chairman and Non-Executive Director) Mr Chan Heng Wing (Lead Independent Director) Mr 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	: 9 Raffles Place #45-02 Republic Plaza Singapore 048619
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 and Trustee as to PRC Law	: King & Wood Mallesons 17th Floor, One ICC, Shanghai ICC 999 Huai Hai Road (M), Shanghai 200031, China
Legal Adviser to the Trustee as to Singapore Law	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of the Manager and to the Trustee (the “IFA”)	: Ernst & Young Corporate Finance Pte. Ltd. One Raffles Quay North Tower, Level 18 Singapore 048583

Independent Valuers (the “Independent Valuers”) : Beijing Colliers International Real Estate Valuation Co., Ltd. (appointed by the Trustee)
Suite 510, Tower W3, Oriental Plaza, No.1 East Chang’an Avenue, Dongcheng District, Beijing, People’s Republic of China

Knight Frank Petty Limited (appointed by the Manager)
4/F Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong

Unit Registrar and Unit Transfer Office : Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of the defined terms may be found in the Glossary on pages 54 to 61 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

ABOUT EC WORLD REIT

Listed on the SGX-ST on 28 July 2016, EC World REIT is a Singapore logistics real estate investment trust (“**REIT**”) 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 People’s Republic of China (“**PRC**”). EC World REIT’s portfolio consists of six properties located in Hangzhou, PRC and one property located in Wuhan, PRC. As at 31 December 2018, EC World REIT’s portfolio covers an aggregate net lettable area (“**NLA**”) of 746,177 square metres (“**sq m**”) and has a valuation of approximately S\$1.3 billion.

EC World REIT is managed by EC World Asset Management Pte. Ltd. (the “**Manager**”), which is an indirect wholly-owned subsidiary of, Forchn Group Holdings Co., Ltd., which is the sponsor of EC World REIT (the “**Sponsor**”). The Sponsor was established in 1992 and headquartered in Shanghai. It is a diversified enterprise focusing on the logistics, industrial, hospitality, commercial real estate and finance sectors.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from the unitholders of EC World (“**Unitholders**”) for the proposed acquisition of the (i) entire issued share capital of Flutric Investments Limited (the “**BVI Acquisition**”), a company incorporated in the British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**BVI Holdco**”), from Strength Outline Holdings Limited (the “**BVI Vendor**”); and (ii) 65.98% equity interest in the PRC Holdco (as defined herein) from the PRC Vendor (as defined herein) (the “**PRC Acquisition**” and together with the BVI Acquisition, the “**Acquisitions**”), as well as the entry into the Master Lease Agreements (as defined herein).

THE ACQUISITIONS AND THE MASTER LEASE AGREEMENTS

EC World REIT is seeking to (i) acquire from the BVI Vendor the entire issued share capital of the BVI Holdco which directly owns the entire issued share capital in Realtime Assets Global Pte. Ltd., a company incorporated in Singapore with its registered office at 9 Raffles Place, #45-02 Republic Plaza, Singapore 048619 (the “**Singapore Holdco**”). The

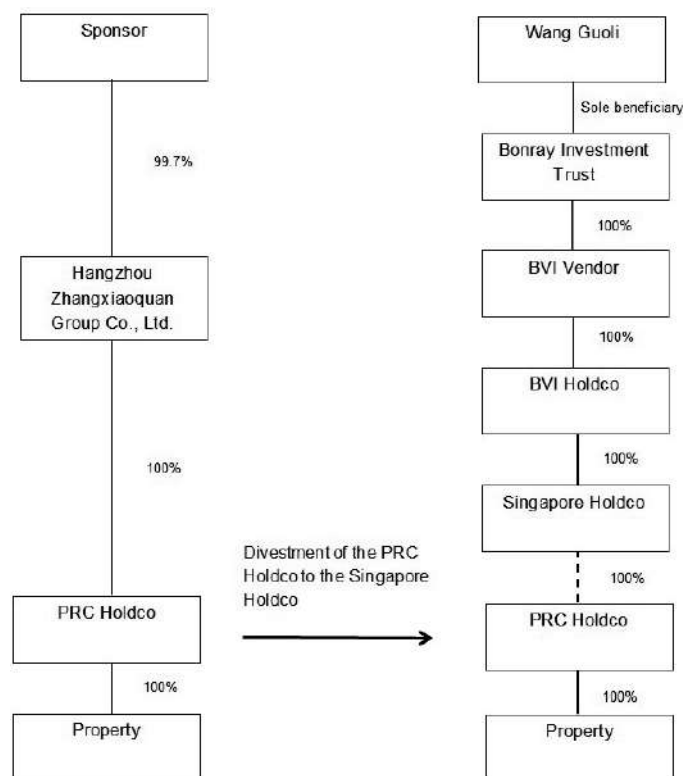
Singapore Holdco in turn owns a 34.02% equity interest in Zhejiang Fuzhou E-commerce Co., Ltd. (浙江富洲电子商务有限公司), a company incorporated in the PRC with its registered office at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC (the “**PRC Holdco**”); and (ii) acquire the remaining 65.98% equity interest in the PRC Holdco from Hangzhou Unilogix Holdings Group Co., Ltd (杭州网营物联控股集团有限公司) (the “**PRC Vendor**”). Upon completion of the Acquisitions, EC World REIT (through the Trustee (as defined herein)) shall wholly-own the PRC Holdco.

The PRC Holdco is the sole legal and beneficial land user of (i) the plot of land located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC (the “**Land**”); and the sole legal and beneficial owner of (ii) Fuzhou E-Commerce which comprises a three-storey warehouse component known as “Block 3” (the “**Warehouse**”) and two fourteen-storey buildings, used primarily for office space with auxiliary use for dormitory purposes, known as “Block 4 and 5” (the “**Office and Support Buildings**”) and together with the Warehouse, the “**Fuzhou E-Commerce**”) located on the Land (the Warehouse, the Office and Support Buildings and together with the Land, the “**Property**”). The Office and Support Buildings are currently undergoing conversion works to convert a portion of office space into dormitories and such conversion works are expected to be completed prior to completion of the Acquisitions.

Structure of the Acquisitions

Stage 1 Restructuring

The PRC Holdco was initially held by Hangzhou Zhangxiaoquan Group Co., Ltd., an entity which the Sponsor has a 99.7% interest in. As part of a restructuring exercise (the “**Stage 1 Restructuring**”), Hangzhou Zhangxiaoquan Group Co., Ltd. had on 12 December 2017 divested its 100% equity interest in the PRC Holdco to the Singapore Holdco which is an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli. Wang Guoli is the spouse of Zhang Guobiao who is a controlling unitholder of EC World REIT through his 80.0% equity interest in the Sponsor. The following diagram summarises the Stage 1 Restructuring:



Financing Arrangements

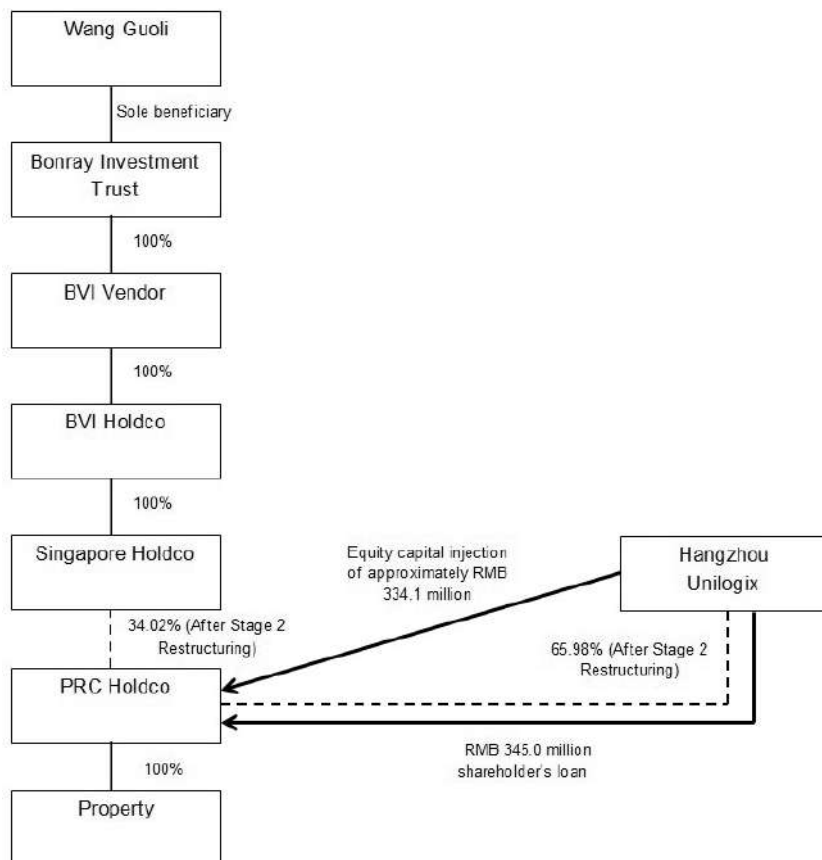
After Stage 1 Restructuring, the PRC Holdco entered into a loan agreement with ICBC International Finance Limited, Hong Kong (“**ICBC HK**”) on 9 March 2018 in relation to a term loan of up to USD 51.0 million (the “**PRC Holdco ICBC Loan**”). Separately, the BVI Vendor also entered into a loan agreement with ICBC HK on 21 March 2018 in relation to a term loan facility of up to USD 35.0 million (the “**BVI Vendor ICBC Loan**” and together with the PRC Holdco ICBC Loan, the “**ICBC Loans**”).

Stage 2 Restructuring

Due to refinancing considerations and deal restructuring purposes, the BVI Vendor decided to refinance the ICBC Loans through a shareholder loan and an equity capital injection (the “**Stage 2 Restructuring**”) to be provided by the PRC Vendor. The PRC Vendor is jointly owned by the Sponsor and Hangzhou Fenhua Investment Limited Liability Partnership (杭州奋华投资合伙企业(有限合伙)). The Sponsor holds a 40.59% indirect interest and full board representation in the PRC Vendor while Hangzhou Fenhua Investment Limited Liability Partnership, a third-party entity which is unrelated to the Sponsor and/or the Manager, holds the remaining 59.41% interest in the PRC Vendor and is a passive funding investor.

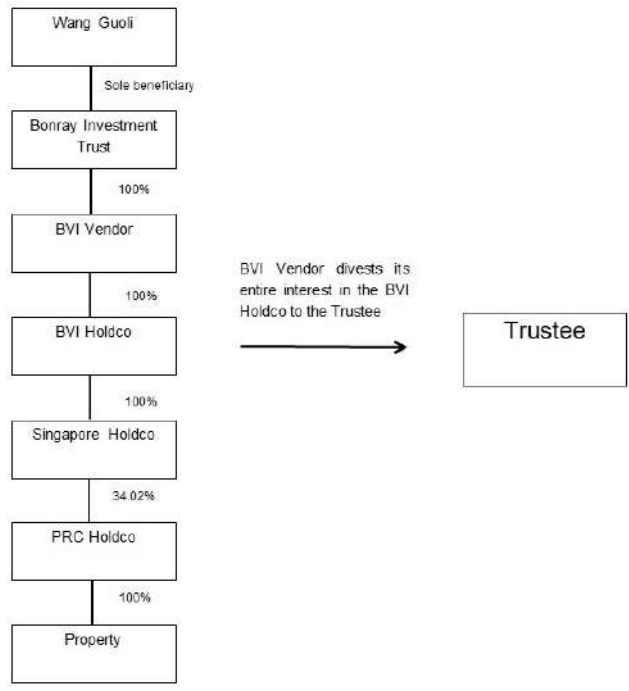
As part of the Stage 2 Restructuring, the PRC Vendor performed an equity capital injection of approximately RMB 334.1 million into the PRC Holdco and in exchange, received a 65.98% equity interest in the PRC Holdco. The PRC Vendor also provided a shareholder’s loan of RMB 345.0 million to the PRC Holdco (the “**PRC Shareholder’s Loan**”). The PRC Holdco then used the proceeds received from the equity capital injection and the PRC

Shareholder's Loan to discharge the ICBC Loans. The Stage 2 Restructuring was completed on 11 March 2019. The following diagram summarises the Stage 2 Restructuring:



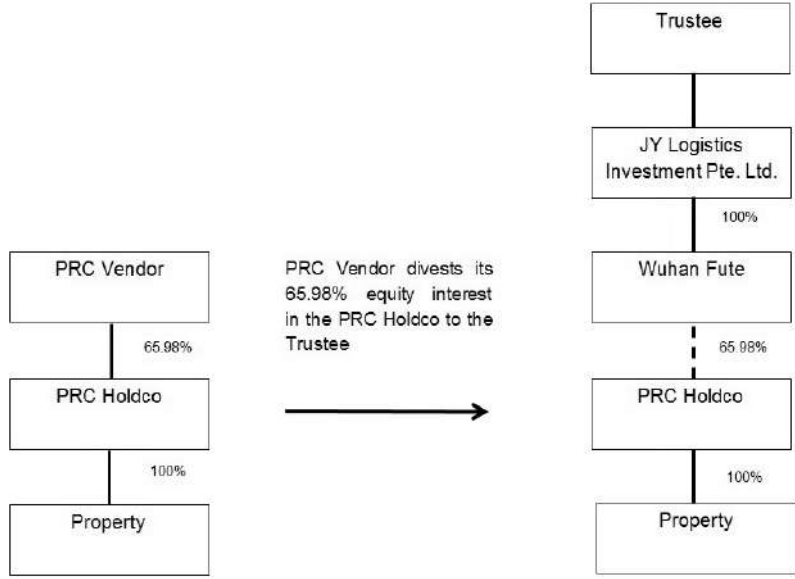
BVI Acquisition

In furtherance of the BVI Acquisition, DBS Trustee Limited, in its capacity as trustee of EC World REIT (the “**Trustee**”) entered into a conditional share purchase agreement in relation to the BVI Acquisition (the “**BVI Share Purchase Agreement**), on 10 May 2019 with the BVI Vendor, pursuant to which the Trustee will acquire from the BVI Vendor the entire issued share capital of the BVI Holdco. The following diagram summarises the BVI Acquisition:



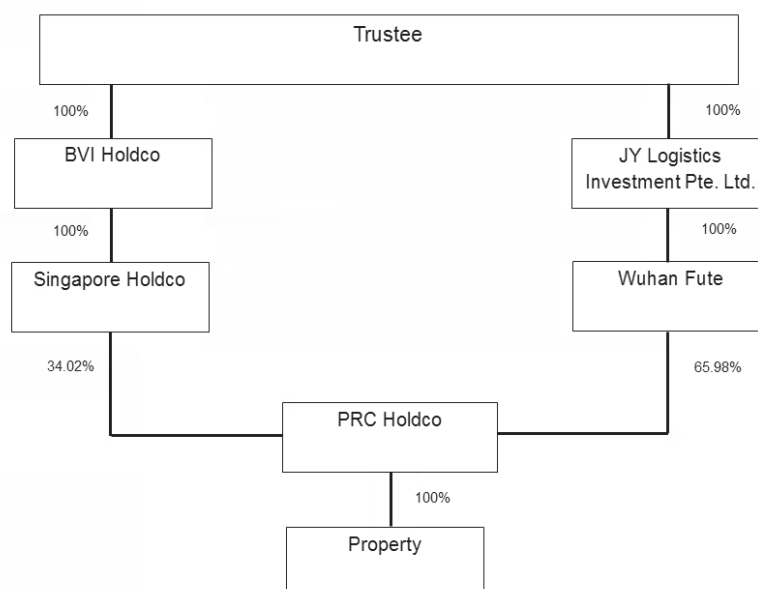
PRC Acquisition

Wuhan Fute Logistics Co., Ltd. ("**Wuhan Fute**"), an indirectly wholly-owned subsidiary of the Trustee, has entered into a conditional share purchase agreement in relation to the PRC Acquisition (the "**PRC Share Purchase Agreement**" and together with the BVI Share Purchase Agreement, the "**Share Purchase Agreements**"), on 10 May 2019 with the PRC Vendor, pursuant to which Wuhan Fute will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco. The following diagram summarises the PRC Acquisition:



Holding Structure Post-Acquisitions

Upon completion of the Acquisitions, EC World REIT (through the Trustee) shall wholly-own the PRC Holdco. The following diagram shows the holding structure after completion of the Acquisitions:



Description of the Property

The Property, which is located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC, comprises Fuzhou E-Commerce and the plot of land with area of 88,000 sq m and land use rights expiring on 3 May 2059 on which Fuzhou E-Commerce is situated.

Fuzhou E-Commerce comprises the Warehouse with a gross floor area (“GFA”) of 171,795 sq m and the Office and Support Buildings with a GFA of 42,489 sq m. Total GFA of Fuzhou E-Commerce is 214,284 sq m. Fuzhou E-Commerce commenced operations in July 2017. The Warehouse is an e-commerce distribution centre and comprises one three-storey building (excluding a basement level) with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business offices and general e-commerce logistics fulfilment activities. The Office and Support Buildings comprise two fourteen storey buildings (excluding basement levels) which support the business and operations of the Warehouse. The Office and Supporting Buildings are currently undergoing conversion works to convert part of the office space into dormitories. The conversion works are expected to be completed prior to the completion of the Acquisitions. Upon completion of the conversion works, a total of 11 stories of the Office and Supporting Buildings representing approximately 29.0% of its NLA will be used for dormitory purpose while the remaining space will continue to be used as office space. For the avoidance of doubt, the Property Valuations (as defined herein) have taken into account the conversion works. The Property is strategically located next to EC World REIT’s existing asset, Fu Heng Warehouse.

(See **APPENDIX A** of this Circular which provides further details about the Property.)

Property Purchase Price and Total Purchase Consideration

Colliers International Real Estate Valuation Co., Ltd. (“**Colliers**”) and Knight Frank Petty Limited (“**Knight Frank**” and together with Colliers, the “**Independent Valuers**”) were appointed by the Trustee and the Manager respectively, to value the Property (the “**Property Valuations**”).

The agreed purchase price for the Property which was negotiated on a willing-buyer and willing-seller basis taking into account the independent Property Valuations conducted by the Independent Valuers, is approximately RMB 1,112.5 million (S\$222.1 million¹) (the “**Property Purchase Price**”). The following table sets out the appraised values of the Property (with and without the Master Leases (as defined herein)) based on the Property Valuations, the respective dates of such appraisal and the Property Purchase Price:

Name of Property	Appraised Value (with Master Leases)				Appraised Value (without Master Leases)				Property Purchase Price (RMB million)	Property Purchase Price (S\$ million) ⁽¹⁾
	By Colliers as at 31 December 2018		By Knight Frank as at 31 December 2018		By Colliers as at 31 December 2018		By Knight Frank as at 31 December 2018			
	S\$ million ⁽¹⁾	RMB million	S\$ million ⁽¹⁾	RMB million	S\$ million ⁽¹⁾	RMB million	S\$ million ⁽¹⁾	RMB million		
Fuzhou E-Commerce	228.9	1,147.0	251.3	1,259.0	225.1	1,128.0	248.7	1,246.0	1,112.5	222.1

Note:

(1) Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

The Property Purchase Price is below the two independent Property Valuations (both with and without the Master Leases) obtained. The Property Purchase Price represents a discount of 7.5% to RMB 1,203 million, which is the average of the Property Valuations (with Master Leases). The Property Purchase Price represents a discount of 6.3% to RMB 1,187 million, which is the average of the Property Valuations (without Master Leases).

(See **APPENDIX B** of this Circular for further details regarding the Property Valuations.)

The purchase consideration of the BVI Acquisition (the “**BVI Purchase Consideration**”) is RMB 769.5 million less the estimated borrowings of the BVI Holdco of approximately RMB 563.3 million (the “**Estimated BVI Borrowings**”), subject to further adjustments based on the actual amount of net liabilities (excluding the value of the Property) of the BVI Holdco at completion of the BVI Acquisition (the “**Post-Completion Adjustments**”). The BVI Purchase Consideration is RMB 206.2 million (S\$41.2 million¹).

1 Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

The purchase consideration of the PRC Acquisition (the “**PRC Purchase Consideration**”) is RMB 343.0 million (S\$68.5 million¹).

The Total Purchase Consideration for the Acquisitions which consists of the BVI Purchase Consideration and the PRC Purchase Consideration is RMB 549.2million (S\$109.6 million¹). The Total Purchase Consideration is essentially the Property Purchase Price less the Estimated BVI Borrowings.

Estimated Total Acquisitions Cost

The total cost to EC World REIT of the Acquisitions is estimated to be approximately RMB 1,159.4 million (S\$231.4 million¹), comprising:

- (i) the Property Purchase Price of RMB 1,112.5 million (S\$222.1 million¹);
- (ii) the acquisitions fee² of approximately RMB 8.3 million (S\$1.7 million¹) (the “**Acquisitions Fee**”) payable to the Manager pursuant to the Trust Deed which is payable in the form of Units; and
- (iii) the professional and other fees and expenses (including upfront finance costs) of approximately RMB 38.6 million (S\$7.7 million¹) to be incurred by EC World REIT in connection with the Acquisitions,

(collectively, the “**Total Acquisitions Cost**”).

(See Paragraph 2.11 of the Letter to Unitholders for further details.)

Method of Financing the Acquisitions

The Manager intends to finance the Total Acquisitions Cost (excluding the Acquisitions Fee payable in Units) via a combination of secured debt financing facilities from banks and/or cash.

(See Paragraph 2.12 of the Letter to Unitholders for further details.)

THE MASTER LEASE AGREEMENTS

In connection with the Acquisitions, the PRC Holdco (as the master lessor) has on 10 May 2019 entered into the following conditional master leases which will commence upon completion of the Acquisitions:

- (i) a warehouse lease agreement with Hangzhou Fuyang Yuntan E-Commerce Co., Ltd. (as the lessee of the Warehouse) (“**Fuyang Yuntan**”) in respect of the grant of a lease over the entire Warehouse (the “**Warehouse Master Lease Agreement**”); and

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

² Being 0.75% of the Property Purchase Price. As the Acquisitions will constitute an Interested Party Transaction under Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”), the Acquisitions Fee payable to the Manager will be in the form of Units (the “**Acquisitions Fee Units**”), which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.7 of the Property Funds Appendix.

(ii) an Office and Support Buildings lease agreement with Zhejiang Yuntong E-Commerce Co., Ltd. (as lessee of the Office and Support Buildings) (“**Zhejiang Yuntong**”) in respect of the grant of a lease over the entire Office and Support Buildings (the “**Office and Support Buildings Master Lease Agreement**”),

(collectively, the “**Master Lease Agreements**”).

Fuyang Yuntong and Zhejiang Yuntong (collectively, the “**Master Lessees**” and each a “**Master Lessee**”) are limited liability companies incorporated in the PRC and are indirect wholly-owned subsidiaries of the Sponsor. The Master Lease Agreements are conditional upon the completion of the proposed Acquisitions.

The leases pursuant to the Master Lease Agreements (the “**Master Leases**”) are granted for an initial term of five years each (the “**Initial Term**”), commencing from the date of completion of the Acquisitions. The Master Leases provide for an option to renew, exercisable by the Master Lessees for a further term of five years (the “**Option Term**”), but subject to the PRC Holdco’s acceptance at its sole and absolute discretion. The rent for the Option Term shall be negotiated and agreed between the PRC Holdco and the Master Lessees but it is agreed that the rent payable for the first 12 months of the Option Term shall not be lower than the rent payable for the last 12 months of the Initial Term.

INDIVIDUAL PROPERTY MANAGEMENT AGREEMENT

In connection with the Acquisitions, the Trustee, the Manager, Yuntong Property Management Co., Ltd. (the “**Property Manager**”) and the PRC Holdco will enter into an individual property management agreement (the “**Individual Property Management Agreement**”) pursuant to which the Property Manager will be appointed to operate, maintain, manage and market the Property. The Property Manager will be subject to the overall management and supervision of the Manager. The entry into the Individual Property Management Agreement is pursuant to the terms of the Master Property Management Agreement dated 30 June 2016 (the “**Master Property Management Agreement**”) entered into by the Trustee, the Manager and the Property Manager.

Under the Individual Property Management Agreement, the Property Manager is entitled in respect of the property and lease management services and maintenance and repair services, a property and lease management fee of 1.5% per annum of the gross revenue of the Property.

The Property Manager is a wholly-owned subsidiary of the Sponsor.

INTERESTED PERSON TRANSACTION¹ AND INTERESTED PARTY TRANSACTION²

As at 31 May 2019, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), the Manager has a direct interest in 16,086,419 Units (comprising approximately 2.0% of the total number of issued Units).

The Manager is wholly-owned by Forchn International Pte. Ltd. (“**FIPL**”), which is in turn a wholly-owned subsidiary of the Sponsor. FIPL is the sole shareholder of Forchn Global Pte. Ltd. (“**FGPL**”) which has a direct interest in 322,957,200 Units (comprising approximately 40.7% of the total number of issued Units). Accordingly, the Sponsor is deemed to be interested in the Units held by FGPL and the Manager. The Sponsor is therefore regarded as a “**Controlling Unitholder**”³ of EC World REIT and a “**Controlling Shareholder**”⁴ of the Manager, respectively, under the listing manual of the SGX-ST (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) issued by the Monetary Authority of Singapore (“**MAS**”). Zhang Guobiao is a Controlling Unitholder of EC World REIT and a Controlling Shareholder of the Manager through his 80.0% equity interest in the Sponsor.

The BVI Vendor is an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli, the spouse of Zhang Guobiao. Accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the BVI Vendor is an Interested Person⁵ and Interested Party⁶ of EC World REIT.

The Sponsor holds a 40.59% indirect interest in the PRC Vendor and accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the PRC Vendor is an Interested Person and Interested Party of EC World REIT.

The Master Lessees are indirect wholly-owned subsidiaries of the Sponsor. Accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, each of the Master Lessees is an Interested Person and Interested Party of EC World REIT.

1 “**Interested Person Transaction**” means a transaction between an entity at risk and an Interested Person (as defined herein).

2 “**Interested Party Transaction**” has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

3 “**Controlling Unitholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or
- (b) in fact exercises control over the property fund.

4 “**Controlling Shareholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over a company.

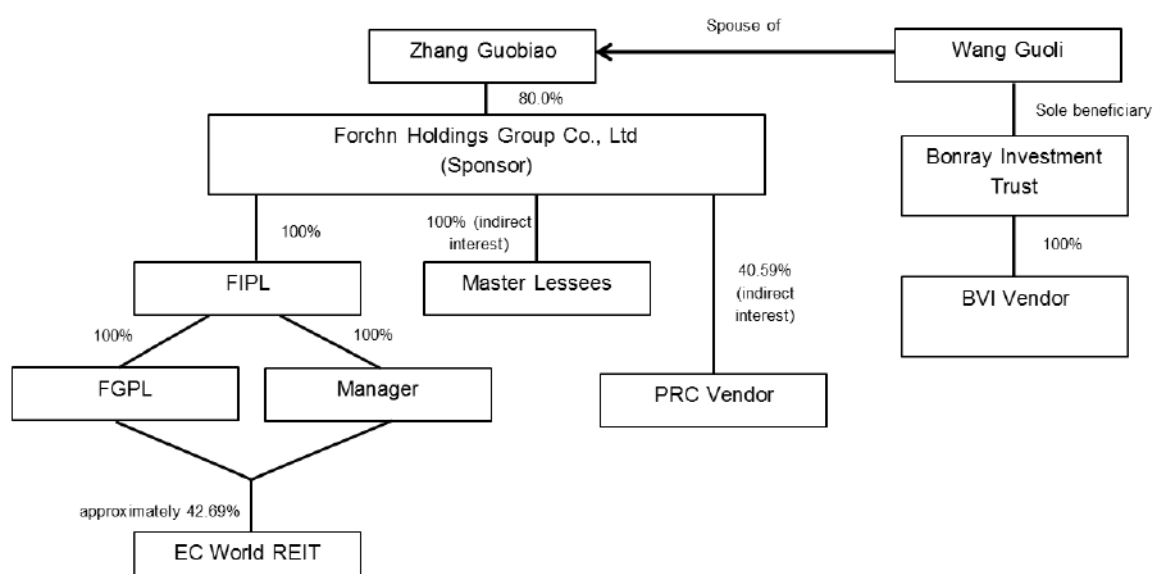
5 As defined in the Listing Manual, means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of EC World REIT; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of EC World REIT.

6 As defined in the Property Funds Appendix, means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of EC World REIT; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of EC World REIT.

Please see below diagram illustrating the relationship between the Sponsor, the Manager, the BVI Vendor, the PRC Vendor and the Master Lessees:



As such, the Acquisitions and the Master Lease Agreements will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and also an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix for which Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the Acquisitions (including the Master Lease Agreements).

(See Paragraph 2.14 of the Letter to Unitholders for further details.)

RATIONALE FOR THE ACQUISITIONS

The Manager believes that the Acquisitions and the Master Leases will bring, among others, the following key benefits to Unitholders:

- (i) an attractive investment in Hangzhou and PRC e-commerce sector;
- (ii) the rare opportunity to acquire a sizable, specialised and integrated e-commerce logistics asset;
- (iii) strategic collaboration with Cainiao Network and Alibaba's Ling Shou Tong ("**LST**")
- (iv) a differentiated asset portfolio offering with enlarged asset portfolio size and enhanced focus on the specialised and e-commerce logistics sector;
- (v) improves and lengthens portfolio weighted average lease expiring ("**WALE**") profile providing greater income visibility; and
- (vi) the Acquisitions are expected to be yield accretive based on pro forma historical financial effects for FY2018.

(See Paragraph 2.13 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.

Event	Date and Time
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Last date and time for lodgement of Proxy Forms	: 16 June 2019 at 10.00 a.m.
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Date and time of the EGM	: 19 June 2019 at 10.00 a.m.
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If approval for the Acquisitions is obtained at the EGM:	
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Target date for completion of the Acquisitions	: To be determined
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(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 (Lead Independent Director)
Mr 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

9 Raffles Place
#45-02 Republic Plaza
Singapore 048619

04 June 2019

To: Unitholders of EC World Real Estate Investment Trust

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the extraordinary general meeting of Unitholders (“**EGM**”) to seek Unitholders’ approval for the proposed Acquisitions and the Master Lease Agreements of Fuzhou E-Commerce which constitute an interested person transaction (Ordinary Resolution).

The EGM will be held at Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on Wednesday, 19 June 2019, at 10.00 a.m.

2. THE ACQUISITIONS AND THE MASTER LEASE AGREEMENTS

2.1 Description of the Property

The Property, which is located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC, comprises Fuzhou E-Commerce and the plot of

land with area of 88,000 sq m and land use rights expiring on 3 May 2059 on which Fuzhou E-Commerce is situated.

Fuzhou E-Commerce comprises the Warehouse with a GFA of 171,795 sq m and the Office and Support Buildings with a GFA of 42,489 sq m. Total GFA of Fuzhou E-Commerce is 214,284 sq m. Fuzhou E-Commerce commenced operations in July 2017. The Warehouse is an e-commerce distribution centre and comprises one three-storey building (excluding a basement level) with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business offices and general e-commerce logistics fulfillment activities. The Office and Support Buildings comprise two 14-storey buildings (excluding basement levels) which support the business and operations of the Warehouse. The Office and Supporting Buildings are currently undergoing conversion works to convert part of the office space into dormitories. The conversion works are expected to be completed prior to the completion of the Acquisitions. Upon completion of the conversion works, a total of 11 stories of the Office and Supporting Buildings representing approximately 29.0% of its NLA will be used for dormitory purpose while the remaining space will continue to be used as office space. For the avoidance of doubt, the Property Valuations have taken into account the conversion works. The Property is strategically located next to EC World REIT's existing asset, Fu Heng Warehouse.

(See **APPENDIX A** of this Circular which provides further details about the Property.)

2.2 Structure of the Acquisitions

EC World REIT (through the Trustee and its wholly-owned subsidiary, Wuhan Fute) has entered into the conditional Share Purchase Agreements on 10 May 2019 to (i) acquire the entire issued share capital of the BVI Holdco from the BVI Vendor; and (ii) acquire the 65.98% equity interest in the PRC Holdco from the PRC Vendor, for a Total Purchase Consideration of RMB 549.2 million (S\$109.6 million¹).

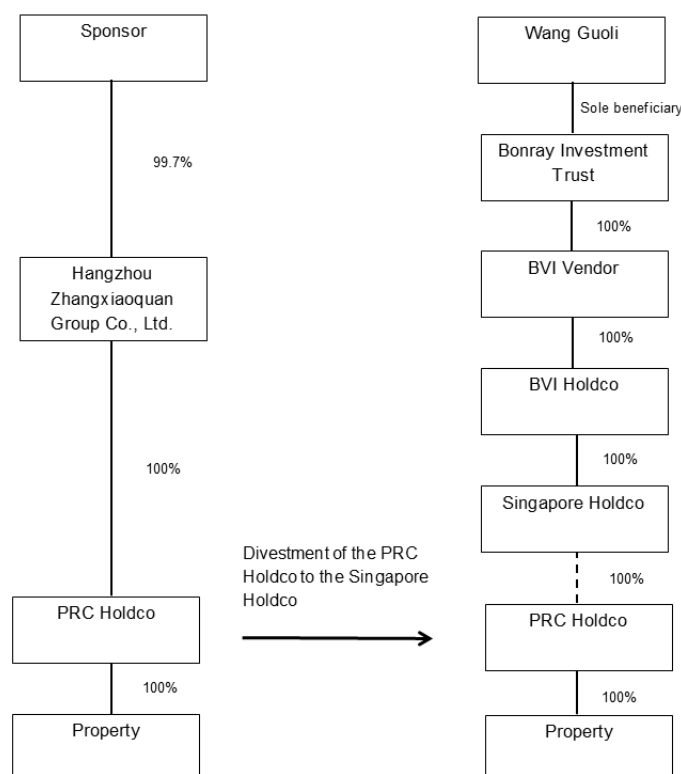
The BVI Holdco directly owns 100.0% of the entire issued share capital in the Singapore Holdco and the Singapore Holdco in turn owns a 34.02% equity interest in the PRC Holdco. Upon completion of the Acquisitions, EC World REIT (through the Trustee) shall wholly-own the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user and owner of the Property.

Stage 1 Restructuring

The PRC Holdco was initially held by Hangzhou Zhangxiaoquan Group Co., Ltd., an entity which the Sponsor has a 99.7% interest in. As part of the Stage 1 Restructuring, Hangzhou Zhangxiaoquan Group Co., Ltd. had on 12 December 2017 divested its 100% equity interest in the PRC Holdco to the Singapore Holdco

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

which is an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli. Wang Guoli is the spouse of Zhang Guobiao who is a controlling unitholder of EC World REIT through his 80.0% equity interest in the Sponsor. The following diagram summarises the Stage 1 Restructuring:



Financing Arrangements

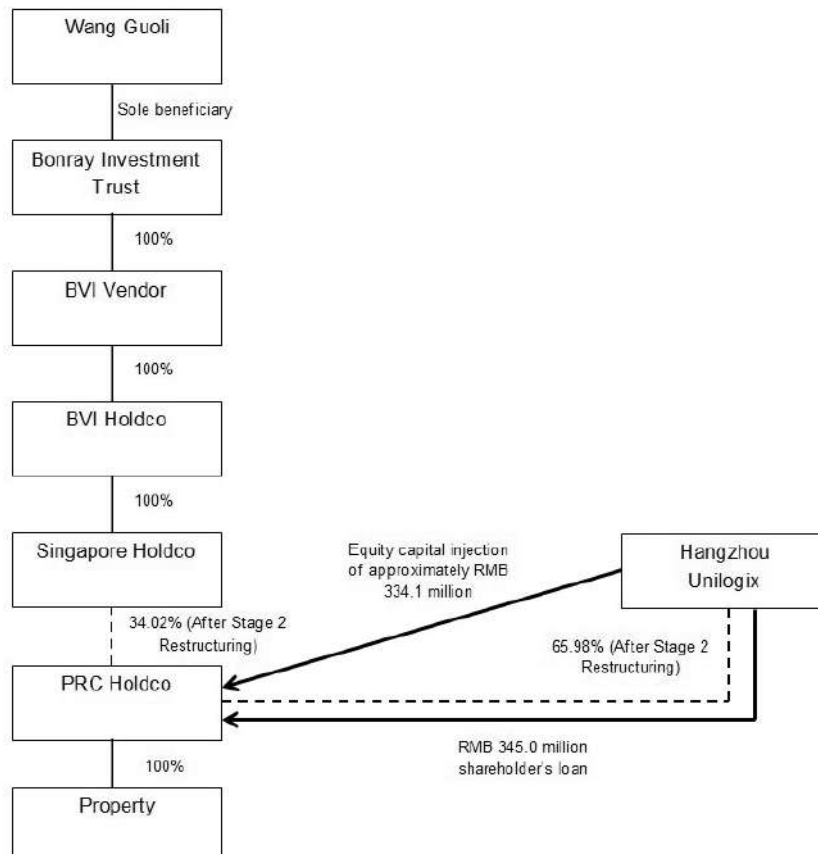
After Stage 1 Restructuring, the PRC Holdco entered into a loan agreement with ICBC HK on 9 March 2018 in relation to the PRC Holdco ICBC Loan. Separately, the BVI Vendor also entered into a loan agreement with ICBC HK on 21 March 2018 in relation to the BVI Vendor ICBC Loan.

Stage 2 Restructuring

Due to refinancing considerations and deal restructuring purposes, the BVI Vendor decided to undertake the Stage 2 Restructuring in order to refinance the ICBC Loans through a shareholder loan and an equity capital injection to be provided by the PRC Vendor. The Sponsor holds a 40.59% indirect interest and full board representation in the PRC Vendor while Hangzhou Fenhua Investment Limited Liability Partnership, a third-party entity which is unrelated to the Sponsor and/or the Manager, holds the remaining 59.41% interest in the PRC Vendor and is a passive funding investor.

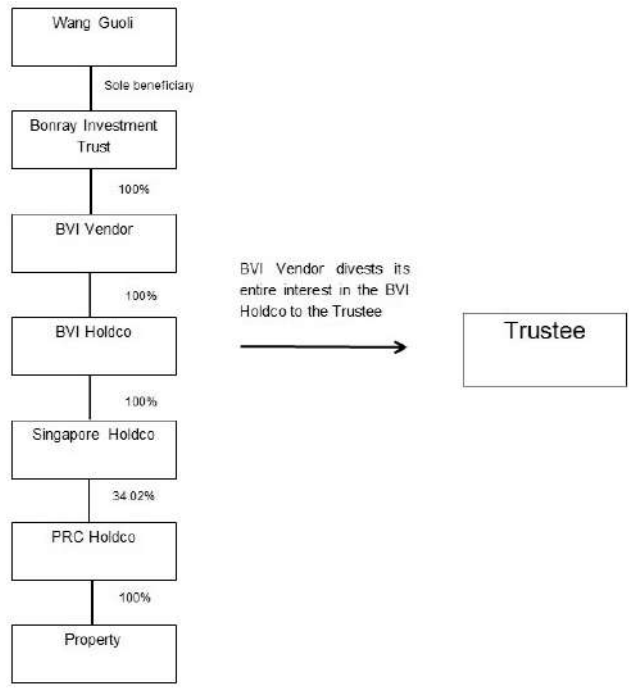
As part of the Stage 2 Restructuring, the PRC Vendor performed an equity capital injection of approximately RMB 334.1 million into the PRC Holdco and in exchange,

received a 65.98% equity interest in the PRC Holdco. The PRC Vendor also provided a shareholder's loan of RMB 345.0 million to the PRC Holdco. The PRC Holdco then used the proceeds received from the equity capital injection and the PRC Shareholder's Loan to discharge the ICBC Loans. The Stage 2 Restructuring was completed on 11 March 2019. The following diagram summarises the Stage 2 Restructuring:



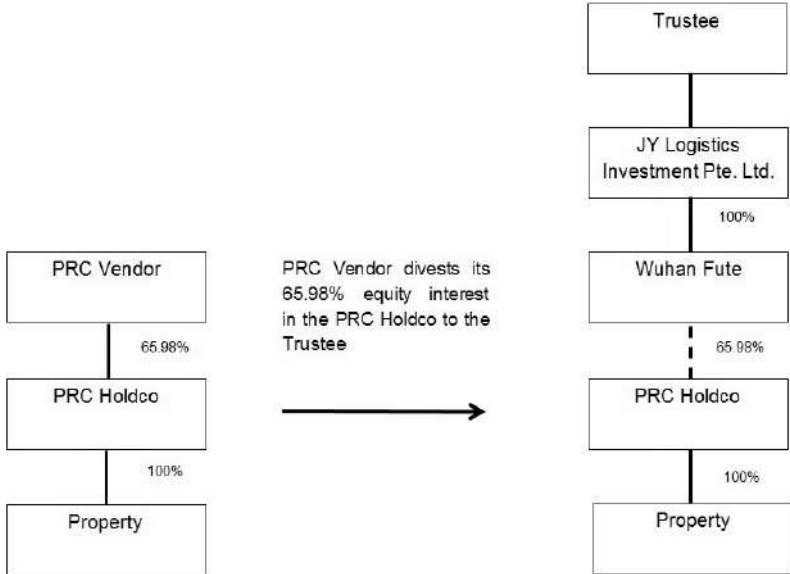
BVI Acquisition

In furtherance of the BVI Acquisition, the Trustee entered into the BVI Share Purchase Agreement, on 10 May 2019 with the BVI Vendor, pursuant to which the Trustee will acquire from the BVI Vendor the entire issued share capital of the BVI Holdco. The following diagram summarises the BVI Acquisition:



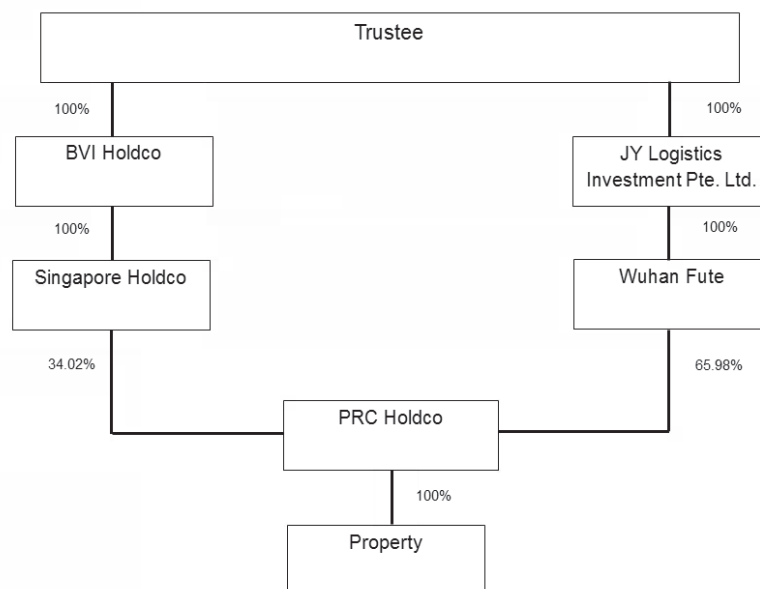
PRC Acquisition

In furtherance of the PRC Acquisition, Wuhan Fute, an indirectly wholly-owned subsidiary of the Trustee, entered into the PRC Share Purchase Agreement on 10 May 2019 with the PRC Vendor, pursuant to which Wuhan Fute will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco. The following diagram summarises the PRC Acquisition:



Holding Structure Post-Acquisitions

Upon completion of the Acquisitions, EC World REIT (through the Trustee) shall wholly-own the PRC Holdco. The following diagram shows the holding structure after completion of the Acquisitions:



2.3 Property Purchase Price and Total Purchase Consideration

The Property Purchase Price is RMB 1,112.5 million (S\$222.1 million¹). The Independent Valuers, Colliers and Knight Frank, were appointed by the Trustee and the Manager, respectively, to conduct the Property Valuations.

The Property Purchase Price was arrived at on a willing-buyer willing-seller basis after taking into account the Property Valuations. The following table sets out the appraised values of the Property (with and without the Master Leases) based on the Property Valuations, the respective dates of such appraisal and the Property Purchase Price:

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

Name of Property	Appraised Value (with Master Leases) ⁽¹⁾				Appraised Value (without Master Leases) ⁽¹⁾				Property Purchase Price (RMB million)	Property Purchase Price (\$ million) ⁽¹⁾
	By Colliers as at 31 December 2018		By Knight Frank as at 31 December 2018		By Colliers as at 31 December 2018		By Knight Frank as at 31 December 2018			
	\$ million ⁽¹⁾	RMB million	\$ million ⁽¹⁾	RMB million	\$ million ⁽¹⁾	RMB million	\$ million ⁽¹⁾	RMB million		
Fuzhou E-Commerce	228.9	1,147.0	251.3	1,259.0	225.1	1,128.0	248.7	1,246.0	1,112.5	222.1

Note:

(1) Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

The Property Purchase Price is below the two independent Property Valuations (both with and without the Master Leases) obtained. The Property Purchase Price represents a discount of 7.5% to RMB 1,203 million, which is the average of the Property Valuations (with the Master Leases). The Property Purchase Price represents a discount of 6.3% to RMB 1,187 million, which is the average of the Property Valuations (without the Master Leases).

(See **APPENDIX B** of this Circular for further details regarding the Property Valuations.)

The purchase consideration of the BVI Acquisition is RMB 769.5 million less the Estimated BVI Borrowings of approximately RMB 563.3 million, subject to Post-Completion Adjustments. The BVI Purchase Consideration is RMB 206.2 million (S\$41.2 million¹).

The PRC Purchase Consideration is RMB 343.0 million (S\$68.5 million¹).

The Total Purchase Consideration which consists of the BVI Purchase Consideration and the PRC Purchase Consideration is RMB 549.2 million (S\$109.6 million¹). The Total Purchase Consideration is essentially the Property Purchase Price less the Estimated BVI Borrowings.

2.4 Indemnity in relation to the Acquisitions

2.4.1 The Trustee has on 10 May 2019 entered into a deed of indemnity (the “**BVI Deed of Indemnity**”) with the Sponsor, pursuant to which the Sponsor will, subject to certain conditions, indemnify the Trustee against liabilities or damages suffered by the Trustee arising from the BVI Acquisition, including but not limited to losses in connection with the breach of representations and warranties under the Transaction Documents (as defined in the BVI Deed of Indemnity); losses in connection with any of the existing lease on the Property including but not limited to novation and/or termination of the existing leases and loss of income, revenue, proceeds and claims from existing or potential tenants or lessees, losses in connection with and/or in consequence of any tax obligation, payment and/or penalty which the Trustee may

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

be liable for in relation to the Transaction Documents (as defined in the BVI Deed of Indemnity) due to the BVI Vendor or any other party's non-compliance with any obligations under any taxation statute or non-payment of any Tax; and losses in connection with a failure by the PRC Holdco to obtain, maintain and/or comply with, prior to completion of the BVI Acquisition, all licenses, permits, approvals and requirements in connection with the operation of the PRC Holdco and /or the operation of the Property.

"Certain conditions" include, among others, the condition that:

- (a) no liability shall attach to the Sponsor unless the aggregate amount of all claims under the BVI Deed of Indemnity for which the Sponsor would be liable equals to or exceeds an amount equivalent to S\$100,000, but if the aggregate liability in respect of all such claims equals to or exceeds that amount, then all claims, including claims previously notified, shall accrue against and be recoverable against the Sponsor; and
- (b) no claim shall be brought against the Sponsor (save for claims in relation to taxation) unless:
 - (1) written particulars thereof (stating in reasonable detail the specific matters in respect of which the claim is made) shall have been notified in writing to the Sponsor before the expiry of a period of 36 months for any claims, each from the date of completion of the BVI Acquisition; and
 - (2) unless such claim has already been settled to the satisfaction of the Trustee, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the respective periods referred to in sub-paragraph (1) above.

2.4.2 Wuhan Fute has on 10 May 2019 entered into a deed of indemnity (the "**PRC Deed of Indemnity**") with the Sponsor, pursuant to which the Sponsor will, subject to certain conditions, indemnify Wuhan Fute against liabilities or damages suffered by it arising from the PRC Acquisition, including but not limited to losses in connection with the breach of representations and warranties under the Definitive Agreements (as defined in the PRC Deed of Indemnity); losses in connection with any of the existing lease on the Property including but not limited to novation and/or termination of the existing leases and loss of income, revenue, proceeds and claims from existing or potential tenants or lessees, losses in connection with and/or in consequence of any tax obligation, payment and/or penalty which the Trustee may be liable for in relation to the Definitive Documents (as defined in the PRC Deed of Indemnity) due to the PRC Vendor or any other party's non-compliance with any obligations under any taxation statute or non-payment of any tax; and losses in connection with a failure by the PRC Holdco to obtain, maintain and/or comply with,

prior to completion of the PRC Acquisition, all licenses, permits, approvals and requirements in connection with the operation of the PRC Holdco and /or the operation of the Property.

“Certain conditions” include, among others, the condition that:

- (a) no liability shall attach to the Sponsor unless the aggregate amount of all claims under the PRC Deed of Indemnity for which the Sponsor would be liable equals to or exceeds an amount equivalent to S\$100,000, but if the aggregate liability in respect of all such claims equals to or exceeds that amount, then all claims, including claims previously notified, shall accrue against and be recoverable against the Sponsor; and
- (b) no claim shall be brought against the Sponsor (save for claims in relation to taxation) unless:
 - (1) written particulars thereof (stating in reasonable detail the specific matters in respect of which the claim is made) shall have been notified in writing to the Sponsor before the expiry of a period of 36 months for any claims, each from the date of completion of the PRC Acquisition; and
 - (2) unless such claim has already been settled to the satisfaction of the Wuhan Fute, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the respective periods referred to in sub-paragraph (1) above.

2.5 The Master Lease Agreements

2.5.1 Details of the Master Leases

On 10 May 2019, the PRC Holdco (as master lessor) entered into the Warehouse Master Lease Agreement with Fuyang Yuntong (as master lessee) for the lease of the Warehouse and also entered into the Office and Support Buildings Master Lease Agreement with Zhejiang Yuntong (as master lessee) for the lease of the Office and Support Buildings. Fuyang Yuntong and Zhejiang Yuntong are limited liability companies incorporated in the PRC and are indirect wholly-owned subsidiaries of the Sponsor. The Master Lease Agreements are conditional upon the completion of the proposed Acquisitions and will commence on completion of the Acquisitions.

The table below sets out the rental income payable under the Master Leases during the term of the Master Leases (the “**Master Leases Rental Income**”):

Year	Master Leases Rental Income Breakdown (RMB million)		Total Master Leases Rental Income (RMB million)
	Warehouse	Office and Support Buildings	
1	69.0	17.0	86.0
2	70.6	17.3	87.9
3	72.2	17.7	89.9
4	73.8	18.1	91.9
5	75.5	18.5	94.0

The rental rates were arrived at on an arm's-length basis and based on normal commercial terms, taking into account the rental projections provided by the Independent Valuers. The rental projections made by the Independent Valuers are provided in paragraph 2.6 below.

The Master Leases are subject to an option to renew, exercisable by the Master Lessees for a further term of five years, but subject to the PRC Holdco's acceptance at its sole and absolute discretion. The rent for the Option Term shall be negotiated and agreed between the PRC Holdco and the Master Lessees but it is agreed that the rent payable for the first 12 months of the Option Term shall not be lower than the rent payable for the last 12 months of the Initial Term.

2.5.2 Lessee's Obligations under the Master Leases

(i) Security Deposit

The Master Lessees will place a security deposit equivalent to the sum of the first six months' rent with the Master Lessor within 10 business days upon commencement of the Master Leases. The amount of security deposit may be adjusted during the negotiation for the second term of lease.

(ii) Maintenance and Repair

The Master Lessees shall at their own cost, keep all the interior non-structural parts of the Property in good, clean and tenable condition and the Property properly preserved.

(iii) Assignment/Subletting

The Master Lessees are not entitled to assign any part of the Master Leases. Subject to the Master Lessor's consent, the Master Lessees may sub-let any part of the Property to other tenants. The Master

Lessees are not obliged to get consent from the Master Lessor for subletting, provided that:

- (I) regardless of any sub-letting, the Master Lessor remains liable for all obligations and liabilities (in full) under the respective Master Lease Agreements;
- (II) at least 10 business days prior to subletting all or any relevant part of the Property, the Master Lessees shall submit a notice which shall contain the name and address of the proposed end-tenant and a brief description of its business and the terms of the sublease and the sublease agreement (if any); and
- (III) the end-tenant shall use the relevant part of the Property for the purpose stipulated within the respective Master Lease Agreements, and must not use, or allow using the relevant part of the Property for any other purposes.

2.5.3 Lessor's Obligations under the Master Leases

(i) Property Tax and Land Use Fee

The Master Lessor shall pay for the land use fee and housing property taxes that are related to the Property.

(ii) Maintenance and Repair

The Master Lessor shall maintain and procure the maintenance of the roof and major structural parts of the Property in good condition, other than any damage or defects to such roof and major structural parts of the Property caused by reasons attributable to the Master Lessees.

The Master Lessor is responsible for repairing structural defects, installing facilities and maintaining public territory of the Property, other than any structural defects and/or damage or defects to the facilities and public territory of the Property caused by reasons attributable to the Master Lessees.

(iii) Insurance

The Master Lessor shall at its own cost and expense and at all material times, take out and maintain insurance policies in joint names with the Master Lessees over all risks and damage (including earthquake) to the Property, all plant and equipment and installations permanently affixed to the Property.

2.6 Assessment of the Master Leases

The Manager understands from the PRC Holdco that based on the underlying leases contracted with the end-tenants of the Property (the “**Underlying Leases**”), the annual underlying rental income of the Property for the 12-month period from 1 January 2018 to 31 December 2018 is approximately RMB 41.1 million in respect of the Warehouse and RMB 14.6 million in respect of the Office and Support Buildings (the “**Underlying Rental Income**”)¹. The total annual rental income of the Property derived from the Underlying Leases would amount to RMB 55.7 million¹, out of which RMB 53.5 million (equivalent to 96.0% of the Underlying Rental Income) comes from the top 10 end-tenants of the Property, which represents approximately 64.8% of the rental income payable for Year 1 of the Master Leases. Please refer to the table below for the top 10 end-tenants of the Property as at 31 December 2018:

No.	Tenant	Trade Sector
1	Zhejiang Dahua Zhilian Co., Ltd. (浙江大华智联有限公司)	E-Commerce
2	Hangzhou Xihe Dianzi Shangwu Co., Ltd. (杭州西荷电子商务有限公司)	E-Commerce
3	Hangzhou Shangjia Gongyinglian Co., Ltd. (杭州尚家供应链有限公司)	Building Materials
4	Zhenjiang Yuntong Dianzi Shangwu Co., Ltd. (浙江运通电子商务有限公司)	E-Commerce
5	Hangzhou Fuyang Yuntong Dianzi Shangwu Co., Ltd. (杭州富阳运同电子商务有限公司)	E-Commerce
6	Zhejiang Cainiao Gongyinglian Co., Ltd. (浙江菜鸟供应链股份有限公司)	E-Commerce
7	Hangzhou Fuyang Training Centre (杭州市富阳区理想教育培训学校)	E-Commerce Training
8	Hangzhou Kexu Furnishings Co., Ltd. (杭州可续家居有限公司)	Home Furnishing
9	Hangzhou Boli Trading Co., Ltd. (杭州柏丽贸易有限公司)	Home Furnishing
10	Chiling Shanghai Commercial Trading Co., Ltd. (赤灵上海商贸有限公司)	Fashion

1 The rental figure pursuant to the Underlying Leases for the Warehouse does not include the service fee collected by the existing master lessee of the Warehouse. The service fee component cannot be disclosed in this Circular due to its confidential nature.

The following table sets out further details of the Master Lease Agreements and the Underlying Leases. For the purpose of analysis, annual rental income figures pursuant to the Master Lease Agreements provided below refer to the annual rental income payable for Year 1 of the Master Leases while the annual rental income figures pursuant to the Underlying Leases refer to the annual rental income payable under the Underlying Leases for the 12-month period from 1 January 2018 to 31 December 2018:

Master Lease Agreements	Area (sq m)	Annual Rental Income (RMB million)		Occupancy Rate	
		Master Lease	Underlying Leases	Master Lease	Underlying Lease
Warehouse	171,795	69.0	41.1	100%	100%
Office and Support Buildings	42,489	17.0	14.6	100%	100%
Total	214,284	86.0	55.7	100%	100%

The Master Lessees of the Property, being Fuyang Yuntong and Zhejiang Yuntong, are in the e-commerce industry. Certain e-commerce businesses outsource aspects of its business such as storage, distribution and fulfilment services to operators so as to reap economies of scale. Operators are usually companies who specialise in supply chain management functions such as warehousing and fulfilment. Fuyang Yuntong is an operator and it assists e-commerce businesses to store, label and pack goods. By doing so, Fuyang Yuntong derives revenue from rent (based on shelf space and time occupied in the warehouse) and service fee (based on the number of parcels handled), which makes up a substantial portion of its revenue. The Manager understands from the BVI Vendor that from the time of inception, the Master Lessees remain profitable¹ even after accounting for the rental amount payable under the Master Lease Agreements.

The Underlying Rental Income for the Property is currently lower than the Master Leases Rental Income as the Property is relatively new to the Hangzhou industrial property market, having started operations in July 2017. As such, underlying lease rental rates of the Property have not reached current market levels yet. Furthermore, the Manager understands from the BVI Vendor that in order to attract initial anchor tenants for the Property, the BVI Vendor has agreed to certain preferential rental rates with the current end-tenants. This is also due to the nature of an e-commerce warehouse where the operator derives a substantial portion of income from service fee in addition to rental. The Manager is confident that the Property will be able to

¹ Exact figures relating to Fuyang Yuntong's service income cannot be disclosed due to confidentiality obligations.

achieve higher underlying rental income over the next five years due to the following factors:

- (i) the Property is situated in Hangzhou, an important manufacturing base and logistic hub for coastal PRC as well as the “capital of Chinese e-commerce”. Hangzhou achieved a gross domestic product of over RMB 1.35 trillion in 2018, representing an 6.7% year-on-year increase, outstripping the national average of 6.6%¹;
- (ii) the Property is also strategically located on western side of Mingxing Road, Fuyang District, Hangzhou which is in close proximity to the Changshen Highway and Hangzhou city centre and enjoys convenient water transportation provided by Fuchun River; and
- (iii) the e-commerce sector in Hangzhou continues to expand at rapid pace, increasing by 17.5% in 2018¹ and online retail sales in China grew 23.9% in 2018.

Therefore, the Manager has put in place the Master Leases to allow Unitholders to benefit from additional rental income stability and downside protection during the initial ramping up period as the Property continues to mature. The Manager will take note of the performance of the Property and ensure that, barring unforeseen circumstances, the underlying performance will be sustainable after the expiry of the Master Lease Agreements.

Over a period of five years from the completion of the Acquisitions and the commencement of the Master Leases, the Manager expects the underlying rental rates to appreciate to levels consistent with market rates. The Manager’s view is supported by the opinions of the Independent Valuers, that in relation to the Master Lease Agreements, the underlying rental rates of the Property will gradually increase in line with market rent growth despite current underlying rental rates being lower than market rental rates due to contractual preferential rates. Upon the expiry of the Master Lease Agreements, the underlying rental income of the Property will be in line with the market rental rates at the point in time.

The Independent Valuers’ projection for the total underlying revenue from the Master Leases is as follows:

¹ Source: Hangzhou Economic Situation, Hangzhou Bureau of Statistics, 4 March 2019 and National Bureau of Statistics of China, 22 January 2019

Year	Rental Income of Property from Master Leases (RMB million)	Underlying Rental Income from Property (RMB million)	
		Colliers	Knight Frank
1	86.0	79.8	71.9
2	87.9	84.0	77.2
3	89.9	88.0	82.8
4	91.1	92.4	88.6
5	94.0	97.0	94.7
6	-	101.3	97.5

As indicated above, the Independent Valuers are also of the opinion that upon the expiry of the Master Lease Agreements, the rental income under the Master Lease Agreements is sustainable by the underlying rental income of the Property. Please refer to pages B-3 and B-15 of this Circular for the opinions of the Independent Valuers.

The Manager believes that given the positive factors in relation to the Property as stated above and the Independent Valuers' view that the rental income from the Master Lease Agreements is sustainable by the underlying rental income from the Property upon the expiry of the Initial Term, the rental rates under the Master Lease Agreements are attainable after the Master Lease Agreements have expired.

2.7 Corporate Guarantees

In relation to the Master Lease Agreements, the PRC Holdco has on 10 May 2019 entered into the following corporate guarantees (the "**Corporate Guarantees**") with the Sponsor:

- 2.7.1** a corporate guarantee between the PRC HoldCo (as the guarantee) and the Sponsor (as the guarantor), pursuant to which the Sponsor guarantees that Fuyang Yuntong shall observe and perform the obligations, covenants, terms and conditions of the Warehouse Master Lease Agreement for the entire term (including any term granted pursuant to any option to renew) of the Warehouse Master Lease Agreement (the "**Warehouse Corporate Guarantee**"); and
- 2.7.2** a corporate guarantee between the PRC HoldCo (as the guarantee) and the Sponsor (as the guarantor), pursuant to which the Sponsor guarantees that Zhejiang Yuntong shall observe and perform the obligations, covenants, terms and conditions of the Office and Support Buildings Master Lease Agreement for the entire term (including any term granted pursuant to any option to renew) of the Office and Support Buildings Master Lease Agreement (the "**Office and Support Buildings Corporate Guarantee**").

2.8 The BVI Share Purchase Agreement

On 10 May 2019, the Trustee entered into the BVI Share Purchase Agreement for the conditional sale and purchase of the entire issued share capital of the BVI Holdco. The BVI Holdco directly owns the entire issued share capital in the Singapore Holdco and the Singapore Holdco in turn owns a 34.02% equity interest in the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user and owner of the Property.

The BVI Purchase Consideration payable by the Trustee under the BVI Share Purchase Agreement is RMB 206.2 million (S\$41.2 million)¹.

The principal terms of the BVI Share Purchase Agreement include, among others, the following:

- (i) the completion is subject to and conditional upon satisfaction of, among others, the following conditions:
 - (a) the obtainment of approval from the audit and risk committee and the boards of directors of the Manager;
 - (b) the obtainment of approval from the Unitholders to be given at an extraordinary general meeting of Unitholders for the Acquisitions;
 - (c) the obtainment of other approvals (if required) including those of the MAS and the SGX-ST;
 - (d) the Trustee being reasonably satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by EC World REIT and the Trustee, which EC World REIT and/or the Trustee may consider to be relevant (being without any material negative recommendation(s) from the respective advisor(s));
 - (e) the BVI Vendor procuring the discharge of any encumbrance over the Sale Shares (as defined in the BVI Share Purchase Agreement);
 - (f) the BVI Vendor procuring the release of the PRC Holdco any guarantees entered into by the PRC Holdco in favour of any party before completion;
 - (g) there being no compulsory acquisition or expropriation of the assets of each Group Company (as defined in the BVI Share Purchase Agreement) (including without limitation, any of the equity interest

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

held by any of the Group Companies (as defined in the BVI Share Purchase Agreement) or the Property) or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;

- (h) there being no breach of any of the Transaction Documents (as defined in the BVI Share Purchase Agreement) which, in the reasonable opinion of the Trustee, will have or is likely to have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Group (as defined in the BVI Share Purchase Agreement), in each case taken as a whole;
- (i) the entry into the BVI Deed of Indemnity by the Sponsor and the Trustee;
- (j) the entry into the PRC Deed of Indemnity by the Sponsor and Wuhan Fute;
- (k) the due execution of the PRC Share Purchase Agreement;
- (l) the due execution of the Master Lease Agreements in the form and substance to be agreed by the PRC Holdco and the relevant master lessees;
- (m) the due execution of the Corporate Guarantees in the form and substance to be agreed by the PRC Holdco and the Sponsor;
- (n) all the Group Companies' employees (if any) have been terminated or resigned from the Group Companies;
- (o) salaries, wages, compensations, severance, benefits and other amounts payable to all employees of the Group Companies as a result of such termination and/or resignation referred to in the BVI Share Purchase Agreement have been fully paid and settled and obligations (including tax obligations) and liabilities on all employees related matters have been fulfilled and/or paid;
- (p) the receipt by the Trustee of the BVI Vendor's corporate approvals and all third party approvals, consents, waivers and authorisations (if applicable), arising by reason of such sale and purchase, including but not limited to approvals from the shareholders and board of directors of the BVI Vendor;
- (q) no written notice have been issued by the Manager to the Trustee

before the completion date that, in the Manager's reasonable opinion, the market conditions then prevailing are not conducive for (i) the raising of adequate funds and/or (ii) the raising of funds on reasonable terms or in a manner that will be beneficial to the overall interests of EC World REIT and the unitholders of EC World REIT, for the purpose of completing the purchase of the whole of the issued ordinary shares in the BVI Holdco;

- (r) the fulfilment of the condition that EC World REIT secures sufficient financing to undertake the purchase of the BVI Holdco, and the agreement for such financing not having been terminated and being unconditional in all respects;
 - (s) the licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals necessary for or in respect of the proposed acquisition of the Group having been obtained from third parties (including governmental or official authorities, courts or other regulatory bodies on terms reasonably satisfactory to the purchaser and such licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals remaining in full force and effect and not being subject to any new or additional conditions and/or requirements;
 - (t) no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the sale shares or the operation of each Group Company having been enacted or taken by any governmental or official authority; and
 - (u) there being no breach of the warranties given by the BVI Vendor which, in the reasonable opinion of the Trustee, acting on the recommendation of the Manager, will or is likely to have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Property and the Group, in each case taken as a whole unless such breach (if any) is waived in writing by the purchaser (in its absolute discretion),
- (ii) certain representations and warranties in relation to the BVI Holdco;
 - (iii) a tax indemnity in favour of the Trustee, under which the BVI Vendor will indemnify the Trustee, to the extent of the Trustee's equity interest in the BVI Holdco, the Singapore Holdco and the PRC Holdco, against any liability of taxation:

- (a) resulting from any transaction effected or deemed to have been effected on or before completion of the BVI Acquisition, including but not limited to the any clawback of taxes from any over-claiming of expenses on corporate income tax;
 - (b) affecting the BVI Holdco, the Singapore Holdco or the PRC Holdco in respect of or arising from any transaction which had been entered into before completion of the BVI Acquisition and completed after completion of the BVI Acquisition in pursuance of a legally binding obligation or an arrangement, in either case whether or not conditional, incurred or entered into on or before completion of the BVI Acquisition;
 - (c) in consequence of any non-compliance with the tax reporting filing obligations under Bulletin 2015 No. 7 – the PRC Income Tax Treatment of an Indirect Transfer of Assets by a Non-resident Enterprise issued by the State Administration of Taxation (《国家税务总局关于非居民企业间接转让财产企业所得税若干问题的公告》) issued on 3 February 2015 and Bulletin 2017 No. 37 – the Bulletin of the State Administration of Taxation on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《国家税务总局关于非居民企业所得税源泉扣缴有关问题的公告》) issued on 17 October 2017;
 - (d) in consequence of any tax obligation, payment and/or penalty which the Trustee may be liable for due to the BVI Vendor or any other party's non-compliance with any obligations or non-payment under Bulletin 7 (as defined in the BVI Share Purchase Agreement) and Bulletin 37 (as defined in the BVI Share Purchase Agreement) in relation to the indirect transfer of the PRC Holdco and the Property;
 - (e) in respect of any transaction effected or deemed to have been effected by reason of the fulfilment of any of the conditions precedent in the BVI Share Purchase Agreement; and
 - (f) any liability for, or additional exposure to, taxation up to and including the date of completion of the BVI Acquisition, including but not limited to real estate tax imposed due to the assessment of real estate tax by the relevant local tax bureaus of the PRC.
- (iv) on completion of the BVI Acquisition, the Trustee shall pay an initial consideration sum to the BVI Vendor, which is calculated in accordance with

the BVI Share Purchase Agreement and based on the estimated amount of borrowings reflected in the consolidated balance sheet of the BVI Holdco; and

- (v) 30 days after the completion of the BVI Acquisition, the BVI Vendor shall deliver to the Trustee one set of audited consolidated balance sheet of the BVI Holdco as at the date of completion of the BVI Acquisition, following which the difference (if any) between the estimated amount of borrowings reflected in the consolidated balance sheet of the BVI Holdco and the net liabilities reflected in the audited consolidated balance sheet of the BVI Holdco as at the date of completion of the BVI Acquisition (excluding the value of the Property) will be paid or reimbursed (as applicable).

2.9 The PRC Share Purchase Agreement

On 10 May 2019, Wuhan Fute, an indirectly wholly-owned subsidiary of the Trustee, has entered into the PRC Share Purchase Agreement with the PRC Vendor, pursuant to which Wuhan Fute will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco.

The PRC Purchase Consideration payable by Wuhan Fute under the PRC Share Purchase Agreement is RMB 343.0 million (S\$68.5 million¹).

The principal terms of the PRC Share Purchase Agreement include, among others, the following:

- (i) the completion is subject to and conditional upon satisfaction of, among others, the following conditions:
 - (a) the obtainment of approval from the audit and risk committee and the boards of directors of the Manager;
 - (b) the obtainment of approval from the Unitholders to be given at an extraordinary general meeting of Unitholders for the Acquisitions;
 - (c) the obtainment of other approvals (if required) including those of the MAS and the SGX-ST;
 - (d) Wuhan Fute being reasonably satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by Wuhan Fute, which Wuhan Fute may consider to be relevant (being without any material negative recommendation(s) from the respective advisor(s));

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

- (e) the registration of the second-priority mortgage and the third-priority mortgage over the Property and the de-registration of the existing pledge over the equity interests held by the PRC Vendor in the PRC Holdco has been completed;
- (f) the PRC Holdco has been released from any guarantees entered into by the PRC Holdco in favour of any party (except for those which have been agreed by the Trustee to be kept);
- (g) there being no compulsory acquisition or expropriation of the assets of the PRC Holdco (including without limitation, any of the equity interest held by the PRC Holdco or the Property) or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;
- (h) there being no breach of any of the Definitive Documents (as defined in the PRC Share Purchase Agreement) which, in the reasonable opinion of Wuhan Fute, will have or is likely to have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Group, in each case taken as a whole;
- (i) the entry into the BVI Deed of Indemnity by the Sponsor and the Trustee;
- (j) the entry into the PRC Deed of Indemnity by the Sponsor and Wuhan Fute;
- (k) the due execution of the Master Lease Agreements in the form and substance to be agreed by the PRC Holdco and the relevant master lessees;
- (l) the due execution of the Corporate Guarantees in the form and substance to be agreed by the Company and the Sponsor;
- (m) all the PRC Holdco' employees (if any) have been terminated or resigned from the PRC Holdco;
- (n) salaries, wages, compensations, severance, benefits and other amounts payable to all employees of the PRC Holdco as a result of such termination and/or resignation referred to in the PRC Share Purchase Agreement have been fully paid and settled and obligations (including tax obligations) and liabilities on all employees related matters have been fulfilled and/or paid;

- (o) the receipt by Wuhan Fute of the resolution of the shareholders' meeting of the PRC Vendor approving the equity transfer and all third party approvals, consents, waivers and authorisations (if applicable) required to be obtained by the PRC Vendor under the laws of PRC for the purpose of the equity transfer;
 - (p) the licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals necessary for or in respect of the equity transfer having been obtained from third parties (including governmental or official authorities, courts or other regulatory bodies) on terms reasonably satisfactory to Wuhan Fute and such licences, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals remaining in full force and effect and not being subject to any new or additional conditions and/or requirements;
 - (q) no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the sale shares or the operation of the PRC Holdco having been enacted or taken by any governmental or official authority; and
 - (r) there being no breach of the warranties given by the PRC Vendor which, in the reasonable opinion of Wuhan Fute, acting on the recommendation of the Manager, will or is likely to have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of the Property and the PRC Holdco, in each case taken as a whole unless such breach (if any) is waived in writing by Wuhan Fute;
- (ii) certain representations and warranties in relation to the PRC Holdco and the Property;
 - (iii) The PRC Purchase Consideration will be paid as follows:
 - (a) Within one Business Day (as defined in the PRC Share Purchase Agreement) (or the time period as otherwise agreed by the Parties) upon full satisfaction of the conditions precedent, Wuhan Fute shall pay RMB 270.0 million to the PRC Vendor;
 - (b) Within two Business Days (as defined in the PRC Share Purchase Agreement) upon the date of completion, Wuhan Fute shall pay the rest of the PRC Purchase Consideration in the amount of RMB 73.0 million to the PRC Vendor.

- (iv) Within two Business Days (as defined in the PRC Share Purchase Agreement) upon the date of completion, Wuhan Fute shall procure the PRC Holdco to repay the shareholder loan of RMB 345.0 million to the PRC Vendor.

2.10 Individual Property Management Agreement

In connection with the Acquisitions and pursuant to the terms of the Master Property Management Agreement, the Trustee, the Manager, the Property Manager and the PRC HoldCo will enter into the Property Management Agreement pursuant to which the Property Manager will be appointed to operate, maintain, manage and market the Property, subject to the overall management and supervision of the Manager for the period from the date of completion of the Acquisitions and expiring on the earlier of (i) midnight of the date immediately preceding the fifth anniversary of the commencement date; and (ii) midnight of the date of the termination of the Individual Property Management Agreement.

2.11 Estimated Total Acquisitions Cost

The total cost to EC World REIT of the Acquisitions is estimated to be approximately RMB 1,159.4 million (S\$231.4 million¹), comprising:

- (i) the Property Purchase Price of RMB 1,112.5 million (S\$222.1 million¹);
- (ii) the Acquisitions Fee payable to the Manager in the form of the Acquisitions Fee Units of approximately RMB 8.3 million (S\$1.7 million¹); and
- (vi) the professional and other fees and expenses incurred or to be incurred by EC World REIT in connection with the Acquisitions of approximately RMB 38.6 million (S\$7.7 million¹).

2.12 Method of Financing the Acquisition

The Manager intends to finance the Total Acquisitions Cost (excluding the Acquisitions Fee payable in Units) via a combination of secured debt financing facilities from banks and/or cash.

As at 31 December 2018, EC World REIT has an aggregate leverage of 31.5%. Under the Property Funds Appendix, EC World REIT's aggregate leverage cannot exceed 45.0% of its deposited property. Upon completion of the Acquisition, EC World REIT's aggregate leverage will increase from 31.5% to approximately 38.0%, which is within the maximum aggregate leverage limit of 45.0% under the Property Funds Appendix.

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

2.13 RATIONALE FOR THE ACQUISITIONS AND THE MASTER LEASES

The Manager believes that the Acquisitions and the Master Leases will bring, among others, the key benefits to Unitholders as set out below:

2.13.1 Attractive investment in Hangzhou and PRC e-commerce sector

The Property is located in Hangzhou, the capital city of Zhejiang province in China. It has a population of 9.8 million and a gross domestic product of over RMB 1.35 trillion in 2018¹. As one of the core cities in the Yangtze River Delta Economic Zone, Hangzhou is well-positioned as an economic, cultural, science and education center as well as a transportation hub. Hangzhou is also one of the most vibrant e-commerce centres in China and home to Alibaba Group's global headquarters and is also dubbed the "e-commerce capital" of China. The e-commerce sector in Hangzhou has been expanding very rapidly, registering a growth of 17.5%¹ in 2018.

2.13.2 Rare opportunity to acquire a sizable, specialised and integrated e-commerce logistics asset

Given the rapid growth in China's e-commerce industry, warehousing and fulfilment facilities are in increasingly high demand and the proposed Acquisitions represent a rare and attractive opportunity to acquire a specialised logistics asset catering to storage and fulfilment of e-commerce goods flow.

The Property is adjacent to one of EC World REIT's existing assets, Fu Heng Warehouse, which is also focused on e-commerce related fulfilment activities. The Property and Fu Heng Warehouse together will create a combined 308,571 sq m logistics hub, well supported by industry participants such as online market places, brand manufacturers, last mile delivery companies as well as office space and other auxiliary facilities. Furthermore, the Property is strategically located on the western side of Mingxing Road, Fuyang District, Hangzhou which is in close proximity to the Changshen Highway and Hangzhou city centre and enjoys convenient water transportation provided by the Fuchun River.

2.13.3 Strategic collaboration with Cainiao Network and Alibaba's Ling Shou Tong

The Warehouse of the Property is operated by Ruyicang, a wholly-owned subsidiary of the Sponsor and a leading e-commerce logistics, fulfillment service provider in the PRC. Ruyicang is one of the key partners to Cainiao Network (Alibaba's logistics platform) and a core service provider to Alibaba's LST.

LST is a new online to offline retail concept and strategy by Alibaba which seeks to connect convenience and neighborhood stores to Alibaba and Cainiao's extensive network of supply chain, logistics and data analytics and to improve, streamline and

¹ Hangzhou Economic Situation, Hangzhou Bureau of Statistics, 4 March 2019

automate operations of these shops. Cainiao's target is to connect over one million retail stores within three years¹. Ruyicang currently processes approximately 8,000 to 10,000 parcels for LST in the Warehouse on a daily basis. Due to its outstanding performance, Ruyicang's Hangzhou LST business has won the "Double Eleven Best Partner Award" (双十一最佳合作伙伴奖) for the quality, accuracy and reliability of its fulfilment and warehousing services.

2.13.4 Differentiated asset portfolio offering with enlarged asset portfolio size and enhanced focus on specialised and e-commerce logistics sector

The Acquisitions fit the Manager's principal investment strategy for EC World REIT to invest in quality income-producing real estate used primarily for e-commerce, supply-chain management and logistics purposes, which will provide overall yield accretion and value creation opportunities so as to deliver stable distributions, sustainable and growing returns to the Unitholders.

The Acquisitions will significantly increase EC World REIT's asset portfolio size by 17.9% and 28.7% by valuation and GFA respectively. Upon completion of the Acquisitions, the Enlarged Portfolio (as defined herein) will have a valuation of RMB 7,932 million. The Acquisitions will also increase the proportion of e-commerce and specialised assets to over 74.4% of the entire portfolio by NLA, further demonstrating EC World REIT's differentiated proposition. The proportion of e-commerce logistics assets will increase from 30.4% to 41.0% by valuation and from 35.3% to 49.7% by NLA.

2.13.5 Improves and lengthens portfolio WALE profile providing greater income visibility

The Master Leases have an initial term of five years, commencing from the date of completion of the Acquisitions and are subject to an option to renew for a further term of five years. This will increase the WALE of EC World REIT's portfolio from 1.8 years to 2.3 years² (by gross rental income as at 31 March 2019) prior to the Option Period. Furthermore, the Master Leases will materially reduce the expiry concentration risk for EC World REIT since leases which will expire in 2023 and beyond (by gross rental income as at 31 March 2019) will increase from 1.4% to 16.6%³ post-Acquisitions.

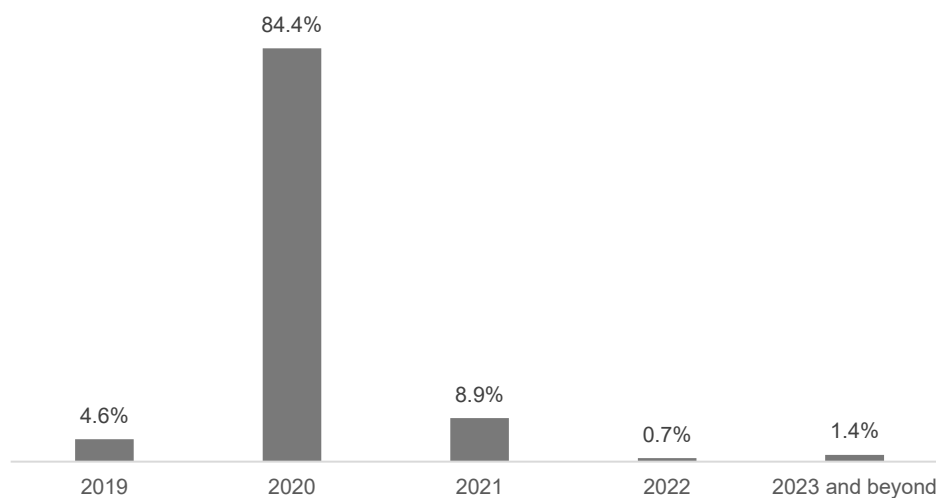
The graph below illustrates EC World REIT's lease expiry profile (by gross rental

1 Source: http://www.sohu.com/a/168878877_239279

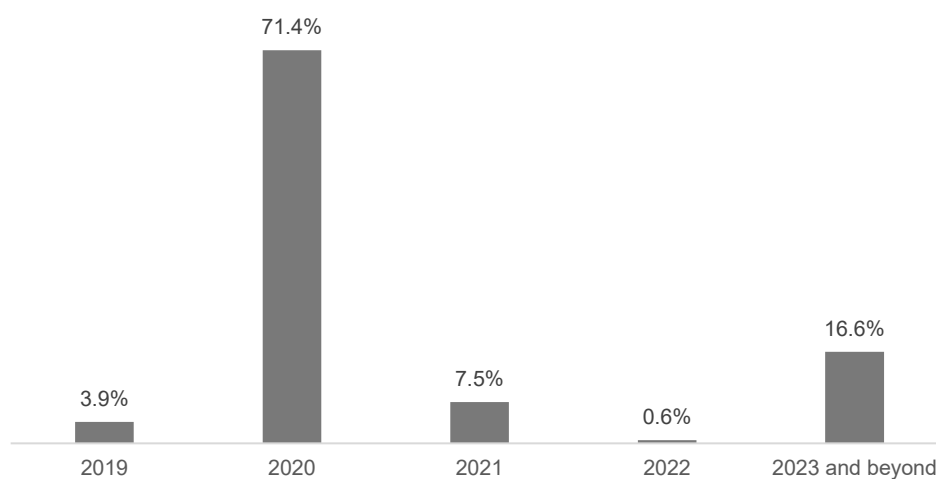
2 Taking into account the new master lease agreements for Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse which have been approved by Unitholders at the Extraordinary General Meeting held on 22 April 2019 (the "New Approved Master Lease Agreements"), the Master Leases will increase the WALE of EC World REIT's portfolio from 4.7 years to 4.8 years (by gross rental income as at 31 March 2019) prior to the Option Period.

3 Taking into account the New Approved Master Lease Agreements, the Master Leases will increase the leases which will expire in 2023 and beyond (by gross rental income as at 31 March 2019) from 69.9% to 74.4%.

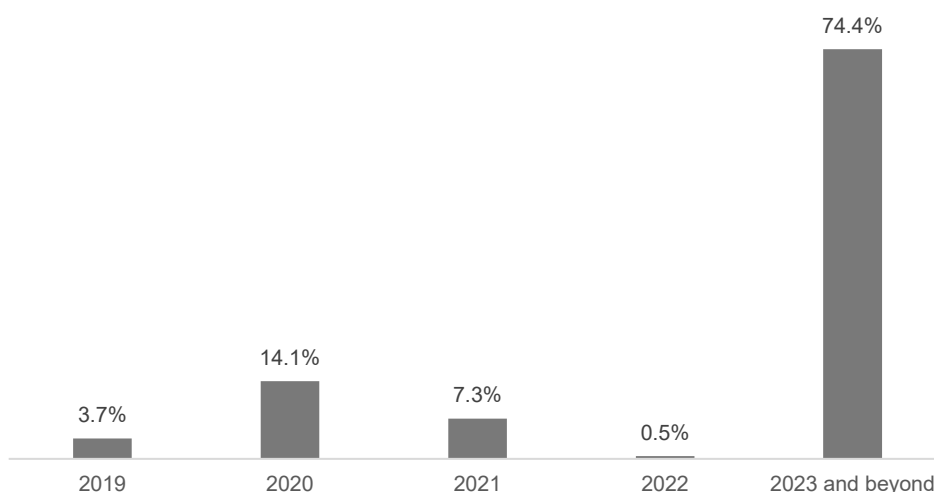
income as at 31 March 2019):



The graph below illustrates EC World REIT's lease expiry profile (by gross rental income as at 31 March 2019) post-Acquisitions:



The graph below illustrates EC World REIT's lease expiry profile (by gross rental income as at 31 March 2019), post-Acquisitions and taking into account the New Approved Master Lease Agreements:



2.13.6 The Acquisitions are expected to be yield accretive based on historical pro form financial effects for FY2018

Based on the audited consolidated financial statements of EC World REIT and its subsidiaries for the 12-month period ending 31 December 2018 (“**FY2018**”, and the FY2018 audited consolidated financial statements, the “**FY2018 Audited Consolidated Financial Statements**”) and assuming the Acquisitions are completed on 1 January 2018, the Acquisitions are expected to increase distribution per Unit (“**DPU**”) by 1.6% on a historical pro forma basis. The net property income (“**NPI**”) of EC World REIT is expected to reach S\$101.6 million, which represents a 16.3% increase vis-à-vis FY2018 NPI of EC World REIT, on a historical pro forma basis. In addition, the NPI yield of the Property in RMB terms is approximately 6.4%, which is in line with EC World REIT’s existing portfolio NPI yield of 6.4% as at 31 December 2018.

The Master Leases also have a built fixed annual escalation of 2.25% for the first five years which will provide guaranteed organic growth for Unitholders’ distributions.

2.14 REQUIREMENT FOR UNITHOLDERS’ APPROVAL

2.14.1 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where EC World REIT proposes to enter into a transaction with an Interested Person and the value of the 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 exceeds 5.0% of EC World REIT’s latest audited NTA, Unitholders’ approval is required in respect of the transaction.

Based on FY2018 Audited Consolidated Financial Statements, the net tangible assets (“**NTA**”) of EC World REIT was S\$688.6 million as at 31 December 2018. 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 aggregate 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\$34.4 million, such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an Interested Party Transaction by EC World REIT which value exceeds 5.0% of EC World REIT's latest audited net assets value ("**NAV**"). Based on the FY2018 Audited Consolidated Financial Statements, the NAV of EC World REIT was S\$688.6 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be entered into by EC World REIT with an Interested Party is equal to or greater than S\$34.4 million, such a transaction would be subject to Unitholders' approval.

As at the Latest Practicable Date, the Manager has a direct interest in 16,086,419 Units (comprising approximately 2.0% of the total number of issued Units). The Manager is wholly-owned by FIPL, which is in turn a wholly-owned subsidiary of the Sponsor. FIPL is the sole shareholder of FGPL which has a direct interest in 322,957,200 Units (comprising approximately 40.7% of the total number of issued Units). Accordingly, the Sponsor is deemed to be interested in the Units held by FGPL and the Manager. The Sponsor is therefore regarded as a "Controlling Unitholder"¹ of EC World REIT and a "Controlling Shareholder"² of the Manager, respectively, under both the Listing Manual and the Property Funds Appendix.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the BVI Vendor, being an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli, the spouse of Zhang Guobiao who is a controlling unitholder of EC World REIT through his 80.0% equity interest in the Sponsor, is an Interested Person and Interested Party of EC World REIT.

The Sponsor holds a 40.59% indirect interest in the PRC Vendor and accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the PRC Vendor is an Interested Person and Interested Party of EC World REIT.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the Master Lessees, being a limited liability companies incorporated in the PRC and indirect wholly-owned subsidiary of the Sponsor is an

1 "**Controlling Unitholder**" means a person who:

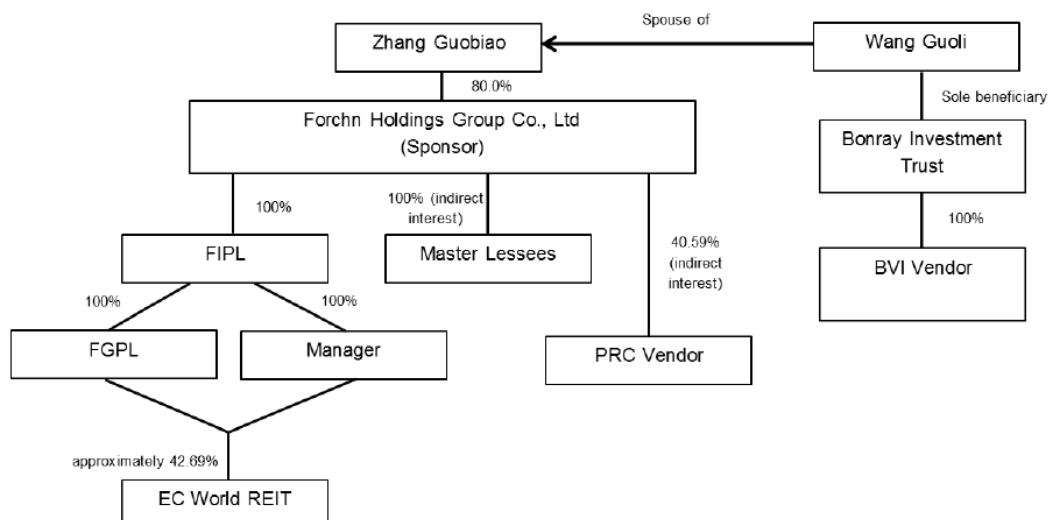
- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or
- (b) in fact exercises control over the property fund.

2 "**Controlling Shareholder**" means a person who:

- (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over a company.

Interested Person and Interested Party of EC World REIT.

Please see below a diagram illustrating the relationship between the Sponsor, the Manager, the BVI Vendor, the PRC Vendor and the Master Lessees:



As such, the Acquisitions and the Master Lease Agreements will constitute Interested Person Transactions under Chapter 9 of the Listing Manual and Interested Party Transactions under Paragraph 5 of the Property Funds Appendix.

Given the Property Purchase Price of S\$222.1 million (which is 32.2% of the NTA and NAV of EC World REIT as at 31 December 2018), the value of the Acquisitions will in aggregate exceed (i) 5.0% of EC World REIT's latest audited NTA and (ii) 5.0% of EC World REIT's latest audited NAV. In compliance with the requirements of the Listing Manual and the Property Funds Appendix, the Manager is therefore seeking Unitholders' approval for the Acquisitions (including the Master Lease Agreements).

UNITHOLDERS SHOULD NOTE THAT BY APPROVING THE ACQUISITIONS THEY ARE ALSO DEEMED TO HAVE APPROVED THE MASTER LEASE AGREEMENTS.

2.14.2 Fees Payable to the Manager

As the Acquisitions will constitute an Interested Party Transaction under the Property Funds Appendix, the Acquisitions Fee shall be payable to the Manager in the form of the Acquisitions Fee Units. The Acquisitions Fee Units shall not be sold within one year from their date of issuance, in accordance with Paragraph 5.7 of the Property Funds Appendix, which applies to an Interested Party Transaction.

2,088,553¹ Acquisitions Fee Units are expected to be issued to the Manager for the Acquisitions.

2.14.3 Approval by Unitholders for the Acquisitions

In approving the Acquisitions, Unitholders are deemed to have approved all documents which are required to be executed by the parties in order to give effect to the Acquisitions, including the Share Purchase Agreements, the BVI Deed of Indemnity, the PRC Deed of Indemnity, the Master Lease Agreements and the Corporate Guarantees. These agreements are therefore not subject to Rules 905 and 906 of the Listing Manual (which require EC World REIT to make an announcement or obtain the approval of Unitholders depending on the materiality of the Interested Person Transactions) insofar as there are no subsequent changes to the terms, rental, rates and/or basis of the fees charged thereunder which will adversely affect EC World REIT. Future renewal or extension of these agreements will be subject to Rules 905 and 906 of the Listing Manual.

2.15 Interests of Directors and Substantial Unitholders

2.15.1 Interests of the Directors of the Manager

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 ⁽²⁾	-	-	339,043,619	42.69	339,043,619	42.69
Mr Goh Toh Sim	821,575	0.10	-	-	821,575	0.10
Mr Chan Heng Wing	200,000	0.03	-	-	200,000	0.03
Mr David Wong See Hong	-	-	-	-	-	-
Mr Chia Yew Boon	200,000	0.03	-	-	200,000	0.03
Mr Li Guosheng	-	-	-	-	-	-

Notes:

- (1) The percentage interest is based on total issued Units of 794,228,726 Units as at the Latest Practicable Date.
- (2) Zhang Guobiao owns 80% 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 EC World Asset Management Pte. Ltd.. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FGPL and the Units held by EC World Asset Management Pte. Ltd..

¹ Clause 15.2.1(i) of the Trust Deed allows the Manager to receive the Acquisitions Fee Units at an issue price equal to the volume weighted average traded price for a Unit for all trades on the SGX-ST for the 10 market days prior to the issuance of the Acquisitions Fee Units. The number of Acquisitions Fee Units has been calculated based on an Acquisitions Fee of S\$1.67 million and an assumed issue price of S\$0.797 per Unit, being the weighted average traded price for the 10 market days before the Latest Practicable Date.

As at the Latest Practicable Date, Mr Zhang Guobiao is a non-executive director of the Manager as well as the Chairman of the Sponsor. Save as disclosed above and based on information available to the Manager, none of the Directors has an interest, direct or indirect, in the Acquisitions.

2.15.2 Interests of the Substantial Unitholders

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⁾)		
Forchn Global Pte. Ltd.	322,957,200	40.66	-	-	322,957,200	40.66
Forchn International Pte. Ltd. ⁽²⁾	-	-	339,043,619	42.69	339,043,619	42.69
Forchn Holdings Group Co., Ltd. ⁽³⁾	-	-	339,043,619	42.69	339,043,619	42.69
Zhang Guobiao ⁽⁴⁾	-	-	339,043,619	42.69	339,043,619	42.69
Zhang Zhangsheng ⁽⁵⁾	-	-	339,043,619	42.69	339,043,619	42.69
BOCOM International Global Investment Limited	61,728,300	7.77	-	-	61,728,300	7.77
BOCOM International Holdings Company Limited ⁽⁶⁾	-	-	61,728,300	7.77	61,728,300	7.77
Bank of Communications Co., Ltd. ⁽⁷⁾	-	-	61,728,300	7.77	61,728,300	7.77
Fosun International Holdings Ltd. ⁽⁸⁾	7,229,694	0.91	66,736,306	8.40	73,966,000	9.31
Guo Guangchang ⁽⁹⁾	-	-	73,966,000	9.31	73,966,000	9.31
Liang Xinjun ⁽¹⁰⁾	-	-	73,966,000	9.31	73,966,000	9.31
Sunkits Resources Limited	95,061,700	11.97	-	-	95,061,700	11.97
China Cinda (HK) Asset Management Co., Limited ⁽¹¹⁾	-	-	95,061,700	11.97	95,061,700	11.97
China Cinda (HK) Holdings Company Limited ⁽¹²⁾	-	-	95,061,700	11.97	95,061,700	11.97
China Cinda Asset Management Co., Ltd. ⁽¹³⁾	-	-	95,061,700	11.97	95,061,700	11.97
Ministry of Finance of The People's Republic of China ⁽¹⁴⁾	-	-	95,061,700	11.97	95,061,700	11.97
Hu Yuqing	45,183,400	5.69	-	-	45,183,400	5.69

Providence World I Pte Ltd	66,736,306	8.40	-	-	66,736,306	8.40
The Bank of New York Mellon ⁽¹⁵⁾	66,736,306	8.40	-	-	66,736,306	8.40
The Bank of New York Mellon Corporation ⁽¹⁵⁾	-	-	66,736,306	8.40	66,736,306	8.40

Notes:

- (1) The percentage interest is based on total issued Units of 794,228,726 Units at the Latest Practicable Date.
- (2) FIPL is deemed to be interested in the Units held by its wholly-owned subsidiaries, FGPL and EC World Asset Management Pte. Ltd..
- (3) Forchn Holdings Group Co., Ltd. is the sole shareholder of FIPL, which is in turn the sole shareholder of FGPL and EC World Asset Management Pte. Ltd. Accordingly, Forchn Holdings Group Co., Ltd. is deemed to be interested in the Units held by FGPL and Units held by EC World Asset Management Pte. Ltd..
- (4) Zhang Guobiao owns 80% of the equity interest of Forchn Holdings Group Co., Ltd.. Forchn Holdings Group Co., Ltd. is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and EC World Asset Management Pte. Ltd.. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FGPL and the Units held by EC World Asset Management Pte. Ltd..
- (5) Zhang Zhangsheng owns 20% of the equity interest of Forchn Holdings Group Co., Ltd.. Forchn Holdings Group Co., Ltd. is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and EC World Asset Management Pte. Ltd.. Accordingly, Zhang Zhangsheng is deemed to be interested in the Units held by FGPL and the Units held by EC World Asset Management Pte. Ltd..
- (6) BOCOM International Holdings Company Limited is deemed to be interested in the Units held by its wholly-owned subsidiary, BOCOM International Global Investment Limited.
- (7) Bank of Communications Co., Ltd. is deemed to be interested in the Units held by BOCOM International Global Investment Limited. BOCOM International Global Investment Limited is a wholly-owned subsidiary of BOCOM International Holdings Company Limited. BOCOM International Holdings Company Limited is a wholly-owned subsidiary of Bank of Communications Co., Ltd..
- (8) Fosun International Holdings Ltd. is deemed to be interested in the Units held by Providence World I Pte Ltd, pursuant to an unit transfer agreement executed with Providence World I Pte. Ltd..
- (9) 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..
- (10) Liang Xinjun owns 24.44% of Fosun International Holdings Ltd. Accordingly, he is deemed to be interested in the Units held by Fosun International Holdings Ltd..
- (11) China Cinda (HK) Asset Management Co., Limited is deemed to be interested in the Units held by its wholly-owned subsidiary, Sunkits Resources Limited.
- (12) 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.
- (13) 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% owned by China Cinda Asset Management Co., Ltd..
- (14) 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% 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..

- (15) The Bank of New York Mellon provides custodial services as a bare trustee under a Custody Agreement and has a security interest over the Units as a trustee under a trust deed. The Bank of New York Mellon Corporation is treated as having an interest in the Units by virtue of it being 100% shareholder of The Bank of New York Mellon.

As at the Latest Practicable Date, the Sponsor, through its indirect wholly-owned subsidiaries and through its 100.0% interest in the Manager, holds an aggregate indirect interest of approximately 42.7% in EC World REIT and is deemed to be a Controlling Unitholder of EC World REIT.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Substantial Unitholders has an interest, direct or indirect, in the Acquisitions.

2.16 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in relation to the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

2.17 Major Transactions – Chapter 10 of the Listing Manual

2.17.1 Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by EC World REIT. Such transactions are classified into the following categories:

- (i) non-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

2.17.2 A proposed acquisition by EC World REIT may fall into any of the categories set out in Paragraph 2.17.1 above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the net profits attributable to the assets acquired, compared with EC World REIT's net profits;
- (ii) the aggregate value of the consideration given, compared with EC World REIT's market capitalisation; and
- (iii) the number of Units issued by EC World REIT as consideration for the acquisition, compared with the number of Units previously in issue (not applicable).

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a "major transaction" under Rule 1014 of the

Listing Manual which would be subject to the approval of Unitholders, unless (i) such transaction is in the ordinary course of EC World REIT's business or (ii) in the case of an acquisition of profitable assets, the only limit breached is the profit test set out in Paragraph 2.17.2 (i) above.

2.17.3 The relative figures in relation to the Acquisitions using the applicable bases of comparison described in Paragraphs 2.17.2 (i) and 2.17.2 (ii) are set out in the table below.

Comparison of:	Acquisition	EC World REIT	Relative Figure
Net Property Income ⁽¹⁾	S\$14.3 million ⁽²⁾	S\$87.3 million ⁽³⁾	16.3%
Property Purchase Price against EC World REIT's market capitalisation	S\$222.1 million ⁽⁴⁾	EC World REIT's market capitalisation: S\$619.5 million ^{(5),(6)}	35.8%

Notes:

- (1) In the case of a REIT, the NPI is a close proxy to the net profits before tax attributable to its assets. NPI refers to property revenue less property operating expenses.
- (2) Relates to the Property's pro forma NPI contribution from 1 January 2018 (date of commencement of operations) to 31 December 2018.
- (3) Based on the FY2018 Audited Consolidated Financial Statements.
- (4) Does not include transaction costs.
- (5) Based on the closing price of S\$0.78 per Unit on the SGX-ST on 31 May 2019 (the "Closing Price").
- (6) Based on Units in issue as at the Latest Practicable Date.

2.18 PRO FORMA FINANCIAL INFORMATION

2.18.1 Pro Forma Financial Effects of the Acquisitions

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisitions presented below are **strictly for illustrative purposes only** and were prepared based on the FY2018 Audited Consolidated Financial Statements, assuming the Property Purchase Price of RMB 1,112.5 million (S\$222.1 million¹) and professional and other fees and expenses (including upfront finance costs) of approximately S\$7.7 million will be paid in cash and taking into account the revenue that EC World REIT would receive from the Master Leases.

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

2.18.2 Financial Year ended 31 December 2018

Pro Forma DPU and Distribution Yield

The pro forma financial effects of the Acquisitions on the DPU and distribution yield for FY2018, as if EC World REIT had purchased the Property on 1 January 2018, and held and operated the Property through to 31 December 2018, are as follows:

	FY2018	
	Before the Acquisitions ⁽¹⁾	After the Acquisitions
Distributable Income (S\$'000)	48,779	49,849
Units in issue and to be issued	792,014,317	794,102,870 ⁽²⁾
DPU (cents)	6.179	6.277 ⁽³⁾
Annualised Distribution yield	7.9% ⁽⁴⁾	8.0% ^{(4),(5)}

Notes:

- (1) Based on the FY2018 Audited Consolidated Financial Statements.
- (2) The number of Units is arrived at after taking into account the issuance of (i) the Acquisitions Fee Units and (ii) new Units in payment of the management fee as a result of the additional Distributable Income after the Acquisition.
- (3) The pro forma DPU after the Acquisitions would be 5.777 cents if calculated based on the Underlying Rental Income which does not take into account the service fee collected by the existing master lessee of the Warehouse. The amount of Underlying Rental Income together with the service fee will be higher than the rental amount payable under the Master Lease Agreements. The service fee component cannot be disclosed in this Circular due to its confidential nature.
- (4) Based on the DPU divided by the closing price on 31 May 2019 of S\$0.78 per Unit.
- (5) The pro forma annualised distribution yield after the Acquisitions would be 7.4% if calculated based on the Underlying Rental Income which does not take into account the service fee collected by the existing master lessee of the Warehouse. The amount of Underlying Rental Income together with the service fee will be higher than the rental amount payable under the Master Lease Agreements. The service fee component cannot be disclosed in this Circular due to its confidential nature.

Pro Forma NAV per Unit

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 December 2018, as if EC World REIT had purchased the Property on 31 December 2018 are as follows:

	As at 31 December 2018	
	Before the Acquisitions ⁽¹⁾	After the Acquisitions
NAV (S\$'000)	688,552	700,441
Units in issue and to be issued	792,014,317	794,102,870 ⁽²⁾
NAV per Unit (cents)	86.94	88.21

Notes:

- (1) Based on the FY2018 Audited Consolidated Financial Statements.

(2) The number of Units is arrived at after taking into account the issuance of new Units in payment of the Acquisitions Fee.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of EC World REIT as at 31 December 2018, as if EC World REIT had completed the Acquisitions on 31 December 2018.

	As at 31 December 2018	
	Actual⁽¹⁾	As adjusted for the Acquisitions
	(S\$'000)	(S\$'000)
Short-term debt:		
Unsecured	-	-
Secured	476,917	476,917
Total short-term debt	476,917	476,917
Long-term debt:		
Unsecured	-	-
Secured	-	175,877
Total long-term debt	-	175,877
Total Debt	476,917	652,794
Unitholders funds	688,552	700,441
Total Capitalisation	1,165,469	1,353,235

Note:

(1) Based on the FY2018 Audited Consolidated Financial Statements.

2.19 ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed Ernst & Young Corporate Finance Pte. Ltd. (the “**IFA**”) pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent Directors of the Manager (being Mr Chan Heng Wing, Mr David Wong See Hong, Mr Chia Yew Boon, and Mr Li Guosheng) (collectively, the “**Independent Directors**”), the audit and risk committee of the Manager (comprising Mr David

Wong See Hong, Mr Chia Yew Boon, and Mr Li Guosheng) (the “**Audit and Risk Committee**”) and the Trustee as to whether the Acquisitions and the Master Lease Agreements are (a) on normal commercial terms and (b) prejudicial to the interests of EC World REIT and its minority Unitholders.

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisitions and the Master Lease Agreements are based on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the resolution in connection with the proposed Acquisitions and the New Master Lease Agreements to be proposed at the EGM.

A copy of the IFA Letter, containing its advice in full, is set out in **APPENDIX C** of this Circular.

3. RECOMMENDATIONS

3.1 The Proposed Acquisitions and the Master Lease Agreements

The Independent Directors and the Audit and Risk Committee have considered the relevant factors, including:

- (i) the opinion of the IFA that the proposed Acquisitions and the Master Lease Agreements are on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders (the IFA’s opinion on the Acquisitions and the Master Lease Agreements is set out in the IFA Letter in **APPENDIX C** of this Circular); and
- (ii) the rationale for the Acquisitions and the Master Lease Agreements as set out in Paragraph 2.13 above,

and believe that the proposed Acquisitions and the Master Lease Agreements are based on normal commercial terms and would not be prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of the Ordinary Resolution in relation to the proposed Acquisitions and the Master Lease Agreements.

4. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on **Wednesday, 19 June 2019**, at **10.00 a.m.**, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of Extraordinary General Meeting, which is set out on pages D-1 and D-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution.

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.

5. ABSTENTIONS FROM VOTING

5.1 Relationship between the Sponsor, the Manager and EC World REIT

As at the Latest Practicable Date, the Manager is wholly-owned by FIPL, which is in turn a wholly-owned subsidiary of the Sponsor. FIPL is the sole shareholder of FGPL which has a direct interest in 322,957,200 Units (comprising 40.7% of the total number of issued Units). Accordingly, the Sponsor is deemed to be interested in the Units held by FGPL and the Manager. The Sponsor is therefore regarded as a “controlling Unitholder” of EC World REIT as well as a “controlling Shareholder” of the Manager respectively.

5.2 Abstention from Voting

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested.

Given that the proposed Acquisitions and the Master Lease Agreements constitute an Interested Person Transaction under Chapter 9 of the Listing Manual or Interested Party Transaction under Paragraph 5 of the Property Funds Appendix, the Sponsor and the Manager (i) will abstain, and will procure that their associates will abstain, from voting at the EGM on the Ordinary Resolution and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the Ordinary Resolution unless specific instructions as to voting are given.

6. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend

and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the unit registrar's registered office of Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623, not later than 16 June 2019 at 10.00 a.m., being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

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

7. 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 Acquisitions and the Master Lease Agreements, 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 the Circular in its proper form and context.

8. CONSENTS

Each of the IFA and the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and respectively the IFA Letter and the Valuation Summary Reports, and all references thereto, in the form and context in which they are included in this Circular.

9. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 9 Raffles Place #45-02, Republic Plaza Singapore 048619 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Share Purchase Agreements;
- (ii) the BVI Deed of Indemnity;
- (iii) the PRC Deed of Indemnity
- (iv) the Master Lease Agreements;
- (v) the Corporate Guarantees;
- (vi) the valuation report on the Property issued by Colliers;
- (vii) the valuation report on the Property issued by Knight Frank;
- (viii) the FY2018 Audited Consolidated Financial Statements; and
- (ix) the IFA Letter.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as EC World REIT continues to be in existence.

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 Extraordinary General Meeting 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. 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

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
Acquisitions	:	BVI Acquisition and the PRC Acquisition
Acquisitions Fee	:	The acquisition fee in relation to the Acquisition which is payable in Units to the Manager pursuant to Clause 15.2.1 of the Trust Deed
Acquisitions Fee Units	:	The Units which will be issued to the Manager as payment for the Acquisition Fee
Aggregate Leverage	:	The total borrowings and deferred payments (if any) for assets of EC World REIT
Audit and Risk Committee	:	The audit and risk committee of the Manager, comprising Mr David Wong See Hong, Mr Li Guosheng, and Mr Chia Yew Boon.
Business Day		Means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST (and, if the Units are listed on any other recognised stock exchange, that recognised stock exchange) is open for trading
BVI Acquisition	:	Acquisition by the Trustee of the entire issued share capital of the BVI Holdco from the BVI Vendor
BVI Deed of Indemnity	:	The deed of indemnity entered into between the Trustee and the Sponsor in relation to the BVI Acquisition
BVI Holdco		Flutric Investments Limited
BVI Purchase Consideration	:	The purchase consideration for the shares in BVI Holdco of RMB 206.2 million (S\$41.2 million ¹)
BVI Share Purchase Agreement	:	The share purchase agreement entered into between the Trustee and the BVI Vendor in relation to the BVI Acquisition on 10 May 2019
BVI Vendor	:	Strength Outline Holdings Limited
BVI Vendor ICBC Loan	:	The term loan facility of up to USD 35.0 million granted pursuant to the loan agreement entered into between the BVI Vendor and ICBC HK on 21 March 2018
CDP	:	The Central Depository (Pte) Limited

¹ Based on an illustrative exchange rate of S\$1.00 to RMB 5.0100 as at 31 May 2019.

Circular	:	This circular to Unitholders dated 4 June 2019
Closing Price	:	The closing price of S\$0.78 per Unit on the SGX-ST on the Latest Practicable Date
Colliers	:	Beijing Colliers International Real Estate Valuation Co., Ltd.
Companies Act	:	Companies Act, Chapter 50 of Singapore
Controlling Shareholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or (b) in fact exercises control over a company
Controlling Unitholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or (b) in fact exercises control over the property fund
Corporate Guarantees	:	The Warehouse Corporate Guarantee and the Office and Support Buildings Corporate Guarantee
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EC World REIT	:	EC World Real Estate Investment Trust
EGM	:	The extraordinary general meeting of Unitholders to be held at Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on Wednesday, 19 June 2019, at 10.00a.m., to approve the matters set out in the Notice of Extraordinary General Meeting on pages D-1 and D-2 of this Circular
Enlarged Portfolio	:	The Existing Portfolio and the Property collectively
Estimated BVI Borrowings	:	The estimated amount of borrowings of the BVI Holdco (excluding the value of the Property) of approximately RMB 563.3 million
Existing Portfolio	:	The portfolio of properties currently held by EC World REIT, comprising: Fu Heng Warehouse, Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment, Chongxian Port Logistics, Fu Zhuo Industrial, Hengde Logistics and the

	Wuhan Property.
FGPL	: Forchn Global Pte. Ltd.
FIPL	: Forchn International Pte. Ltd.
Fuyang Yuntan	: Hangzhou Fuyang Yuntan E-Commerce Co., Ltd.
Fuzhou E-Commerce	: The e-commerce property which comprises the Warehouse and the Office and Support Buildings, situated on the Land
FY2018	: The financial year ended 31 December 2018
FY2018 Audited Consolidated Financial Statements	: The audited consolidated financial statements of EC World REIT for FY2018
GFA	: Gross floor area
ICBC HK	: ICBC International Finance Limited, Hong Kong
ICBC Loans	: The BVI Vendor ICBC Loan and the PRC Holdco ICBC Loan
IFA	: Ernst & Young Corporate Finance Pte. Ltd.
IFA Letter	: The letter from the IFA to the Independent Directors and the Trustee containing its advice as set out in Appendix C of this Circular
Independent Directors	: The independent Directors of the Manager, being Mr Chan Heng Wing, Mr David Wong See Hong, Mr Li Guosheng and Mr Chia Yew Boon
Independent Valuers	: Colliers and Knight Frank
Individual Property Management Agreement	: The individual property management agreement to be entered into between the Trustee, the Manager and the Property Manager in relation to the Property
Initial Term	: The initial five-year term of the Master Lease Agreements
Interested Party	: As defined in the Property Funds Appendix, means: <ul style="list-style-type: none"> (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of the property fund; or (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder

of the property fund

Interested Party Transaction	: Means a transaction where a property fund acquires assets from or sells assets to Interested Parties, or invests in securities of or issued by Interested Parties as further described in Paragraph 5 of the Property Funds Appendix
Interested Person	: As stated in the Listing Manual, in the case of a real estate investment trust, has the meaning defined in the Code on Collective Investment Schemes issued by the MAS. Therefore, interested person means: a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of the property fund; or b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund
Interested Person Transaction	: Means a transaction between an entity at risk and an Interested Person
Knight Frank	: Knight Frank Petty Limited
Land	: The plot of land located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Latest Practicable Date	: 31 May 2019, being the latest practicable date prior to the printing of this Circular
Listing Manual	: The listing manual of the SGX-ST
Listing Rules	: The listing rules of the SGX-ST
LST	: Alibaba's Ling Shou Tong
Manager	: EC World Asset Management Pte. Ltd., in its capacity as manager of EC World REIT
Market Day	: Means any day on which the SGX-ST is open for trading in securities
MAS	: Monetary Authority of Singapore
Master Lessees	: Fuyang Yuntong and Zhejiang Yuntong
Master Lease Agreements	: The Warehouse Master Lease Agreement and Office and Support Buildings Master Lease Agreement

Master Leases	:	The leases pursuant to the Master Lease Agreements
Master Leases Rental Income	:	The rental income payable under the Master Leases during the term of the Master Leases
Master Property Management Agreement	:	The master property management agreement entered into between the Trustee, the Manager and the Property Manager dated 30 June 2016
NAV	:	Net asset value
New Approved Master Lease Agreements	:	The new master lease agreements for Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse which have been approved by Unitholders at the Extraordinary General Meeting held on 22 April 2019
NLA	:	Net lettable area
NPI	:	Net property income
NTA	:	Net tangible assets
Option Term	:	The optional extended term of the Master Lease Agreements of five years
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
Office and Support Buildings	:	The two fourteen-storey buildings located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Office and Support Buildings Corporate Guarantee	:	The corporate guarantee between the PRC HoldCo (as the guarantee) and the Sponsor (as the guarantor) in relation to the Office and Support Buildings Master Lease Agreement
Office and Support Buildings Master Lease Agreement	:	The master lease granted to Zhejiang Yuntong in relation to the Office and Support Buildings
Post-Completion Adjustments	:	The adjustment of the Estimated BVI Borrowings based on the actual amount of net liabilities (excluding the value of the Property) of the BVI Holdco at completion of the BVI Acquisition
PRC	:	The People's Republic of China

PRC Acquisition	: Acquisition by Wuhan Fute of the 65.98% equity interest in the PRC Holdco from the PRC Vendor
PRC Deed of Indemnity	: The deed of indemnity entered into between Wuhan Fute and the Sponsor in relation to the PRC Acquisition
PRC Holdco	: Zhejiang Fuzhou E-commerce Co., Ltd. (浙江富洲电子商务有限公司)
PRC Holdco ICBC Loan	: The term loan of up to USD 51.0 million granted pursuant to a loan agreement between the PRC Holdco and ICBC HK on 9 March 2019
PRC Purchase Consideration	: The purchase consideration of the PRC Acquisition of RMB 343.0 million
PRC Shareholder's Loan	: The shareholder loan of RMB 345.0 million provided by the PRC Vendor to the PRC Holdco
PRC Share Purchase Agreement	: The share purchase agreement entered into between Wuhan Fute and the PRC Vendor in relation to the PRC Acquisition on 10 May 2019
PRC Vendor	: Hangzhou Unilogix Holdings Group Co., Ltd (杭州网营物联控股集团有限公司)
Property	: Fuzhou E-Commerce and the Land
Property Funds Appendix	: Appendix 6 of the Code on Collective Investment Schemes issued by the MAS in relation to real estate investment trusts
Property Manager	: Yuntong Property Management Co., Ltd.
Property Purchase Price	: The agreed value of the Property being RMB 1,112.5 million
Property Valuations	: The valuation of the Property by Colliers and Knight Frank which were appointed by the Trustee and the Manager respectively
REIT	: Real Estate Investment Trust
RMB	: The lawful currency of PRC
S\$ or Singapore Dollars and Cents	: Singapore dollars and cents, the lawful currency of the Republic of Singapore
Securities Act	: U.S. Securities Act of 1933, as amended
SGX-ST	: Singapore Exchange Securities Trading Limited
Singapore Holdco	: Realtime Assets Global Pte. Ltd.

Sponsor	:	Forchn Holdings Group Co., Ltd., which is the sponsor of EC World REIT
sq m	:	Square metres
Stage 1 Restructuring	:	The divestment of the 100% equity interest in the PRC Holdco to the Singapore Holdco by Hangzhou Zhangxiaoquan Group Co., Ltd.
Stage 2 Restructuring	:	The refinancing of the ICBC Loans through a shareholder loan and equity capital injection provided by the PRC Vendor
Substantial Unitholder	:	A Unitholder with an interest in more than 5.0% of all Units in issue
Total Acquisitions Cost	:	The total cost of the Acquisitions to be incurred by EC World REIT
Trust Deed	:	The trust deed dated 5 August 2015 constituting EC World REIT entered into between the Trustee and the Manager (as amended, varied, or supplemented from time to time)
Trustee	:	DBS Trustee Limited, in its capacity as trustee of EC World REIT
Underlying Leases	:	The underlying leases contracted with the end-tenants of the Property
Underlying Rental Income	:	The annual rental income of the Property based on the Underlying Leases for the 12-month period from 1 January 2018 to 31 December 2018
USD	:	United States dollars, the lawful currency of the United States
U.S. or United States	:	United States of America
Unit	:	A unit representing an undivided interest in EC World REIT
Unitholders	:	Unitholders of EC World REIT
VAT	:	Value-added tax
WALE	:	Weighted average lease expiry
Warehouse	:	The three-storey building located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Warehouse Corporate Guarantee	:	The corporate guarantee between the PRC HoldCo (as the guarantee) and the Sponsor (as the guarantor) in relation to the Warehouse Master Lease Agreement

- Warehouse Master Lease Agreement** : The master lease granted to Fuyang Yuntong in relation to the Warehouse
- Wuhan Fute** : Wuhan Fute Logistics Co., Ltd.
- Zhejiang Yuntong** : Zhejiang Yuntong E-commerce Co., Ltd.

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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.

The exchange rates used in this Circular are for reference only. No representation is made that any Chinese Renminbi amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

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.

APPENDIX A

DETAILS OF THE PROPERTY, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. THE PROPERTY

The Property, which is located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC, comprises Fuzhou E-Commerce and the plot of land with area of 88,000 sq m and land use rights expiring on 3 May 2059 on which Fuzhou E-Commerce is situated.

Fuzhou E-Commerce comprises the Warehouse with a gross floor area (“GFA”) of 171,795 sq m and the Office and Support Buildings with a GFA of 42,489 sq m. Total GFA of Fuzhou E-Commerce is 214,284 sq m. Fuzhou E-Commerce commenced operations in July 2017. The Warehouse is an e-commerce distribution centre and comprises one three-storey building (excluding a basement level) with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business offices and general e-commerce logistics fulfilment activities. The Office and Support Buildings comprise two fourteen storey buildings (excluding basement levels) which support the business and operations of the Warehouse.

The Property is strategically located right next to EC World REIT’s existing asset, Fu Heng Warehouse.

The table below sets out a summary of selected information on the Property as at 31 December 2018 (unless otherwise indicated).

Address/Location	No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Description / Existing Use	Logistics Use
Parking Bays	105 car park lots
Land Title to the Property	Pursuant to the Real Estate Ownership Certificate No. Zhe (2017) Fu Yang Qu Bu Dong Chan Quan Di 0026237 Hao, the land-use rights of the Property located at No. 9 Mingxing Road, Dongzhou Neighbourhood, covers an area of 88,000 sq m and expires on 3 May 2059
Occupancy rate	100.0%
GFA (sq m)	214,284 sq m (comprising 171,795 sq m for the Warehouse and 42,489 sq m for the Office and Support Buildings)
NLA (sq m)	214,284
Valuation by Colliers as at 31 December 2018 (with Master Leases)	RMB 1,147.0 million

Valuation by Knight Frank as at 31 December 2018 (with Master Leases)	RMB 1,259.0 million
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1.1 DESCRIPTION OF THE WAREHOUSE

The Warehouse is a three-storey building with 135,021 sq m above ground and a basement area of 36,774 sq m, with a total GFA of 171,795 sq m. The Warehouse is an e-commerce distribution centre and comprises one three-storey building (excluding a basement level) with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business offices and general e-commerce logistics fulfilment activities.

The table below sets out a summary of selected information on the Warehouse as at 31 December 2018 (unless otherwise indicated).

Address/Location	No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Master Title Details	Pursuant to the Real Estate Ownership Certificate No. Zhe (2017) Fu Yang Qu Bu Dong Chan Quan Di 0026237 Hao, the land-use rights of the Property located at No. 9 Mingxing Road, Dongzhou Neighbourhood, covers an area of 88,000 sq m and expires on 3 May 2059
Description / Existing Use	Warehouse within a three-storey building
Lease Term	Five years, with an option to renew for a further term of five years.
Date of completion of building	Completed in June 2017
Commencement base rent	RMB 69,039,180
GFA	171,795 sq m

1.2 DESCRIPTION OF THE OFFICE AND SUPPORT BUILDINGS

The Office and Support Buildings comprises two fourteen-storey buildings with 38,651 sq m above ground and a basement area of 3,838 sq m, with a total GFA of 42,489 sq m, which support the business and operations of the Warehouse.

The table below sets out a summary of selected information on the Office and Support Buildings as at 31 December 2018 (unless otherwise indicated).

Address/Location	No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC
Master Title Details	Pursuant to the Real Estate Ownership Certificate No. Zhe (2017) Fu Yang Qu Bu Dong Chan Quan Di 0026237 Hao, the land-use rights of the Property located at No. 9 Mingxing Road,

	Dongzhou Neighbourhood, covering an area of 88,000 sq m and expiring on 3 May 2059
Description / Existing Use	Primarily office space with auxiliary use for dormitory purposes
Lease Term	Five years, with an option to renew for a further term of five years.
Date of completion of building	Completed in June 2017
Commencement base rent	RMB 16,852,805
GFA	42,489 sq m

2. THE EXISTING PORTFOLIO

The existing portfolio of EC World REIT as at the Latest Practicable Date comprises the following properties: Fu Heng Warehouse, Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment, Chongxian Port Logistics, Fu Zhuo Industrial, Hengde Logistics and the Wuhan Property (the “**Existing Portfolio**”).

2.1 Summary

The table below sets out the lease expiry profile by net lettable area (“**NLA**”) in the Existing Portfolio (as at 31 March 2019).

Lease Expiry Profile⁽¹⁾ by NLA (With New Approved Master Lease Agreements)

	2019	2020	2021	2021	2023 and beyond
Existing Portfolio	7.3%	32.3%	14.3%	1.9%	44.2%

Note:

(1) The lease expiry profile is based on the percentage of actual running leases expiring per year out of the total leasable area which amounts to 745,971 sq m as at 31 March 2019.

Lease Expiry Profile⁽²⁾ by NLA (Without New Approved Master Lease Agreements)

	2019	2020	2021	2021	2023 and beyond
Existing Portfolio	7.3%	76.2%	14.3%	1.9%	0.3%

Note:

(2) The lease expiry profile is based on the percentage of actual running leases expiring per year out of the total leasable area which amounts to 745,971 sq m as at 31 March 2019.

2.2 Description of the Properties in the Existing Portfolio

(i) Chongxian Port Investment

Chongxian Port Investment is strategically located in the west of Chongxian New City, north of Hangzhou, on the east bank of the Beijing-Hangzhou Grand Canal, and next to the National Highway No. 320 and Jiaxing-Huzhou Expressway. It is one of the key inland port operations in the PRC, being part of an inland port in Hangzhou known as Chongxian Port. Chongxian Port is the largest inland port in Hangzhou in terms of the total number of berths and the scale of annual throughput, and Chongxian Port Investment has been ranked as the top inland ports in Hangzhou for the transportation of steel products. It is a large and comprehensive logistics complex that integrates, inter alia, port operation, storage processing and logistics distribution for steel products. Chongxian Port Investment has a total NLA of approximately 112,726 sq m and a remaining lease tenure of approximately 37 years.

(ii) Chongxian Port Logistics

Chongxian Port Logistics is strategically located in the west of Chongxian New City, north of Hangzhou, on the east bank of the Beijing-Hangzhou Grand Canal, and next to the National Highway No. 320 and Jiaxing-Huzhou Expressway. It is an integrated complex with warehouses and office buildings which support the operations of Chongxian Port Investment, and is one of the largest metal warehouse and logistics developments in the Yangtze River Delta. Chongxian Port Logistics has a total NLA of approximately 125,826 sq m. The first and second complexes comprising Chongxian Port Logistics have remaining lease tenures of 37 and 42 years respectively.

(iii) Fu Zhuo Industrial

Fu Zhuo Industrial is strategically located in the west of Chongxian New City, north of Hangzhou, on the east bank of the Beijing-Hangzhou Grand canal, and next to the National Highway No. 320 and Jiaxing-Huzhou Expressway. It has a total NLA of approximately 7,128 sq m and a remaining lease tenure of approximately 37 years.

(iv) Stage 1 Properties of Bei Gang Logistics

Bei Gang Logistics is located in the west of Chongxian New City, north of Hangzhou and comprises the Stage 1 Properties and the Stage 2 Properties. It is one of the largest e-commerce developments in the Yangtze River Delta. The Stage 1 Properties comprise eight buildings (Buildings No. 1 to No. 8). Building No. 1 is a 15-storey building, Building No. 2 is a four-storey building, and Buildings No. 3 to No. 8 are five-storey buildings. The Stage 1 Properties have a total NLA of approximately 120,449 sq m and a remaining lease tenure of approximately 33 years.

(v) Fu Heng Warehouse

Fu Heng Warehouse is located at Min Lian village in Dongzhou Industrial Park, Fuyang District, Hangzhou City. The Property comprises two four-storey buildings housing e-commerce merchant offices, O2O businesses, retail outlets, and warehouse space. Fu Heng Warehouse serves as a full capability e-commerce centre with its integrated and highly developed system of storage and warehousing, inventory control, pick-and-pack services and express delivery capabilities. It has a total NLA of approximately 94,287 sq m and a remaining lease tenure of approximately 40 years.

(vi) Hengde Logistics

Hengde Logistics is located at Min Lian village in Dongzhou Industrial Park, Fuyang District, Hangzhou. The Property comprises two high-specification warehouses with the capability to store temperature and humidity sensitive goods and products, such as tobacco, wines, cosmetics and perishables. The first complex of the Property comprises six five-storey blocks and a six storey block, while the second complex of the Property comprises two five-storey blocks and one three-storey block. Hengde Logistics has its own power generator onsite with an isolated power grid to reduce any risks of electrical blackouts affecting the buildings. The two complexes are also equipped with cargo lifts which are spacious and capable of accommodating forklifts. In addition, there are containment areas and docking bays which facilitate efficient and effective loading and unloading of goods for transportation. Hengde Logistics has a total NLA of approximately 237,066 sq m. The remaining lease tenures of the first complex and the second complex are 35 and 41 years respectively.

(vii) Wuhan Property

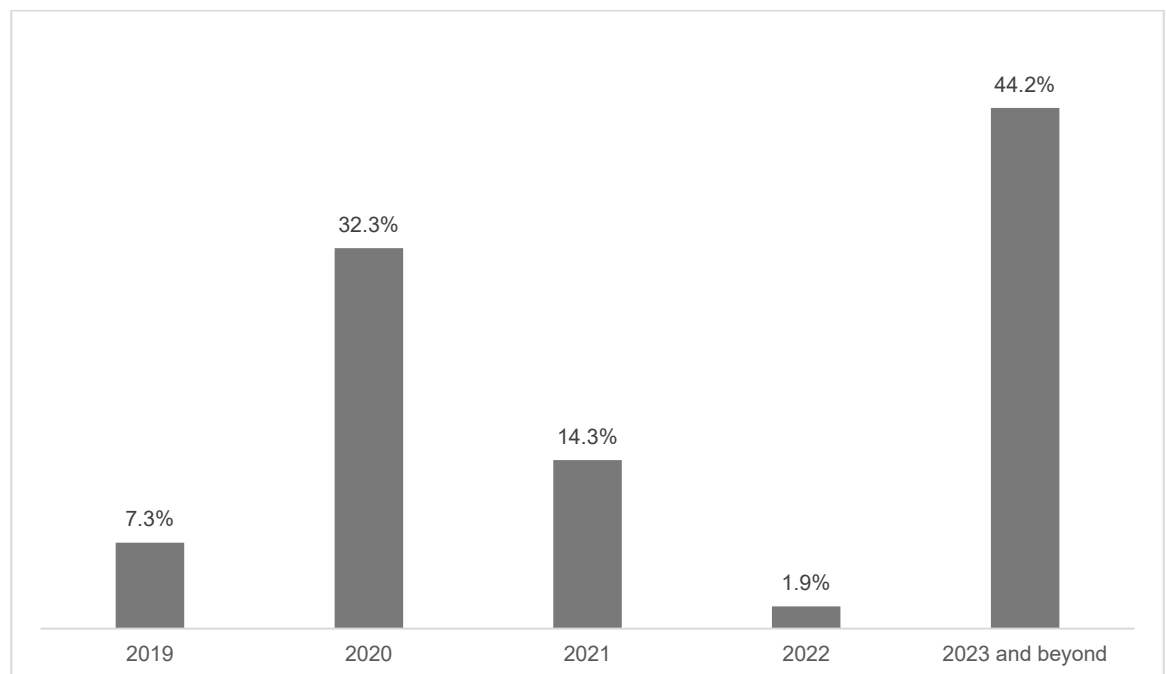
Wuhan Property is located at Yinyan Village, Nanwan Village, Daji Street, Caidian District, Wuhan, Hubei. It consists of three two-storey buildings, one five-storey building and one six-storey building. The Wuhan Property commenced operations in May 2017 and has a total built-up GFA of 49,861 sq m and NLA of 48,695 sq m. It is used for warehousing purposes with ancillary purpose of dormitory use. The Wuhan Property is leased to reputable logistics and e-commerce tenants in the PRC including Dangdang Information Technology and Jingdong Jinde.

The table below sets out information about the properties in the Existing Portfolio as at 31 March 2019:

Property	NLA (sq m)	Valuation (RMB million)*	Committed Occupancy	End-tenant Occupancy
Chongxian Port Investment	112,726	2,235	100.0%	100.0%
Chongxian Port Logistics	125,826	862	100.0%	100.0%
Fu Zhuo Industrial	7,128	114	100.0%	100.0%
Stage 1 Properties of Bei Gang Logistics	120,449	1,297	100.0%	85.6%
Fu Heng Warehouse	94,287	580	100.0%	100.0%
Hengde Logistics	237,066	1,470	100.0%	100.0%
Wuhan Property	48,695	171.0	99.6%	99.6%
*as at 31 December 2018				

2.3 Lease Expiry for the Existing Portfolio

The graph below illustrates the lease expiry profile¹ of the Existing Portfolio by NLA as at 31 March 2019, taking into account the New Approved Master Lease Agreements.



¹ The lease expiry profile is based on the percentage of actual running leases expiring per year out of the total leasable area which amounts to 745,971 sq m as at 31 March 2019.

2.4 Major Usage Mix for the Existing Portfolio

The graphs below provide a breakdown of the major usage mix represented in the Existing Portfolio by rental income and NLA as at 31 March 2019.



2.5 Top Ten Tenants of the Existing Portfolio

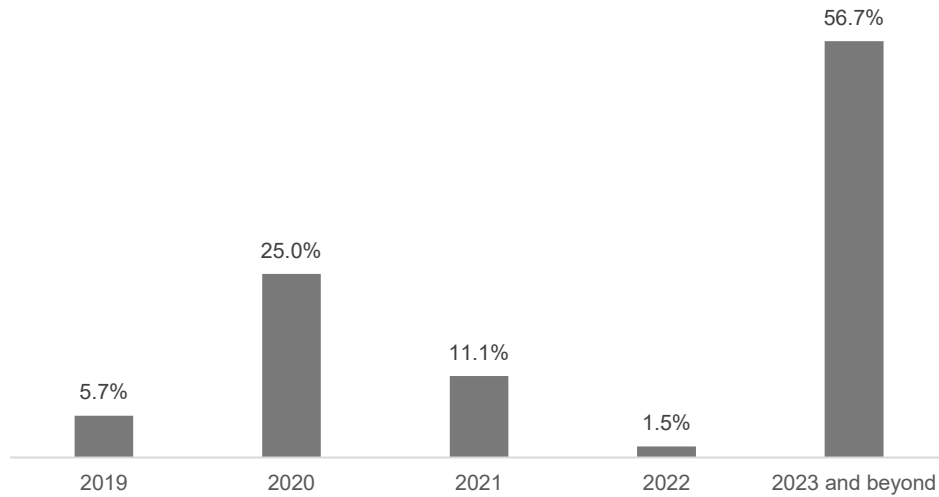
The table below sets out selected information about the top ten tenants of the Existing Portfolio by gross rental income as at 31 March 2019.

No.	Tenant	Contribution to Gross Rental Income (%)
1	Hangzhou Fu Gang Supply Chain Co., Ltd.	40.4%
2	Forchn Holdings Group Co., Ltd.	26.3%
3	China Tobacco Zhejiang Industrial Co., Ltd.	14.4%
4	Hangzhou Fuyang Yuntong E-commerce Co., Ltd.	9.6%
5	Dangdang	1.3%
6	Hangzhou Xi Lian Logistics Co., Ltd.	1.2%
7	Wangying Gongyingsuo Co., Ltd.	1.2%
8	Zhejiang Yuntong E-commerce Co., Ltd.	1.2%
9	Jindong Jinde	0.8%
10	Zhejiang Gao Yang Supplies Co., Ltd.	0.7%
Top 10 Tenants		97.1%
Other Tenants		2.9%
Total		100.0%

3. ENLARGED PORTFOLIO

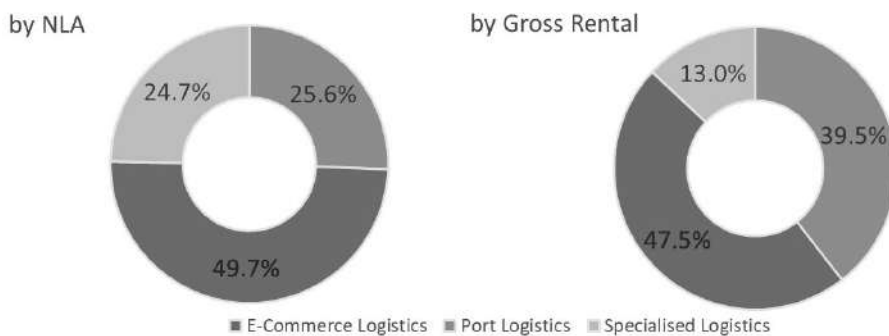
3.1 Lease Expiry Profile for the Enlarged Portfolio

The graph below illustrates the lease expiry profile of the Enlarged Portfolio as a percentage of NLA as at 31 March 2019, taking into account the New Approved Master Lease Agreements.



3.2 Major Usage Mix for the Enlarged Portfolio

The graphs below provide a breakdown of the major usage mix represented in the existing portfolio by rental income and NLA as at 31 March 2019.



3.3 Top Ten Tenants of the Enlarged Portfolio

The table below sets out selected information about the top ten tenants of the Enlarged Portfolio by rental income as at 31 March 2019.

No.	Tenant	Contribution to Gross Rental Income (%)
1	Hangzhou Fu Gang Supply Chain Co., Ltd.	34.4%
2	Forchn Holdings Group Co., Ltd.	22.5%
3	Hangzhou Fuyang Yuntong E-commerce Co., Ltd.	20.0%
4	China Tobacco Zhejiang Industrial Co., Ltd.	12.2%
5	Zhejiang Yuntong E-commerce Co., Ltd.	3.9%
6	Dangdang	1.1%
7	Hangzhou Xi Lian Logistics Co., Ltd.	1.0%
8	Wangying Gongyingsuo Co., Ltd.	1.0%
9	Jindong Jinde	0.7%
10	Zhejiang Gao Yang Supplies Co., Ltd.	0.6%
Top 10 Tenants		97.4%
Other Tenants		2.6%
Total		100.0%



VALUATION CERTIFICATE

- Our Reference** : 18-12391
- Name of Property** : Fuzhou E-Commerce (富洲电商)
- Valuation Prepared for** : DBS Trustee Limited (as Trustee of 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 "Client")
- Address of Property** : Buildings #3 - #5, No. 9 Mingxing Road, Dongzhou Sub-district,
Fuyang District, Hangzhou, Zhejiang Province, PRC (the "Property")
- Purpose of Valuation** : Due Diligence for Potential Acquisition
- Valuation Date** : 31 December 2018
- Instruction** : In accordance with our terms of engagement dated 12 December 2018, we provide our
valuation of the Property, for Due Diligence for Potential Acquisition purposes.
- The valuer has carried out an internal inspection within the Property on 28 December 2018 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 you, 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.
- 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 International. She is suitably qualified to carry out the valuation and has over 15 years' experience in the valuation of properties of this magnitude and nature in China.
- Valuation Standards** : This valuation has been carried out in accordance with 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, Fuzhou E-Commerce (富洲电商), comprises one 3-storey warehouse building with a single-storey basement level for warehouse use, and two 14-storey office and amenity buildings including a 3-storey office podium and a single-storey basement level for car park use. As advised, the Property was completed in 2017.
- Legal Description** : Pursuant to the Real Estate Ownership Certificate No. Zhe (2017) Fu Yang Qu Bu Dong Chan Quan Di 0026237 Hao, the land-use rights of the Property with a total site area of 88,000.00 sq m and corresponding ownership of the buildings with a total gross floor area (GFA) of 173,672.16 sq m are vested in 浙江富洲电子商务有限公司 for industrial purposes for a term expiring on 3 May 2059.



- Interest Valued** : 100% Leasehold Interest of the Property (As advised)
- Registered Owner** : 浙江富洲电子商务有限公司 (the "Owner")
- Tenure** : For a term expiring on 3 May 2059
- Land Area (sq m)** : 88,000.00
- Gross Floor Area (sq m)** : Building #3 (warehouse): 135,021.06 (certified)
Building #4 - #5 (office): 38,651.10 (certified)
- Lettable Area (sq m)** : Building #3 (warehouse): 171,794.65
Building #4 - #5 (office): 42,489.59
- Year of Completion** : 2017
- Permitted Uses** : Industrial
- Condition and Tenancy** : At the time of inspection, the Property was in normal operation. The occupancy for the subject development, as at the date of valuation, was 100%. The lease information is provided by the Client.
- Master Lease** : Based on the information provided by the Client, 杭州富阳运同电子商务有限公司 and 浙江运通电子商务有限公司 will each enter into a Master Lease with 浙江富洲电子商务有限公司. As advised, the Master Lease will only commence upon the completion of the acquisition of the Property.

The Master Lease to 杭州富阳运同电子商务有限公司 is for a lease term of 5 years and subject to an option to renew, exercisable by the master lessee for a further term of 5 years. The contracted area is the entire building #3 with an above ground GFA of 135,021.06 sq m and an underground GFA of 36,773.59 sq m. The contracted annual rent is RMB69,039,179.63 (incl. value-added tax) at the first year and has an annual growth rate of 2.25%. The lease comprises two five-year phases and the lessor has the right to terminate the lease in the second five-year phase without any compensation payable to the lessee.

The master lease to 浙江运通电子商务有限公司 is for a lease term of 5 years and subject to an option to renew, exercisable by the master lessee for a further term of 5 years. The contracted area is the entire building #4 and #5 with an above ground GFA of 38,651.10 sq m and an underground GFA of 3,838.49 sq m. The total contracted annual rent is RMB16,960,820.37 (incl. value-added tax and service fee) at the first year and has an annual growth rate of 2.25%. The lease comprises two five-year phases and the lessor has the right to terminate the lease in the second five-year phase without any compensation payable to the lessee.

The master lessees will be responsible for rental fee, property management 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 leases and the market rents would be taken into consideration after the expiration of the master leases. For the purpose of valuation, we have assumed the proposed master leases started from the Valuation Date.

The rental growth projections (inclusive of tax) of first six years are below:

<i>Rent Projections of First Six Years</i>		<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>
<i>Master Lease</i>		86,000,000	87,900,000	89,900,000	91,900,000	94,000,000	
<i>Market Rent</i>							
<i>Without Master Lease</i>		79,800,000	84,000,000	88,000,000	92,400,000	97,000,000	101,300,000



Upon the expiry of the Master Leases, the rental income under the Master Leases is likely to be sustainable by the underlying market rent of the Property.

Method of Valuation : Income Approach – Discounted Cash Flow Method
Market Approach (for reference)

Terminal Capitalisation Rate : Warehouse: 6.5%
Office: 6.0%

Discount Rate : Warehouse: 9.0%
Office: 8.5%

Valuation : In view of the foregoing, and having taken into consideration the prevailing market conditions as at 31 December 2018, we are of the opinion that the market value of the Property, free from any encumbrances, is:

MARKET VALUE **RMB1,147,000,000**
(RENMINBI ONE BILLION ONE HUNDRED FORTY SEVEN MILLION ONLY)

Unit Value on Aboveground Area **RMB6,600 psm**

Prepared By : **Beijing Colliers International Real Estate Valuation Co., Ltd.**
(“Colliers International”)

Zhirong He (Flora He)
FRICS MCOMFIN
Executive Director
Valuation and Advisory Services I China

Our Ref: CV/CLVP/CY/sn/19379/3(iii)

Private & Confidential

EC World Asset Management Pte. Ltd.
(in its capacity as Manager of EC World REIT)
9 Raffles Place, No. 45-02 Republic Plaza
Singapore 048619

24 April 2019

Dear Sirs

Nos. 3-5 No.9 Mingxing Road, Fuyang District, Hangzhou, Zhejiang Province, The People's Republic of China

Instructions

In accordance with the instructions from DBS Trustee Limited, in its capacity as trustee of EC World Asset Management Pte. Ltd (the "Manager") for us to value the aforementioned property interest (hereinafter referred to as the "Property"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 31 December 2018, which is a date different from the date of this report as stated above for the purpose of the proposed acquisition of the Property and the inclusion of this summary letter and valuation certificate in a circular which is to be issued by EC World Asset Management Pte. Ltd (the "Manager") to the unitholder of EC World REIT in connection with the proposed acquisition of the Property. A comprehensive valuation report in relation to the Property has been prepared and is to be addressed to the Manager.

Basis of Valuation

In arriving at our opinion of market value, we have followed "The RICS Valuation – Global Standards 2017" issued by The Royal Institution of Chartered Surveyors (the "RICS").

Our valuation is our opinion of the market value of the Property. We would define market value 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."

Market value is also the best price reasonably obtainable on the valuation date by the seller and the most advantageous price reasonably obtainable on the valuation date by the buyer. This estimate specially excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser. Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction), and without offset for any associated taxes or potential taxes.

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Knight Frank (Services) Limited EAA Lic No C-012848

C P Property Management Limited
Knight Frank Asset Appraisal Limited
Knight Frank Project Design & Delivery Limited



Title Documents and Encumbrances

We have been provided with copies of extracts of title documents relating to the Property. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. In the course of our valuation, we have assumed that the Property is freely disposable and transferable in the market for its designated use for the whole of the unexpired term as granted. In addition, we have assumed that the Property can be freely disposed of, whether as a whole or on strata-title basis, to local or overseas purchasers.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, 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.

Source of Information

Where applicable, information such as the title particulars, ownership and land use rights term has been provided by the Manager and their professional advisers. Subject to having made reasonable enquiries, exercising our judgment on the reasonable use of such information and finding no reason to doubt the accuracy or reliability of the information, we have relied on the information provided by the Manager and their professional advisers on matters such as identification of the Property, floor areas, tenancy details, occupancy status, availability of leasable areas, building plans, completion date and all other relevant matters. Moreover, in the course of our valuation, we have assumed that all the leases are legally valid and enforceable and the Property has proper legal title, which can be freely transferred and leased in the market without being subject to any land premium or any extra charges. We have no reason to doubt the truth and accuracy of the information provided to us by the Manager and their professional advisers which is material to the valuation. All information provided to us is treated as correct and we accept no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

Inspection and Structural Condition

We have inspected the Property valued and the inspection was carried out by our Moira Zhou in December 2018. 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 that the Property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

Identity of Property to be valued

We exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the Property address in your instructions, is the Property inspected by us and contained within our valuation report. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Property was constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices 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, consents, approvals and authorisation have been obtained, except only where otherwise stated. We have assumed that the design and construction of the Property are in compliance with local planning regulations and have been approved by the relevant government authorities.

General description

The Property comprises a 3-storey building with a single-storey basement level for warehouse use (Building No.3), and two 14-storey office/ dormitory towers including a 3-storey office podium with a single-storey basement level for car park use (Building Nos. 4-5).

According to the information provided, the Property is held under a leasehold interest with a land use rights term expiring in May 2059 for industrial use, that is approximately 40.4 years remaining from the date of valuation.

Occupancy Status and Tenancy Profile

According to our recent site inspection, Building No. 3 and portion of Building No. 5 of the Property were leased to various tenants as warehouses and offices respectively. We were not able to access the internal of Building No. 4. As advised, portion of Building No. 4 was used as staff dormitory and the basement of Building Nos. 4 & 5 were occupied as car parking spaces.

As informed by the Manager, the Property will be leased under two proposed Master Lease Agreements ("MLAs") upon the completion of the proposed acquisition.

Building No. 3 of the Property will be let to Hangzhou Fuyang Yuntan E-Commerce Co., Ltd. under a proposed MLA of Building No. 3 for a term of 60 months, commencing from the date of completion of the acquisition for a term of 60 calendar months with no rent-free period. The rentals of the agreement are listed as follows:

for the 1st month to the 12th month: RMB69,039,179.63 per year;
for the 13th month to the 24th month: RMB70,592,561.17 per year;
for the 25th month to the 36th month: RMB72,180,893.80 per year;
for the 37th month to the 48th month: RMB73,804,963.91 per year;
for the 49th month to the 60th month: RMB75,465,575.59 per year.

Building Nos. 4 & 5 of the Property will be let to Zhejiang Yuntan E-Commerce Co., Ltd. in a proposed MLA of Building Nos. 4 & 5 for a term of 60 months, commencing from the date of completion of the acquisition for a term of 60 calendar months with no rent-free period.

The rentals of the agreement are listed as follows:

For the 1st month to the 12th month: RMB15,962,130.58 for Above-ground GFA and RMB890,674.05 for Underground GFA*;
For the 13th month to the 24th month: RMB16,321,278.52 for Above-ground GFA and RMB910,714.21 for Underground GFA;
For the 25th month to the 36th month: RMB16,688,507.29 for Above-ground GFA and RMB931,205.28 for Underground GFA;
For the 37th month to the 48th month: RMB17,063,998.70 for Above-ground GFA and RMB952,157.40 for Underground GFA; and
For the 49th month to the 60th month: RMB17,447,938.67 for Above-ground GFA and RMB973,580.94 for Underground GFA.

**(As defined in the MLA of Building Nos. 4 & 5, Aboveground GFA refers to the 38,651.10 sq m of aboveground gross floor area of Building Nos. 4 & 5 and Underground GFA refers to the 3,838.49 sq m of underground gross floor area of Building Nos. 4 & 5.)*

The management fee of the agreement are listed as follows:

for the 1st month to the 12th month: RMB108,015.74;
for the 13th month to the 24th month: RMB110,446.10;
for the 25th month to the 36th month: RMB112,931.13;
for the 37th month to the 48th month: RMB115,472.09; and
for the 49th month to the 60th month: RMB118,070.21.

According to the information provided by the Manager, the details of major tenant, in terms of committed lettable area are listed as below:-

Name of tenant	Building	Leased Area (sq m)	Rent contribution (%)	Lease Expiry
Zhejiang Yuntong E-Commerce Co., Ltd.	Office	42,489.59	19.83%	30 March 2023
Hangzhou Fuyang Yuntong E-Commerce Co., Ltd.	Warehouse	171,794.65	80.17%	30 March 2023

According to the information provided by the Manager, the Weighted Average Lease Expiry ('WALE') by gross rental income and committed lettable area are listed below:

Expiry period	% of total by gross rental income	% of total by committed lettable area
FY2018	0	0
FY2019	0	0
FY2020	0	0
FY2021	0	0
FY2022	0	0
FY2023 or beyond	100.0	100.0
Total	100.0	100.0

The WALE by gross rental income as at 31 December 2018 is 4.3 years, while the WALE by committed lettable area as at 31 December 2018 is 4.3 years.

Market Rent

According to our recent site inspection, we have adopted the market rent of each particular building and are listed below:

Buildings	GFA (sq m)	Market Rent (per sq m per day)
Office Above Ground	38,651.10	1.15
Office Basement	3,838.49	0.65
Warehouse	171,794.65	1.12
Total	214,284.24	

Valuation Methodology

In arriving at our opinion of value, we have considered the prevailing market conditions, especially those pertaining to the retail sectors of the property market. We have adopted Market Approach and Income Approach - Term and Reversion Method to arrive at our opinion of value.

Market Approach is the most common and reliable valuation approach for valuing property by referencing to comparable market transactions of similar properties. The rationale of this method is to directly relate the market comparable transactions with the subject property to determine the market value. Adjustments will be applied to the said comparable transactions to adjust for difference between the subject property and the comparable transactions. In undertaking our valuation of the Property, we have made our assessment on the basis of a collation and analysis of appropriate comparable asking and transactions of similar properties, together with evidence of demand in the vicinity of the Property. With the benefit of such askings/ transactions we have then applied appropriate adjustments to reflect the differences between the comparable asking/ transactions and that of the Property, including but not limited to size, location, aspect and other material factors.

Income Approach – Term and Reversion Method is a methodology by reference to the capacity of a property to generate benefits (i.e. usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value. It is based on the premise that an investor uses the income capability of an investment as a measure of value. All the things being equal, the basic premise is that the higher the income, the higher the value. The income from a property is usually annual operating income or pre-tax cash flow. The conversion of income into an expression of market value is known as the capitalization process, which is to convert estimated annual income expectancy into an indication of value either by dividing the income estimate by an appropriate yield rate or by multiplying the income estimate by an appropriate factor.

Remarks

Except where required by law or by any proper authority, this report is confidential to the Manager for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the Manager in respect of the purpose, but the Manager shall not disclose the report to any other person, except with our prior written consent.

Other than as identified under "Purpose of Valuation", neither the whole or any part of the valuation report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

In accordance with our standard practice, we must state that this valuation report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents, save in accordance our terms of engagement with you and this summary letter.

Unless otherwise stated, all sums stated in our valuation are in Renminbi.

Our summary of values and valuation certificates are attached.

VALUATION CERTIFICATE

- Address of Property** : Buildings Nos. 3-5, No. 9 Mingxing Road, Dongzhou Jiedao, Fuyang District, Hangzhou, Zhejiang Province, The People's Republic of China (the "PRC").
- Name of Manager** : EC World Asset Management Pte. Ltd. (in its capacity as Manager of EC World REIT)
- Purpose of Valuation** : The proposed acquisition of the Property and the inclusion of the valuation certificate/ report in a circular which is to be issued by EC World Asset Management Pte. Ltd. (as manager of EC World Real Estate Investment Trust) (the "Manager") to unitholders of EC World REIT in connection with the proposed acquisition of the Property
- Interest to Be Valued** : The valuation is on the basis of a 100% interest in the Property.
- Basis of Valuation** : Market value has been adopted as basis of valuation. In addition, the valuation was implemented subject to existing tenancy particulars as of 31 December 2018 provided by the Manager.
- Ownership** : 浙江富洲电子商务有限公司
- Land Use Rights Term** : Pursuant to the Certificate of Real Estate Ownership No. Zhe (2017) Fu Yang Qu Bu Dong Chan Quan Di 0026237 Hao dated 14 September 2017, the land use rights of the Property with a site area of approximately 88,000.00 sq m and the building ownership of the Property with a gross floor area of 173,672.16 sq m are vested in 浙江富洲电子商务有限公司 for a land use term expiring on 3 May 2059 for industrial use.
- Pursuant to the Confirmation Paper of Construction Works and Planning No. Zhe Gui He Zi Di 330183201790008 Hao dated 2 June 2017 issued by Fu Yang Economic Technology Development Zone Planning and Construction Bureau, the total floor area of the Property is 214,284.24 sq m inclusive of a total basement area of 40,612.08 sq m.
- Pursuant to Business License with Unified Social Credit No. 913301830773347892 dated 1 June 2016, 浙江富洲电子商务有限公司 was incorporated with a registered capital of RMB172,249,798 for a valid period from 13 September 2013 to 12 September 2033.
- Zoning** : Pursuant to the Certificate of Real Estate Ownership, the land use rights is for industrial uses.
- Brief Description** : The Property, completed in 2017, comprises a 3-storey building with a single-storey basement level for warehouse use (Building No.3), and two 14-storey office/ dormitory towers including a 3-storey office podium with a single-storey basement level that provides 105 car parking spaces (Building Nos. 4 & 5). The Property is surrounded by manufacturing buildings and other low-rise industrial constructions. Building No. 3 is served by 24 cargo lifts while Building Nos. 4 & 5 are served by 11 lifts.

Tenancy Particulars : As informed by the Manager, the Property will be leased under two proposed MLAs upon the completion of the proposed acquisition. Details of the MLAs are listed below:

Building No. 3 of the Property will be let to Hangzhou Fuyang Yuntan E-Commerce Co., Ltd. under a proposed MLA of Building No. 3 for a term of 60 months, commencing from the date of completion of the acquisition for a term of 60 calendar months with no rent-free period. The rentals of the agreement are listed as follows:

for the 1st month to the 12th month: RMB69,039,179.63 per year;

for the 13th month to the 24th month: RMB70,592,561.17 per year;

for the 25th month to the 36th month: RMB72,180,893.80 per year;

for the 37th month to the 48th month: RMB73,804,963.91 per year;

for the 49th month to the 60th month: RMB75,465,575.59 per year.

Building Nos. 4 & 5 of the Property will be let to Zhejiang Yuntan E-Commerce Co., Ltd. in a proposed MLA of Building Nos. 4 & 5 for a term of 60 months, commencing from the date of completion of the acquisition for a term of 60 calendar months with no rent-free period.

The rentals of the agreement are listed as follows:

For the 1st month to the 12th month: RMB15,962,130.58 for Above-ground GFA and RMB890,674.05 for Underground GFA*;

For the 13th month to the 24th month: RMB16,321,278.52 for Above-ground GFA and RMB910,714.21 for Underground GFA;

For the 25th month to the 36th month: RMB16,688,507.29 for Above-ground GFA and RMB931,205.28 for Underground GFA;

For the 37th month to the 48th month: RMB17,063,998.70 for Above-ground GFA and RMB952,157.40 for Underground GFA; and

For the 49th month to the 60th month: RMB17,447,938.67 for Above-ground GFA and RMB973,580.94 for Underground GFA.

**(As defined in the MLA of Building Nos. 4 & 5, Aboveground GFA refers to the 38,651.10 sq m of aboveground gross floor area of Building Nos. 4 & 5 and Underground GFA refers to the 3,838.49 sq m of underground gross floor area of Building Nos. 4 & 5.)*

The management fee of the agreement are listed as follows:

for the 1st month to the 12th month: RMB108,015.74;

for the 13th month to the 24th month: RMB110,446.10;

for the 25th month to the 36th month: RMB112,931.13;

for the 37th month to the 48th month: RMB115,472.09; and

for the 49th month to the 60th month: RMB118,070.21.

Details of Major Tenants : According to the information provided by the Manager, the details of major tenant, in terms of committed lettable area are listed as below: -

Name of tenant	Building	Leased Area (sq m)	Rent contribution (%)	Lease Expiry
Zhejiang Yuntou E-Commerce Co., Ltd.	Office	42,489.59	19.83%	30 March 2023
Hangzhou Fuyang Yuntou E-Commerce Co., Ltd.	Warehouse	171,794.65	80.17%	30 March 2023

Occupancy Status : According to our recent site inspection, the Property is currently occupied as an industrial complex. According to the information provided by the Manager, the Property has a 100% of occupancy rate.

WALE by Income and Area : According to the information provided by the Manager, the Weighted Average Lease Expiry ("WALE") by gross rental income and committed lettable area are listed below:

Expiry period	% of total by gross rental income	% of total by committed lettable area
FY2018	0	0
FY2019	0	0
FY2020	0	0
FY2021	0	0
FY2022	0	0
FY2023 or beyond	100.0	100.0
Total	100.0	100.0

The WALE by gross rental income as at 30 November 2018 is 4.3 years, while the WALE by committed lettable area as at 30 November 2018 is 4.3 years.

Site Area : Approximately 88,000.00 sq m

Gross Floor Area : Approximately 214,284.24 sq m (with total basement area: 40,612.08 sq m)

Year of Completion : 2017

Date of Valuation : 31 December 2018

Report Date : 24 April 2019

Valuation Approaches : Market Approach and Income Approach (Term and Reversion Method)

Market Approach : In the Market Approach, we have had regard to the nearby industrial rental and sales comparable in arriving the market rent of the Property.

Income Approach - : In Income Approach - Term and Reversion Method, the term capitalization rate and Term and Reversion

Method	reversionary capitalization rate we adopted are 6.75% and 7.00% respectively. The capitalization rate for the valuation of the Property adopted is 7.0%.
Market Value with subject to the proposed Master Lease	: RMB1,259,000,000 (RENMINBI ONE BILLION TWO HUNDRED AND FIFTY NINE MILLION ONLY)
Market Value without subject to the proposed Master Lease	: RMB1,246,000,000 (RENMINBI ONE BILLION TWO HUNDRED AND FORTY SIX MILLION ONLY)
Assumptions, Disclaimers, Limitations and Qualifications	: There are various assumptions and limitations in the course of our valuation. Major assumptions and limitations are summarized as follows: (i) the property has a proper legal title; (ii) all the leases are legally valid and enforceable; (iii) all land premiums and costs of resettlement and public utilities services have been fully settled; (iv) the design and construction of the property are in compliance with the local planning regulations and have been approved by the relevant government authorities; (v) we have been provided with extracts of title documents but have not inspected the original documents. We are not in the position to verify the title to the property, which should be more properly the sphere of the Manager and their legal advisers. In the course of our valuation, we have assumed that the property can be freely disposed of to local or overseas purchasers; and (vi) subject to having made reasonable enquiries, exercising our judgment on the reasonable use of such information and finding no reason to doubt the accuracy or reliability of the information, we have relied on a number of information provided by the Manager and their professional advisers. All information provided to us is treated as complete and accurate and we accept no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change. Market value is defined within RICS Valuation – Professional Standards / International Valuation Standards 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.” Market value is also the best price reasonably obtainable on the valuation date by the seller and the most advantageous price reasonably obtainable on the valuation date by the buyer. This estimate specially excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and

leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction), and without offset for any associated taxes or potential taxes.

We have provided our value opinion of the Property on the market value as stated above and subject to the followings:

- The Property was assessed in its existing state and subject to the existing tenancy agreements
- The Property is currently used for retail purposes. Under market situation, we considered that the existing use of the Property is its highest and best use; and
- The valuation is on the basis of 100% interest of the Property.

For the other assumptions, disclaimers, limitations and qualifications, please refer to the other sections of the report.

For and on behalf of
Knight Frank Petty Limited



Vincent K F Pang MHKIS, MRICS
RICS Registered Valuer
Director, China Valuation & Advisory
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Clement W M Leung MFin, MCIREA, MHKIS, MRICS, RPS (GP)
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Our ref: CV/CLVP/CY/sn/19379/3(i)_R2

Private & Confidential

EC World Asset Management Pte. Ltd.
(as manager of EC World Real Estate Investment Trust)
9 Raffles Place
No. 45-02 Republic Plaza
Singapore 048619

24 April 2019

Dear Sirs

Market rental projections of Building Nos.3 - 5, No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, Zhejiang Province, The People's Republic of China (The "Property")

The Property is a high-quality logistic development located in Fuyang District, Hangzhou. It comprises a 3-storey building with a single-storey basement level for warehouse use, and two 14-storey office towers including a 3-storey office podium with a single-storey basement level for car park use.

Upon external inspection, we considered the Property to be superior to the other warehouses in its vicinity. Additionally, we noted that the Property's immediate locality has a high occupancy rate. Limited by the accessibility of the surrounding comparable developments, we could only assess the occupancy rate by estimation through external inspection and consequently, without a mean of accurate measurement, we considered that the occupancy rate for the surrounding comparable developments should be within a range of approximately 85% to 90%. There are limited asking prices/ transaction record of logistic and warehouse developments within the Fuyang District.

Based on the market analysis we provided in section 3.3 of the full valuation report of the Property KF ref: CV/CLVP/CY/sn/19379/3(ii)_R1 ("Valuation Report"), dated 24 April 2019, we considered that the Property could have a reasonable rental increment in near future and achieve comparable rental level align with that of the proposed Master Lease Agreements ("MLAs") upon expiry of the 5 years lease term. Upon expiry of the MLAs and provided with a reasonable leasing period based on the then market situation; we considered that the rental income under the MLAs is likely to be sustainable by the underlying rental income of the Property.

Please refer to section 3.3 of the full Valuation Report for more details on industrial market commentary.

Yours faithfully

For and on behalf of
Knight Frank Pte Limited



Clement W M Leung MFin MCIREA MHKIS MRICS RPS(GP)
Executive Director
Head of China Valuation & Advisory
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**INDEPENDENT FINANCIAL ADVISER'S LETTER
TO THE INDEPENDENT DIRECTORS, THE AUDIT AND RISK COMMITTEE AND THE TRUSTEE**

ERNST & YOUNG CORPORATE FINANCE PTE. LTD.

(Company Registration Number: 199702967E)

One Raffles Quay
North Tower, Level 18
Singapore 048583

4 June 2019

**The Independent Directors and the Audit and Risk Committee of
EC World Asset Management Pte. Ltd.**

(As Manager of EC World Real Estate Investment Trust)

9 Raffles Place
#45-02 Republic Plaza
Singapore 048619

DBS Trustee Limited

(As Trustee of EC World Real Estate Investment Trust)

12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs:

THE PROPOSED ACQUISITIONS AND THE MASTER LEASE AGREEMENTS OF FUZHOU E-COMMERCE WHICH CONSTITUTE AN INTERESTED PERSON TRANSACTION

1 INTRODUCTION

EC World Real Estate Investment Trust ("**EC World REIT**") is seeking to (i) acquire from Strength Outline Holdings Limited (the "**BVI Vendor**") the entire issued share capital of Flutric Investments Limited (the "**BVI Holdco**" and the acquisition, the "**BVI Acquisition**") and (ii) acquire from Hangzhou Unilogix Holdings Group Co., Ltd (杭州网营物联控股集团有限公司) (the "**PRC Vendor**") the direct 65.98% equity interest in the PRC Holdco (as defined herein) (the "**PRC Acquisition**" and together with the BVI Acquisition, the "**Acquisitions**"). The BVI Holdco directly owns the entire issued share capital in Realtime Assets Global Pte. Ltd. (the "**Singapore Holdco**"). Singapore Holdco in turn owns a 34.02% equity interest in Zhejiang Fuzhou E-commerce Co., Ltd. (浙江富洲电子商务有限公司) (the "**PRC Holdco**").

Upon completion of the Acquisitions, EC World REIT, through DBS Trustee Limited, in its capacity as trustee of EC World REIT (the "**Trustee**"), shall wholly-own the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user of (i) the plot of land located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC (the "**Land**"); and the sole and legal and beneficial owner of (ii) an e-commerce property which comprises a three-storey warehouse component known as "Block 3" (the "**Warehouse**") and two fourteen-storey buildings, used primarily for office space with auxiliary use for dormitory purposes, known as "Block 4 and 5" (the "**Office and Support Buildings**") and together with the Warehouse, the "**Fuzhou E-Commerce**") located on the Land (the Warehouse, the Office and Support Buildings and together with the Land, the "**Property**"). The Office and Support Buildings are currently undergoing conversion works to convert a portion of office space into dormitories and such conversion works are expected to be completed prior to the completion of the Acquisitions.

The agreed purchase price for the Property which was negotiated on a willing-buyer and willing-seller basis, taking into account the independent valuations of the Property (each, the “**Property Valuation**” and together, the “**Property Valuations**”) conducted by Colliers International Real Estate Valuation Co., Ltd. (“**Colliers**”) and Knight Frank Petty Limited (“**Knight Frank**” and together with Colliers, the “**Independent Valuers**”), is approximately RMB1,112.5 million (S\$222.1 million) (the “**Property Purchase Price**”).

In furtherance of the BVI Acquisition, the Trustee entered into a conditional share purchase agreement on 10 May 2019 with the BVI Vendor (the “**BVI Share Purchase Agreement**”), pursuant to which the Trustee will acquire from the BVI Vendor the entire issued share capital of the BVI Holdco.

In furtherance of the PRC Acquisition, the Trustee entered into a conditional share purchase agreement on 10 May 2019 with the PRC Vendor (the “**PRC Share Purchase Agreement**” and together with the BVI Share Purchase Agreement, the “**Share Purchase Agreements**”), pursuant to which the Trustee will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco.

Upon completion of the Acquisitions, the Property will be held by the PRC Holdco with land use rights until 3 May 2059. The PRC Holdco will be in turn owned by the Singapore Holdco (34.02%) and EC World REIT (through the Trustee) (65.98%). The Singapore Holdco is in turn wholly-owned by the BVI Holdco, which will be held directly by EC World REIT (through the Trustee).

In connection with the Acquisitions, the PRC Holdco (as the master lessor) has on 10 May 2019 entered into the following conditional leases which will commence upon completion of the Acquisitions:

- (i) a warehouse lease agreement with Hangzhou Fuyang Yuntong E-Commerce Co., Ltd. (as the lessee of the Warehouse) (“**Fuyang Yuntong**”) in respect of the grant of a lease over the entire Warehouse (the “**Warehouse Master Lease Agreement**”); and
- (ii) an Office and Support Buildings lease agreement with Zhejiang Yuntong E-Commerce Co., Ltd. (as lessee of the Office and Support Buildings) (“**Zhejiang Yuntong**”) in respect of the grant of a lease over the entire Office and Support Buildings (the “**Office and Support Buildings Master Lease Agreement**”),

(collectively, the “**Master Lease Agreements**”).

Fuyang Yuntong and Zhejiang Yuntong (collectively, the “**Master Lessees**” and each, a “**Master Lessee**”) are limited liability companies incorporated in the PRC and are indirect wholly-owned subsidiaries of Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT (the “**Sponsor**”).

The leases pursuant to the Master Lease Agreements (the “**Master Leases**”) are granted for an initial term of five years each (the “**Initial Term**”), commencing from the date of completion of the Acquisitions. The Master Leases provide for an option to renew, exercisable by the Master Lessees for a further term of five years (the “**Option Term**”), but subject to the PRC Holdco’s acceptance at its sole and absolute discretion. The rent for the Option Term shall be negotiated and agreed between the PRC Holdco and the Master Lessees but it is agreed that the rent payable for the first 12 months of the Option Term shall not be lower than the rent payable for the last 12 months of the Initial Term.

As at 31 May 2019, being the latest practicable date prior to the printing of the circular (the “**Circular**”) to the unitholders of EC World REIT (the “**Unitholders**”) (the “**Latest Practicable Date**”), EC World Asset Management Pte. Ltd (as manager of EC World REIT) (the “**Manager**”)

has a direct interest in 16,086,419 units in EC World REIT (the “Units”), comprising approximately 2.0% of the total number of issued Units.

The Manager is wholly-owned by Forchn International Pte. Ltd. (“FIPL”), which is in turn a wholly-owned subsidiary of the Sponsor. FIPL is the sole shareholder of Forchn Global Pte. Ltd. (“FGPL”) which has a direct interest in 322,957,200 Units (comprising approximately 40.7% of the total number of issued Units) as at the Latest Practicable Date. Accordingly, the Sponsor is deemed to be interested in the Units held by FGPL and the Manager. The Sponsor is therefore regarded as a “Controlling Unitholder” of EC World REIT and a “Controlling Shareholder” of the Manager, respectively, under the listing manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Listing Manual”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “MAS” and Appendix 6, the “Property Funds Appendix”). Zhang Guobiao, the Chairman and Non-Executive Director of the Manager, is a Controlling Unitholder of EC World REIT and a Controlling Shareholder of the Manager through his 80.0% equity interest in the Sponsor.

The BVI Vendor is an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli, the spouse of Zhang Guobiao. Accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the BVI Vendor is (for the purposes of the Listing Manual) an “interested person” and (for the purposes of the Property Funds Appendix) an “interested party” of EC World REIT.

The Sponsor holds a 40.59% interest in the PRC Vendor. In addition, the Master Lessees are indirect wholly-owned subsidiaries of the Sponsor. Accordingly, for the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the PRC Vendor and the Master Lessees are “interested persons” and “interested parties” respectively of EC World REIT.

As such, the Acquisitions and the Master Lease Agreements will constitute an “interested person transaction” under Chapter 9 of the Listing Manual and also an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, in respect of which the approval of the Unitholders is required.

Under Chapter 9 of the Listing Manual, where EC World REIT proposes to enter into transactions with interested persons and the values of the transactions (either by themselves or when aggregated with the value of the other transactions, each of a value equal to or greater than S\$100,000 with the same interested person during the same financial year) are equal to or exceed 5.0% of EC World REIT’s latest audited net tangible assets (“NTA”), Unitholders’ approval is required in respect of the transaction.

Based on the audited consolidated financial statements of EC World REIT and its subsidiaries for the 12-month period ended 31 December 2018 (“FY2018” and the FY2018 audited consolidated financial statements, the “FY2018 Audited Consolidated Financial Statements”), the NTA of EC World REIT was S\$688.6 million as at 31 December 2018. 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 aggregate 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\$34.4 million, such a transaction would be subject to Unitholders’ approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an interested party transaction by EC World REIT which value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of EC World REIT’s latest audited net asset value (“NAV”). Based on the FY2018 Audited Consolidated Financial Statements, the NAV of EC World REIT was S\$688.6 million as at 31 December 2018. Accordingly, if the value of a transaction which is proposed to be

entered into by EC World REIT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S\$34.4 million, such a transaction would be subject to Unitholders' approval.

Given the Property Purchase Price of S\$222.1 million (which is 32.2% of the NTA and the NAV of EC World REIT as at 31 December 2018), the value of the Acquisitions will, in aggregate, exceed (i) 5.0% of EC World REIT's latest audited NTA and (ii) 5.0% of EC World REIT's latest audited NAV. In compliance with the requirements of the Listing Manual and the Property Funds Appendix, the Manager is seeking Unitholders' approval for the Acquisitions (including the Master Lease Agreements).

The Manager is proposing to convene an extraordinary general meeting to seek the approval of Unitholders by way of an Ordinary Resolution in respect of, *inter alia*, the Acquisitions and the Master Lease Agreements. By approving the Acquisitions, Unitholders will be deemed to have also approved the entry into the Master Lease Agreements.

To comply with the requirements of Chapter 9 of the Listing Manual, Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed as the independent financial adviser ("**IFA**") as required under Rule 921(4)(a) of the Listing Manual as well as to advise the board of directors of the Manager (the "**Directors**") who are considered independent in relation to the Acquisitions (including the Master Leases) (the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**"), and the Trustee on whether the Acquisitions (including the Master Leases) are on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders.

This letter sets out, *inter alia*, our evaluation of the Acquisitions (including the Master Leases) and our advice thereon. It forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Acquisitions (including the Master Leases) and the recommendations of the Independent Directors and the Audit and Risk Committee in respect thereof. Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter. Renminbi (RMB) amounts are converted to Singapore Dollars (S\$) based on the illustrative exchange rate of S\$1.00:RMB5.0100 as at 31 May 2019.

2 TERMS OF REFERENCE

EYCF has been appointed as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee in respect of whether the Acquisitions (including the Master Leases) are on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Acquisitions (including the Master Leases), as well as information provided to us by EC World REIT and the management of the Manager (the "**Management**"), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the Acquisitions (including the Master Leases) which may be released by EC World REIT and/or the Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Acquisitions (including the Master Leases), nor were we involved in the deliberations leading up to the decisions by the Directors in connection with the Acquisitions (including the Master Leases). We have not conducted a comprehensive review of the business, operations or financial

condition of EC World REIT and its subsidiaries and associates (the “**EC World REIT Group**”). It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Acquisitions (including the Master Leases), and to comment on such merits and/or risks of the Acquisitions (including the Master Leases). We have only expressed our opinion on whether the Acquisitions (including the Master Leases) are on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Acquisitions (including the Master Leases) remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Acquisitions (including the Master Leases) vis-à-vis any alternative transaction previously considered by EC World REIT and/or the Manager (if any) or that EC World REIT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Acquisitions (including the Master Leases), we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of EC World REIT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of EC World REIT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to EC World REIT, the Property, the Acquisitions, and the Master Lease Agreements has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about EC World REIT and the Property in the context of the Acquisitions (including the Master Leases) and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Acquisitions (including the Master Leases) have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of EC World REIT and/or the Property. We have also not made an independent evaluation or appraisal of the assets and liabilities of EC World REIT and/or the Property. However, we have been furnished with the independent valuation reports of the Independent Valuers, being Colliers and Knight Frank, commissioned by the Trustee and the Manager respectively, and issued by the Independent Valuers in connection with the assessed market value (the “**Market Value**”) of the Property as at 31 December 2018 (the “**Valuation Reports**”). We are not experts and do not regard ourselves to be experts in the valuation of the Property, and we have taken into consideration the Valuation Reports prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, we would advise the Independent Directors and the Audit and Risk Committee to recommend that any individual Unitholder or group of Unitholders who may require specific advice

in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion, which is required under Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purpose of their consideration of the Acquisitions (including the Master Leases), and the recommendations made by the Independent Directors and the Audit and Risk Committee to the minority Unitholders shall remain the sole responsibility of the Independent Directors and the Audit and Risk Committee.

Our opinion in relation to the Acquisitions (including the Master Leases) should be considered in the context of the entirety of this letter and the Circular.

3 DETAILS OF THE ACQUISITIONS (INCLUDING THE MASTER LEASES)

The details of the Acquisitions (including the Master Leases), including details of the Property, are set out in Section 2 of the Letter to Unitholders and Appendix A of the Circular. We recommend that the Independent Directors and the Audit and Risk Committee advise the Unitholders to read carefully the details of the Property and the Acquisitions (including the Master Leases) which are contained in the Circular.

We set out below the salient information on the Property and the Acquisitions (including the Master Leases).

3.1 Description of the Property

Certain key information on the Property are set out in Section 2.1 of the Letter to Unitholders and Appendix A of the Circular. We present the following information in relation to the Property.

The Property, which is located at No. 9 Mingxing Road, Dongzhou Sub-district, Fuyang District, Hangzhou, PRC, comprises Fuzhou E-Commerce and the plot of land with area of 88,000 square metres (“sq m”) and land use rights expiring on 3 May 2059 on which Fuzhou E-Commerce is situated.

Fuzhou E-Commerce comprises the Warehouse with a net lettable area (“NLA”) of 171,795 sq m and the Office and Support Buildings with an NLA of 42,489 sq m. Total NLA of Fuzhou E-Commerce is 214,284 sq m. Fuzhou E-Commerce commenced operations in July 2017. The Warehouse is an e-commerce distribution centre and comprises one three-storey building (excluding a basement level) with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business offices and general e-commerce logistics fulfilment activities. The Office and Support Buildings comprise two fourteen-storey buildings (excluding basement levels) which support the business and operations of the Warehouse. The Office and Supporting Buildings are currently undergoing conversion works to convert part of the office space into dormitories. The conversion works are expected to be completed prior to the completion of the Acquisitions. Upon completion of the conversion works, a total of 11 storeys of the Office and Supporting Buildings representing approximately 29.0% of its NLA will be used for dormitory purpose while the remaining space will continue to be used as office space. For the avoidance of doubt, the Property Valuations have taken into account the conversion works. The Property is strategically located next to EC World REIT’s existing asset, Fu Heng Warehouse.

3.2 Structure of the Acquisitions

Certain key information on the structure of the Acquisitions are set out in Section 2.2 of the Letter to Unitholders of the Circular. We present the following information in relation to the structure of the Acquisitions.

EC World REIT (through the Trustee and its wholly-owned subsidiary, Wuhan Fute Logistics Co., Ltd. (“**Wuhan Fute**”)) has entered into the conditional Share Purchase Agreements on 10 May 2019 to (i) acquire the entire issued share capital of the BVI Holdco from the BVI Vendor; and (ii) acquire the direct 65.98% equity interest in the PRC Holdco from the PRC Vendor, for a Total Purchase Consideration of RMB549.2 million (S\$109.6 million). The Total Purchase Consideration is equivalent to the Property Purchase Price less the estimated amount of borrowings of the BVI Holdco (excluding the value of the Property) of approximately RMB563.3 million (S\$112.4 million) (the “**Estimated BVI Borrowings**”).

The BVI Holdco directly owns 100.0% of the entire issued share capital in the Singapore Holdco and the Singapore Holdco in turn owns a 34.02% equity interest in the PRC Holdco. Upon completion of the Acquisitions, EC World REIT (through the Trustee) shall wholly-own the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user and owner of the Property.

Stage 1 Restructuring

The PRC Holdco was initially held by Hangzhou Zhangxiaoquan Group Co., Ltd., an entity which the Sponsor has a 99.7% interest in. As part of the Stage 1 Restructuring, Hangzhou Zhangxiaoquan Group Co., Ltd. had, on 12 December 2017, divested the 100% equity interest in the PRC Holdco to the Singapore Holdco, an indirect wholly-owned subsidiary of Bonray Investment Trust, a private trust whose sole beneficiary is Wang Guoli. Wang Guoli is the spouse of Zhang Guobiao, who is a controlling unitholder of EC World REIT through his 80.0% equity interest in the Sponsor. The Sponsor, directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) approximately 42.5% in EC World REIT and (ii) 100% in the Manager.

Financing Arrangements

After the Stage 1 Restructuring, the PRC Holdco entered into a loan agreement with ICBC International Finance Limited, Hong Kong (“**ICBC HK**”) on 9 March 2018 in relation to a term loan of up to USD51.0 million (the “**PRC Holdco ICBC Loan**”). Separately, the BVI Vendor also entered into a loan agreement with ICBC HK on 21 March 2018 in relation to a term loan facility of up to USD35.0 million (the “**BVI Vendor ICBC Loan**” and together with the PRC Holdco ICBC Loan, the “**ICBC Loans**”).

Stage 2 Restructuring

Due to refinancing considerations and deal restructuring purposes, the BVI Vendor decided to refinance the ICBC Loans through a shareholder loan and an equity capital injection (the “**Stage 2 Restructuring**”) to be provided by the PRC Vendor. The PRC Vendor is jointly owned by the Sponsor and Hangzhou Fenhua Investment Limited Liability Partnership (杭州奋华投资合伙企业(有限合伙)). The Sponsor holds a 40.59% indirect interest and full board representation in the PRC Vendor while Hangzhou Fenhua Investment Limited Liability Partnership, a third-party entity which is unrelated to the Sponsor and/or the Manager, holds the remaining 59.41% interest in the PRC Vendor and is a passive funding investor.

As part of the Stage 2 Restructuring, the PRC Vendor performed an equity capital injection of approximately RMB334.1 million (S\$66.7 million) into the PRC Holdco and in exchange, received a 65.98% equity interest in the PRC Holdco. The PRC Vendor also provided a shareholder’s loan

of RMB345.0 million (S\$68.9 million) to the PRC Holdco. The PRC Holdco then used the proceeds received from the equity capital injection and the PRC Shareholder's Loan to discharge the ICBC Loans. The Stage 2 Restructuring was completed on 11 March 2019.

BVI Acquisition

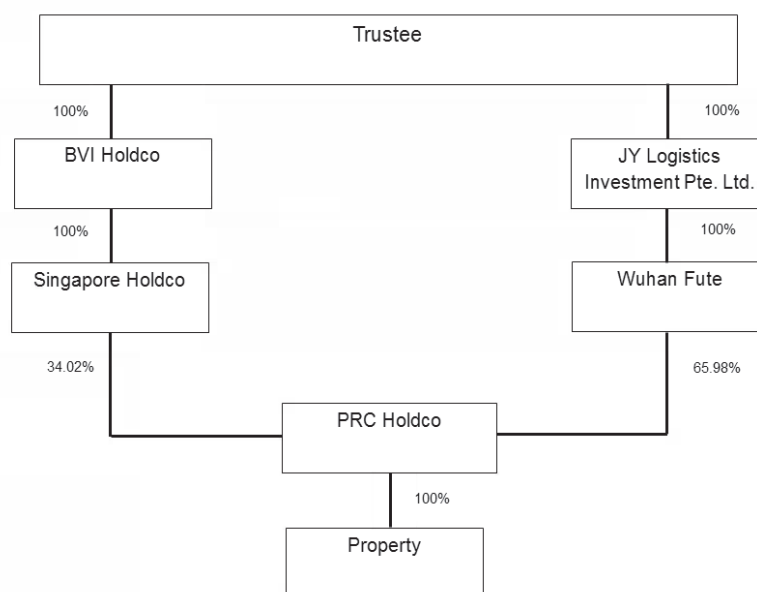
In furtherance of the BVI Acquisition, the Trustee entered into the BVI Share Purchase Agreement, on 10 May 2019 with the BVI Vendor, pursuant to which the Trustee will acquire from the BVI Vendor the entire issued share capital of the BVI Holdco.

PRC Acquisition

In furtherance of the PRC Acquisition, Wuhan Fute, an indirect wholly-owned subsidiary of the Trustee, entered into the PRC Share Purchase Agreement on 10 May 2019 with the PRC Vendor, pursuant to which Wuhan Fute will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco.

Holding Structure Post-Acquisitions

Upon completion of the Acquisitions, EC World REIT (through the Trustee) shall wholly-own the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user and owner of the Property. The following diagram shows the holding structure after completion of the Acquisitions:



3.3 Property Purchase Price and Total Purchase Consideration

Certain key information on the Property Purchase Price are set out in Section 2.3 of the Letter to Unitholders and Appendix B of the Circular. We present the following information in relation to the Property Purchase Price.

The Property Purchase Price is RMB1,112.5 million (S\$222.1 million). The Independent Valuers, Colliers and Knight Frank, were appointed by the Trustee and the Manager, respectively, to conduct the Property Valuations.

The Property Purchase Price was arrived at on a willing-buyer, willing-seller basis after taking into account the Property Valuations. The following table sets out the appraised values of the Property (with and without the Master Leases) based on the Property Valuations, the respective dates of such appraisal and the Property Purchase Price:

Name of Property	Appraised Value (with Master Lease Agreements)				Appraised Value (without Master Lease Agreements)				Property Purchase Price (RMB'm)	Property Purchase Price (S\$m)
	By Colliers as at 31 Dec 2018		By Knight Frank as at 31 Dec 2018		By Colliers as at 31 Dec 2018		By Knight Frank as at 31 Dec 2018			
	(S\$m)	(RMB'm)	(S\$m)	(RMB'm)	(S\$m)	(RMB'm)	(S\$m)	(RMB'm)		
Fuzhou E-Commerce	228.9	1,147.0	251.3	1,259.0	225.1	1,128.0	248.7	1,246.0	1,112.5	222.1

Source: Circular

The Property Purchase Price is below the two independent Property Valuations (both with and without the Master Leases) obtained in relation to the Property. The Property Purchase Price represents a discount of 7.5% to RMB1,203.0 million (S\$240.1 million), which is the average of the Property Valuations (with the Master Leases). The Property Purchase Price represents a discount of 6.3% to RMB1,187.0 million (S\$236.9 million), which is the average of the Property Valuations (without Master Leases).

The purchase consideration of the BVI Acquisition is RMB769.5 million (S\$153.6 million) less the estimated borrowings of the BVI Holdco of approximately RMB563.3 million (S\$112.4 million), subject to further adjustments based on the actual amount of net liabilities (excluding the value of the Property) of the BVI Holdco at completion of the Acquisitions (the “**Post-Completion Adjustments**”). The BVI Purchase Consideration is RMB206.2 million (S\$41.2 million).

The PRC Purchase Consideration is RMB343.0 million (S\$68.5 million).

The Total Purchase Consideration which consists of the BVI Purchase Consideration and the PRC Purchase Consideration is RMB549.2 million (S\$109.6 million). The Total Purchase Consideration is equivalent to the Property Purchase Price less the Estimated BVI Borrowings.

3.4 Indemnity in relation to the Acquisitions

The details on the indemnity in relation to the Acquisitions are set out in Section 2.4 of the Letter to Unitholders of the Circular, and have been extracted and set out in italics below.

“2.4 Indemnity in relation to the Acquisitions

2.4.1 *The Trustee has on 10 May 2019 entered into a deed of indemnity (the “**BVI Deed of Indemnity**”) with the Sponsor, pursuant to which the Sponsor will, subject to certain conditions, indemnify the Trustee against liabilities or damages suffered by the Trustee arising from the BVI Acquisition, including but not limited to losses in connection with the breach of representations and warranties under the Transaction Documents (as defined in the BVI Deed of Indemnity); losses in connection with any of the existing lease on the Property including but not limited to novation and/or termination of the existing leases and loss of income, revenue, proceeds and claims from existing or potential tenants or lessees, losses in connection with and/or in consequence of any tax obligation, payment and/or penalty which the Trustee may be liable for in relation to the Transaction Documents (as defined in the BVI Deed of Indemnity) due to the BVI Vendor or any other party’s non-compliance with any obligations under any taxation statute or non-payment of any tax; and losses in connection with a failure by the PRC Holdco to obtain, maintain and/or comply with, prior to completion of the BVI Acquisition, all licenses, permits, approvals and requirements in connection with the operation of the PRC Holdco and /or the operation of*

the Property.

“Certain conditions” include, among others, the condition that:

- (a) no liability shall attach to the Sponsor unless the aggregate amount of all claims under the BVI Deed of Indemnity for which the Sponsor would be liable equals to or exceeds an amount equivalent to S\$100,000, but if the aggregate liability in respect of all such claims equals to or exceeds that amount, then all claims, including claims previously notified, shall accrue against and be recoverable against the Sponsor; and
- (b) no claim shall be brought against the Sponsor (save for claims in relation to taxation) unless:
 - (1) written particulars thereof (stating in reasonable detail the specific matters in respect of which the claim is made) shall have been notified in writing to the Sponsor before the expiry of a period of 36 months for any claims, each from the date of completion of the BVI Acquisition; and
 - (2) unless such claim has already been settled to the satisfaction of the Trustee, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the respective periods referred to in sub-paragraph (1) above.

2.4.2 Wuhan Fute has on 10 May 2019 entered into a deed of indemnity (the “PRC Deed of Indemnity”) with the Sponsor, pursuant to which the Sponsor will, subject to certain conditions, indemnify Wuhan Fute against liabilities or damages suffered by it arising from the PRC Acquisition, including but not limited to losses in connection with the breach of representations and warranties under the Definitive Agreements (as defined in the PRC Deed of Indemnity); losses in connection with any of the existing lease on the Property including but not limited to novation and/or termination of the existing leases and loss of income, revenue, proceeds and claims from existing or potential tenants or lessees, losses in connection with and/or in consequence of any tax obligation, payment and/or penalty which the Trustee may be liable for in relation to the Definitive Documents (as defined in the PRC Deed of Indemnity) due to the PRC Vendor or any other party’s non-compliance with any obligations under any taxation statute or non-payment of any tax; and losses in connection with a failure by the PRC Holdco to obtain, maintain and/or comply with, prior to completion of the PRC Acquisition, all licenses, permits, approvals and requirements in connection with the operation of the PRC Holdco and /or the operation of the Property.

“Certain conditions” include, among others, the condition that:

- (a) no liability shall attach to the Sponsor unless the aggregate amount of all claims under the PRC Deed of Indemnity for which the Sponsor would be liable equals to or exceeds an amount equivalent to S\$100,000, but if the aggregate liability in respect of all such claims equals to or exceeds that amount, then all claims, including claims previously notified, shall accrue against and be recoverable against the Sponsor; and
- (b) no claim shall be brought against the Sponsor (save for claims in relation to taxation) unless:
 - (1) written particulars thereof (stating in reasonable detail the specific matters in respect of which the claim is made) shall have been notified in writing to the Sponsor before the expiry of a period of 36 months for any claims, each from

the date of completion of the PRC Acquisition; and

- (2) *unless such claim has already been settled to the satisfaction of the Wuhan Fute, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the respective periods referred to in sub-paragraph (1) above.*"

3.5 The Master Lease Agreements

The details on the Master Lease Agreements are set out in Sections 2.5 and 2.6 of the Letter to Unitholders of the Circular, including the details of the Master Leases, lessee's obligations under the Master Leases, lessor's obligations under the Master Leases, and the assessment of the Master Leases by the Manager.

3.6 Corporate Guarantees

Certain key information on the corporate guarantees in relation to the Master Lease Agreements are set out in Section 2.7 of the Letter to Unitholders of the Circular. We present the following information in relation to the corporate guarantees in relation to the Master Lease Agreements.

In relation to the Master Lease Agreements, the PRC Holdco has on 10 May 2019 entered into the following corporate guarantees (the "**Corporate Guarantees**") with the Sponsor:

- 3.6.1** a corporate guarantee between the PRC Holdco (as the guarantee) and the Sponsor (as guarantor), pursuant to which the Sponsor guarantees that Fuyang Yuntong shall observe and perform the obligations, covenants, terms and conditions of the Warehouse Master Lease Agreement for the entire term (including any term granted pursuant to any option to renew) of the Warehouse Master Lease Agreement (the "**Warehouse Corporate Guarantee**"); and
- 3.6.2** a corporate guarantee between the PRC Holdco (as the guarantee) and the Sponsor (as guarantor), pursuant to which the Sponsor guarantees that Zhejiang Yuntong shall observe and perform the obligations, covenants, terms and conditions of the Office and Support Buildings Master Lease Agreement for the entire term (including any term granted pursuant to any option to renew) of the Office and Support Buildings Master Lease Agreement (the "**Office and Support Buildings Corporate Guarantee**").

3.7 The BVI Share Purchase Agreement

The details on the BVI Share Purchase Agreement are set out in Section 2.8 of the Letter to Unitholders of the Circular, including the principal terms of the Share Purchase Agreement.

On 10 May 2019, the Trustee has entered into the BVI Share Purchase Agreement with the Vendor for the conditional sale and purchase of the entire issued share capital of the BVI Holdco. The BVI Holdco directly owns the entire issued share capital in the Singapore Holdco, and the Singapore Holdco in turn owns a 34.02% equity interest in the PRC Holdco. The PRC Holdco is the sole legal and beneficial land user and owner of the Property.

The BVI Purchase Consideration payable by the Trustee under the BVI Share Purchase Agreement is RMB206.2 million (S\$41.2 million).

We note that the BVI Share Purchase Agreement sets out, *inter alia*, the following principal terms:

- (i) the completion is subject to and conditional upon the satisfaction of certain conditions as set out in Section 2.8 of the Letter to Unitholders of the Circular;

- (ii) certain representations and warranties in relation to the BVI Holdco;
- (iii) a tax indemnity in favour of the Trustee, under which the BVI Vendor will indemnify the Trustee, to the extent of the Trustee's equity interest in the BVI Holdco, the Singapore Holdco and the PRC Holdco, against any liability of certain taxation as set out in Section 2.8 of the Letter to Unitholders of the Circular;
- (iv) on completion of the BVI Acquisition, the Trustee shall pay an initial consideration sum to the BVI Vendor, which is calculated in accordance with the BVI Share Purchase Agreement and based on the estimated amount of borrowings reflected in the consolidated balance sheet of the BVI Holdco; and
- (v) 30 days after the completion of the BVI Acquisition, the Vendor shall deliver to the Trustee one set of audited consolidated balance sheet of the BVI Holdco as at the date of completion of the BVI Acquisition, following which the difference (if any) between the estimated amount of borrowings of RMB563.3 million (S\$112.4 million) reflected in the consolidated balance sheet of the BVI Holdco and the net liabilities reflected in the audited consolidated balance sheet of the BVI Holdco as at the date of completion of the BVI Acquisition (excluding the value of the Property) will be paid or reimbursed (as applicable).

3.8 The PRC Share Purchase Agreement

The details of the PRC Share Purchase Agreement are set out in Section 2.9 of the Letter to Unitholders of the Circular, and we set out below the salient information on the PRC Share Purchase Agreement.

On 10 May 2019, Wuhan Fute, an indirectly wholly-owned subsidiary of the Trustee, has entered into the PRC Share Purchase Agreement with the PRC Vendor, pursuant to which Wuhan Fute will acquire from the PRC Vendor the 65.98% equity interest in the PRC Holdco.

The PRC Purchase Consideration payable by Wuhan Fute under the PRC Share Purchase Agreement is RMB343.0 million (S\$68.5 million).

We note that the PRC Share Purchase Agreement sets out, *inter alia*, the following principal terms:

- (i) the completion is subject to and conditional upon the satisfaction of certain conditions as set out in Section 2.9 of the Letter to Unitholders of the Circular;
- (ii) certain representations and warranties in relation to the PRC Holdco and the Property;
- (iii) the PRC Purchase Consideration will be paid as follows:
 - (a) within one (1) Business Day (as defined in the PRC Share Purchase Agreement) (or the time period as otherwise agreed by the Parties) upon full satisfaction of the conditions precedent, Wuhan Fute shall pay RMB270.0 million (S\$53.9 million) to the PRC Vendor; and
 - (b) within two (2) Business Days (as defined in the PRC Share Purchase Agreement) upon the date of completion, Wuhan Fute shall pay the rest of the PRC Purchase Consideration in the amount of RMB73.0 million (S\$14.6 million) to the PRC Vendor.
- (iv) within two Business Days (as defined in the PRC Share Purchase Agreement) upon the date of completion, Wuhan Fute shall procure the PRC Holdco to repay the shareholder loan of RMB345.0 million (S\$68.9 million) to the PRC Vendor.

3.9 Individual Property Management Agreement

The details of the Individual Property Management Agreement are set out in Section 2.10 of the Letter to Unitholders of the Circular, and we set out below the salient information on the Individual Property Management Agreement.

In connection with the Acquisitions and pursuant to the terms of the Master Property Management Agreement, the Trustee, the Manager, Yuntong Property Management Co., Ltd. (the “**Property Manager**”) and the PRC HoldCo will enter into the Property Management Agreement pursuant to which the Property Manager will be appointed to operate, maintain, manage and market the Property, subject to the overall management and supervision of the Manager for the period from the date of completion of the Acquisitions and expiring on the earlier of (i) midnight of the date immediately preceding the fifth anniversary of the commencement date, and (ii) midnight of the date of the termination of the Individual Property Management Agreement.

3.10 Estimated Total Acquisitions Cost

The details of the total cost of the Acquisitions to EC World REIT (the “**Total Acquisitions Cost**”) are set out in Section 2.11 of the Letter to Unitholders of the Circular, and we set out below the salient information on the Total Acquisitions Cost.

The Total Acquisitions Cost is estimated to be approximately RMB1,159.4 million (S\$231.4 million), comprising:

- (i) the Property Purchase Price of RMB1,112.5 million (S\$222.1 million);
- (ii) the acquisitions fee of approximately RMB8.3 million (S\$1.7 million) (the “**Acquisitions Fee**”) payable to the Manager pursuant to the Trust Deed, which is payable in the form of Units; and
- (iii) the professional and other fees and expenses (including upfront finance costs) of approximately RMB38.6 million (S\$7.7 million) incurred or to be incurred by EC World REIT in connection with the Acquisitions.

3.11 Method of Financing for the Acquisitions

The details of the method of financing for the Acquisitions are set out in Section 2.12 of the Letter to Unitholders of the Circular, and we set out below the salient information.

The Manager intends to finance the Total Acquisitions Cost (excluding the Acquisitions Fee payable in Units) via a combination of secured debt financing facilities from banks and/or cash.

As at 31 December 2018, EC World REIT has an aggregate leverage of 31.5%. Under the Property Funds Appendix, EC World REIT’s aggregate leverage cannot exceed 45.0% of its deposited property. Upon completion of the Acquisitions, EC World REIT’s aggregate leverage will increase from 31.5% to approximately 38.0%, which is within the maximum aggregate leverage limit of 45.0% under the Property Funds Appendix.

4 EVALUATION OF THE ACQUISITIONS (INCLUDING THE MASTER LEASES)

In our analysis and evaluation of the Acquisitions (including the Master Leases), and our recommendation thereon, we have taken into consideration the following:

- (a) rationale for and the key benefits of the Acquisitions and the Master Leases;
- (b) assessment on the basis of the Property Purchase Price;
- (c) assessment of the Master Leases;
- (d) comparison of the net property income (“NPI”) yields (“NPI Yields”) of the Property with EC World REIT’s Existing Portfolio;
- (e) comparison of the Property with selected PRC logistics property transactions and selected industrial/logistics property portfolio valuation of listed real estate investment trusts (“REITs” and each, “REIT”) on the SGX-ST;
- (f) pro-forma financial effects of the Acquisitions; and
- (g) other relevant factors.

The factors above are discussed in more details in the following sections.

4.1 Rationale for and the key benefits of the Acquisitions and the Master Leases

The rationale for and the key benefits of the Acquisitions and the Master Leases are set out in Section 2.13 of the Letter to Unitholders of the Circular, and have been extracted and set out in italics below.

“The Manager believes that the Acquisitions and the Master Leases will bring, among others, the key benefits to Unitholders as set out below:

2.13.1 Attractive investment in Hangzhou and PRC e-commerce sector

The Property is located in Hangzhou, the capital city of Zhejiang province in China. It has a population of 9.8 million and a gross domestic product of over RMB1.35 trillion in 2018¹. As one of the core cities in the Yangtze River Delta Economic Zone, Hangzhou is well-positioned as an economic, cultural, science and education center as well as a transportation hub. Hangzhou is also one of the most vibrant e-commerce centres in China and home to Alibaba Group’s global headquarters and is also dubbed the “e-commerce capital” of China. The e-commerce sector in Hangzhou has been expanding very rapidly, registering a growth of 17.5%¹ in 2018.

2.13.2 Rare opportunity to acquire a sizable, specialised and integrated e-commerce logistics asset

Given the rapid growth in China’s e-commerce industry, warehousing and fulfilment facilities are in increasingly high demand and the proposed Acquisitions represent a rare and attractive opportunity to acquire a specialised logistics asset catering to storage and fulfilment of e-commerce goods flow.

The Property is adjacent to one of EC World REIT’s existing assets, Fu Heng Warehouse, which is also focused on e-commerce related fulfilment activities. The Property and Fu Heng Warehouse together will create a combined 308,571 sq m logistics hub, well supported by industry participants such as online market places, brand manufacturers, last mile delivery companies as well as office space and other auxiliary facilities. Furthermore,

¹ Hangzhou Economic Situation, Hangzhou Bureau of Statistics, 4 March 2019

the Property is strategically located on the western side of Mingxing Road, Fuyang District, Hangzhou which is in close proximity to the Changshen Highway and Hangzhou city centre and enjoys convenient water transportation provided by the Fuchun River.

2.13.3 Strategic collaboration with Cainiao Network and Alibaba's Ling Shou Tong ("LST")

The Warehouse of the Property is operated by Ruyicang, a wholly-owned subsidiary of the Sponsor and a leading e-commerce logistics, fulfilment service provider in the PRC. Ruyicang is one of the key partners to Cainiao Network (Alibaba's logistics platform) and a core service provider to Alibaba's LST.

LST is a new online to offline retail concept and strategy by Alibaba which seeks to connect convenience and neighbourhood stores to Alibaba and Cainiao's extensive network of supply chain, logistics and data analytics and to improve, streamline and automate operations of these shops. Cainiao's target is to connect over one million retail stores within three years¹.

Ruyicang currently processes approximately 8,000 to 10,000 parcels for LST in the Warehouse on a daily basis. Due to its outstanding performance, Ruyicang's Hangzhou LST business has won the "Double Eleven Best Partner Award" (双十一最佳合作伙伴奖) for the quality, accuracy and reliability of its fulfilment and warehousing services.

2.13.4 Differentiated asset portfolio offering with enlarged asset portfolio size and enhanced focus on specialised and e-commerce logistics sector

The Acquisitions fit the Manager's principal investment strategy for EC World REIT to invest in quality income-producing real estate used primarily for e-commerce, supply-chain management and logistics purposes, which will provide overall yield accretion and value creation opportunities so as to deliver stable distributions, sustainable and growing returns to the Unitholders.

The Acquisitions will significantly increase EC World REIT's asset portfolio size by 17.9% and 28.7% by valuation and NLA respectively. Upon the completion of the Acquisitions, the Enlarged Portfolio (as defined herein) will have a valuation of RMB7,932.0 million. The Acquisitions will also increase the proportion of e-commerce and specialised assets to over 74.4% of the entire portfolio by NLA, further demonstrating EC World REIT's differentiated proposition. The proportion of e-commerce logistics assets will increase from 30.4% to 41.0% by valuation and from 35.3% to 49.7% by NLA.

2.13.5 Improves and lengthens portfolio WALE profile providing greater income visibility

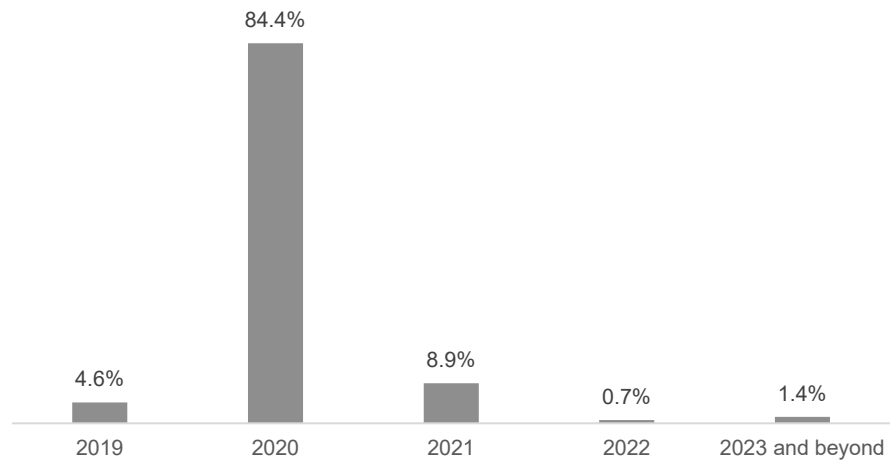
The Master Leases have an initial term of five years, commencing from the date of completion of the Acquisitions and are subject to an option to renew for a further term of five years. This will increase the WALE of the EC World REIT's portfolio from 1.8 years to 2.3 years² (by gross rental income as at 31 March 2019) prior to the Option Period. Furthermore, the Master Leases will materially reduce the expiry concentration risk for EC World REIT since leases which will expire in 2023 and beyond (by gross rental income as at 31 March 2019) will increase from 1.4% to 16.6%³ post-Acquisitions.

¹ Source: http://www.sohu.com/a/168878877_239279

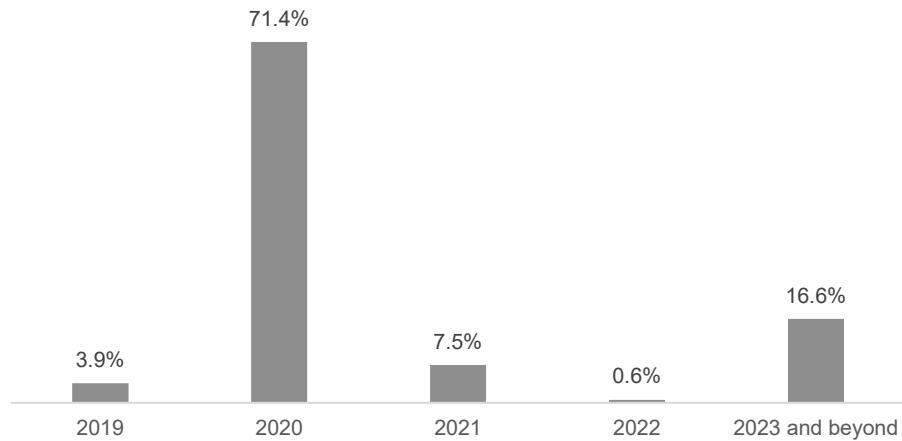
² Taking into account the new master lease agreements for Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse which have been approved by Unitholders at the Extraordinary General Meeting held on 22 April 2019 (the "New Approved Master Lease Agreements"), the Master Leases will increase the WALE of EC World REIT's portfolio from 4.7 years to 4.8 years (by gross rental income as at 31 March 2019) prior to the Option Period.

³ Taking into account the New Approved Master Lease Agreements, the Master Leases will increase the leases which will expire in 2023 and beyond (by gross rental income as at 31 March 2019) from 69.9% to 74.4%.

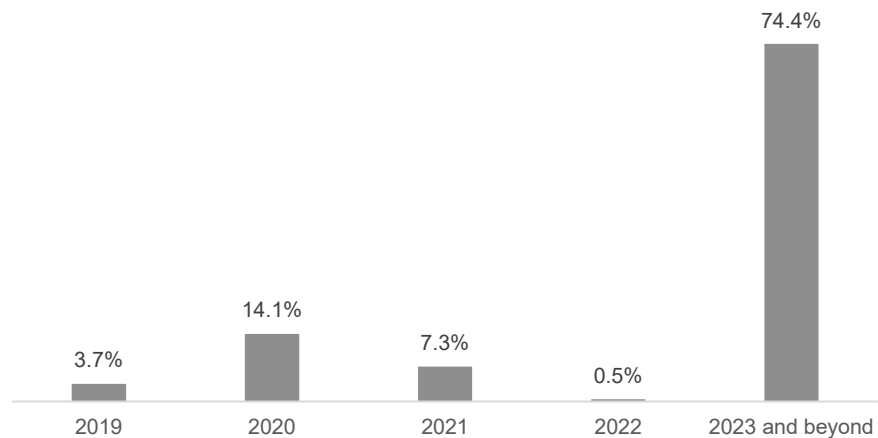
The graph below illustrates the EC World REIT's lease expiry profile (by gross rental income as at 31 March 2019):



The graph below illustrates EC World REIT's lease expiry profile (by gross rental income as at 31 March 2019), post-Acquisitions:



The graph below illustrates EC World REIT's lease expiry profile (by gross rental income as at 31 March 2019), post-Acquisitions and taking into account the New Approved Master Lease Agreements:



2.13.6 The Acquisitions are expected to be yield accretive based on historical pro forma financial effects from FY2018

Based on the audited consolidated financial statements of EC World REIT and its subsidiaries for the 12-month period ended 31 December 2018 (“FY2018”, and the FY2018 audited consolidated financial statements, the “FY2018 Audited Financial Statements”) and assuming the Acquisitions are completed on 1 January 2018, the Acquisitions are expected to increase distribution per Unit (“DPU”) by 1.6% on a historical pro forma basis. The net property income (“NPI”) of EC World REIT is expected to reach S\$101.6 million, which represents a 16.3% increase vis-à-vis FY2018 NPI of EC World REIT, on a historical pro forma basis. In addition, the NPI yield of the Property in RMB terms is approximately 6.4%, which is in line with EC World REIT’s existing portfolio NPI Yield of 6.4% as at 31 December 2018.

In addition, the Master Leases also have a built fixed annual escalation of 2.25% for the first five years which will provide guaranteed organic growth for Unitholders’ distributions.”

We note that the Acquisitions (including the Master Leases) are in line with EC World REIT’s investment strategy of investing in income-producing real estate which is used primarily for e-commerce, supply-chain management and third party logistics purposes, with initial geographical focus on the PRC, growing distributions to Unitholders, and diversifying the portfolio through yield accretive acquisitions.

4.2 Assessment on the basis of the Property Purchase Price

The Manager and the Trustee have commissioned the Independent Valuers, namely Knight Frank and Colliers respectively, to perform the independent Property Valuations.

The agreed Property Purchase Price of RMB1,112.5 million (S\$222.1 million) was arrived at on a willing-buyer and willing-seller basis, taking into account the independent Property Valuations.

The appraised values of the Independent Valuers for the Property (with or without the Master Leases) are as follows:

A. With the Master Leases

Property	Independent Valuation by Colliers (with the Master Leases, in millions)	Independent Valuation by Knight Frank (with the Master Leases, in millions)	Property Purchase Price (in millions)	Discount of the Property Purchase Price to the Property Valuations (with the Master Leases)
Fuzhou E-Commerce	RMB1,147.0 / S\$228.9	RMB1,259.0 / S\$251.3	RMB1,112.5 / S\$222.1	Colliers: 3.0% Knight Frank: 11.6%
Average of the Property Valuations (with the Master Leases)	RMB1,203.0 / S\$240.1			7.5%

Source: Circular, EY

B. Without the Master Leases

Property	Independent Valuation by Colliers (without the Master Leases, in millions)	Independent Valuation by Knight Frank (without the Master Leases, in millions)	Property Purchase Price (in millions)	Discount of the Property Purchase Price to the Property Valuations (without the Master Leases)
The Property	RMB1,128.0 / S\$225.1	RMB1,246.0 / S\$248.7	RMB1,112.5 / S\$222.1	Colliers: 1.4% Knight Frank: 10.7%
Average of the Property Valuations (without the Master Leases)	RMB1,187.0 / S\$236.9			6.3%

Source: Circular, EY

We have been provided the Valuation Reports of the Property and we note the following in our review:

- (a) The basis of valuation, being 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.” The definition is consistent between the Independent Valuers and in line with market definition;
- (b) The Independent Valuers, Colliers and Knight Frank, have both used 31 December 2018 as the valuation date for the Property and have both carried out an inspection of the Property in December 2018;
- (c) The Independent Valuers have assessed the value of the Property both with the Master Leases and without the Master Leases;
- (d) We note the following in terms of the valuation approaches by the Independent Valuers:
 - (i) Colliers considered two valuation approaches to assess the Market Values of the Property (both with and without the Master Leases), namely the income approach (discounted cash flow method) and the market approach. We note that Colliers adopted the values of the Property derived from the income approach of RMB1,147.0 million (S\$228.9 million) with the Master Leases and RMB1,128.0 million (S\$225.1 million) without the Master Leases based on its view of the nature of the Property and market information available, and used the market approach for reference.
 - (ii) Knight Frank adopted two valuation approaches to assess the Market Values of the Property (both with and without the Master Leases), namely the market approach and income approach (term and reversion method), and appraised the values of the Property to be RMB1,259.0 million (S\$251.3 million) with the Master Leases and RMB1,246.0 million (S\$248.7 million) without the Master Leases.
- (e) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income producing properties, and the valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors (“RICS”) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council.

We note that the Property Purchase Price for the Property is lower than the valuations with the Master Leases of both Independent Valuers, with discounts of 3.0% to the Independent Valuation (with the Master Leases) of Colliers and 11.6% to the Independent Valuation (with the Master Leases) of Knight Frank. We also note that the Property Purchase Price is 7.5% lower than the average valuation (with the Master Leases) of the Independent Valuers of RMB1,203.0 million (S\$240.1 million). Further, the Property Purchase Price for the Property is also lower than the valuations without the Master Leases of both Independent Valuers, with discounts of 1.4% to the Independent Valuation (without the Master Leases) of Colliers and 10.7% to the Independent Valuation (without the Master Leases) of Knight Frank. The Property Purchase Price is 6.3% lower than the average valuation (without the Master Leases) of the Independent Valuers of RMB1,187.0 million (S\$236.9 million).

4.3 Assessment of the Master Leases

We note that the valuation by each of the Independent Valuers was based on the provided information on the Master Leases (with each Master Lease for a lease term of five years and subject to an option to renew, exercisable by the Master Lessees, for a further term of five years), and the market rents would be taken into consideration after the expiration of the Master Leases.

The Master Lease Agreements are conditional upon the entry into the Share Purchase Agreements and will commence on completion of the Acquisitions.

The details on the Master Lease Agreements are set out in Sections 2.5 and 2.6 of the Letter to Unitholders of the Circular. We note the following in our review:

- (a) The rental income payable under the Master Leases during the term of the Master Leases, being five years (the “**Master Leases Rental Income**”):

Year	Master Leases Rental Income Breakdown (RMB million)		Total Master Leases Rental Income (RMB million)
	Warehouse	Office and Support Buildings	
1	69.0	17.0	86.0
2	70.6	17.3	87.9
3	72.2	17.7	89.9
4	73.8	18.1	91.9
5	75.5	18.5	94.0

Source: Circular

- (b) We note that the rental rates were negotiated with the Master Lessees on an arm’s length basis and based on normal commercial terms, taking into account the rental projections provided by the Independent Valuers.
- (c) The Master Leases are subject to an option to renew, exercisable by the Master Lessees, for a further term of five years. We note that the rental rates of the extended master lease term are subject to negotiation during the renewal process, but it is agreed that the rental rate for the 12 months of the second term shall not be lower than that for the previous 12 months in the fifth year of the initial term.
- (d) As set out in Section 2.6 of the Letter to the Unitholders of the Circular, we note that based on the current underlying leases contracted with the end-tenants of the Property (the “**Underlying Leases**”), the annual underlying rental income of the Property for the 12-month period from 1 January 2018 to 31 December 2018 is approximately RMB41.1 million (S\$8.2 million) in respect of the Warehouse and RMB14.6 million (S\$2.9 million) in respect of the Office and Support Buildings (the “**Underlying Rental Income**”). We note that the rental figure pursuant to the Underlying Leases for the Warehouse does not include the service fee

collected by the existing master lessee of the Warehouse. We also note that due to confidentiality issue, the service fee component cannot be disclosed in the Circular. The total annual rental income of the Property derived from the Underlying Leases would amount to RMB55.7 million (S\$11.1 million), out of which RMB53.5 million (S\$10.7 million) (equivalent to 96.0% of the Underlying Rental Income) comes from the top 10 end-tenants of the Property, which represents approximately 64.8% of the rental income payable for Year 1 of the Master Leases. We also note that the occupancy rates of the Warehouse and the Office and Support Buildings are 100.0% for both the Master Leases and underlying leases.

- (e) We understand from the Manager that the Underlying Rental Income for the Property is currently lower than the Master Leases Rental Income as the Property is relatively new to the Hangzhou industrial property market, having started operations in July 2017. As such, the underlying lease rental rates of the Property have not reached current market levels yet. Further, we note that the Manager understands from the PRC Holdco that in order to attract initial anchor tenants for the Property, the PRC Holdco has agreed to certain preferential rental rates with the current end-tenants. We also note from the Manager that according to the PRC Holdco, while the exact figures relating to the Master Lessees' overall income cannot be disclosed due to confidentiality obligations, the Master Lessees have been profitable from the time of inception, even after accounting for the rental amount under the respective Master Leases.
- (f) We note that the Manager is confident that the Property will be able to achieve higher underlying rental income over the next five years due to the following factors:
 - (i) the Property is situated in Hangzhou, an important manufacturing base and logistics hub for coastal PRC as well as the "capital of Chinese e-commerce." Hangzhou achieved a gross domestic product of over RMB1.35 trillion in 2018, representing an 6.7% year-on-year increase, outstripping the national average of 6.6%¹;
 - (ii) the Property is also strategically located on western side of Mingxing Road, Fuyang District, Hangzhou which is in close proximity to the Changshen Highway and Hangzhou city centre and enjoys convenient water transportation provided by Fuchun River; and
 - (iii) the e-commerce section in Hangzhou continues to expand at a rapid pace, increasing by 17.5% in 2018² and online retail sales in China grew 23.9% in 2018.
- (g) We note that the Manager has put in place the Master Leases to allow Unitholders to benefit from additional rental income stability and downside protection during the initial ramping up period as the Property continues to mature. Further, the Manager will take note of the performance of the Property and ensure that, barring unforeseen circumstances, the underlying performance will be sustainable after the expiry of the Master Lease Agreements.
- (h) We also note that over the period of five years from the completion of the Acquisitions and the commencement of the Master Leases, the Manager expects the underlying rental rates to appreciate to levels consistent with market rates. We further note that the Manager's view is supported by the opinions of the Independent Valuers, that in relation to the Master Lease Agreements, the underlying rental rates of the Property will gradually increase in line with market rent growth despite current underlying rental rates being lower than market rental rates due to contractual preferential rates. We understand that the Manager expects the underlying rental income of the Property will be in line with the market rental rates at that point in time.

¹ Hangzhou Economic Situation, Hangzhou Bureau of Statistics, 4 March 2019 and National Bureau of Statistics of China, 22 January 2019

² Hangzhou Economic Situation, Hangzhou Bureau of Statistics, 4 March 2019 and National Bureau of Statistics of China, 22 January 2019

- (i) The Independent Valuers' projection for the total underlying revenue from the Master Leases is as follows:

Year	Rental Income of Property from Master Leases (RMB million)	Underlying Rental Income from Property (RMB million)	
		Colliers	Knight Frank
1	86.0	79.8	71.9
2	87.9	84.0	77.2
3	89.9	88.0	82.8
4	91.1	92.4	88.6
5	94.0	97.0	94.7
6	-	101.3	97.5

Source: Circular

We note that the Independent Valuers are also of the opinion that upon the expiry of the Master Lease Agreements, the rental income under the Master Lease Agreements is sustainable by the underlying rental income of the Property.

- (j) We also note that it is the Manager's view that given the positive factors in relation to the Property and the Independent Valuers' view that the rental income from the Master Lease Agreements is sustainable by the underlying rental income from the Property upon expiry of the initial lease terms, the rental rates under the Master Lease Agreements are attainable after the Master Lease Agreements have expired.

4.4 Comparison of NPI Yields of the Property with EC World REIT's Existing Portfolio

We have compared the weighted average lease expiry ("WALE") and NPI Yield of the Property with those of EC World REIT's existing portfolio of properties (the "Existing Portfolio").

	Average WALE ⁽¹⁾		NPI Yield ⁽²⁾ (%)
	By NLA (years)	By Gross Rental Income (years)	
Existing Portfolio	1.6	1.8	6.4
Fuzhou E-Commerce	5.0	5.0	6.4
Enlarged Portfolio	2.4	2.3	6.4⁽²⁾

Source: Management, Annual Report, Circular

Notes:

- (1) Information on average WALE is as at 31 March 2019 and not taking into account the New Approved Master Lease Agreements approved by Unitholders at the Extraordinary General Meeting held on 22 April 2019.
- (2) As at 31 December 2018. In RMB terms, based on the annualised NPI of the Existing Portfolio for the 12 months ended 31 December 2018 divided by the valuation as at 31 December 2018 and with the New Master Leases for Stage 1 Properties Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse.
- (3) Combined NPI Yield is calculated based on the weighted average of the NPI Yields for the Existing Portfolio and NPI Yield for the Property as disclosed in the Circular.

We note that the average NPI Yield of the Property of 6.4% is in line with the NPI Yield of the Existing Portfolio as at 31 December 2018. We also note that the WALE of the Property of 5.0 years (both in terms of the NLA and the gross rental income) is longer than the average WALE of 1.6 years based on NLA and the average WALE of 1.8 years based on gross rental income of the Existing Portfolio as at 31 March 2019.

On a combined basis, the estimated NPI Yield of 6.4% for the Enlarged Portfolio is expected to be the same as the NPI Yield of the Existing Portfolio. In evaluating the impact of the Acquisitions on the NPI Yield of the entire EC World REIT portfolio, we have also taken into consideration the Master Leases.

4.5 Comparison of the Property with Selected PRC Industrial/Logistics Property Portfolio Transactions and Selected Industrial/Logistics Property Portfolio Valuation of Listed REITs on the SGX-ST

Based on our discussions with the Management and a search for comparable industrial/logistics property portfolio transactions and valuations on available databases and relevant stock exchanges, we recognise that there is no particular property portfolio that we may consider to be directly comparable to the Property in the aspects of accessibility, NLA, gross lettable area (“**GLA**”), profile, composition of tenants and tenancy agreements, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted the following publicly available information on certain comparable industrial/logistics property portfolios in order to compare the value per sq m and the yields/capitalisation rates implied by the consideration for the Property with the value per sq m and the yields/capitalisation rates of the properties which are included in the lists below:

- a. Transaction details of PRC logistics properties involving certain SGX-ST listed REITs (the “**Selected PRC Logistics Property Transactions**”); and
- b. Valuation details of PRC industrial/logistics property portfolios owned by certain SGX-ST listed REITs (the “**Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs**”).

The Independent Directors, the Audit and Risk Committee and the Trustee should note that any comparison made with respect to the Selected PRC Logistics Property Transactions and the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs are for illustrative purposes only. For the analysis on the Selected PRC Logistics Property Transactions and the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, we have used the available data/information from 1 January 2017 up to the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of the Property as at the Latest Practicable Date. In addition, we wish to highlight that the Selected PRC Logistics Property Transactions and the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs are by no means exhaustive.

4.5.1 Selected PRC Logistics Property Transactions with SGX-ST listed REITs

We have considered the following recent transactions involving PRC logistics properties of REITs, including EC World REIT, which are listed on the SGX-ST in order to compare the NPI Yield implied by the Property Purchase Price for the Property with that of the Selected PRC Logistics Property Transactions.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that any comparison made with respect to the Selected PRC Logistics Property Transactions is for illustrative purposes only. For the purposes of our evaluation, we have considered the following Selected PRC Logistics Property Transactions:

Acquirer	Number of Industrial Properties	Announcement Date	Acquisition Amount (RMB'm)	Ownership of asset to be acquired	NLA (sq m)	Occupancy Rate (%)	WALE as at the Transaction Date (years)	NPI Yield (%)
EC World REIT	1	28 Feb 18	145.0	100%	49,695	82.2	2.3	4.9
Mapletree Logistics Trust	11	8 May 18	1,022.0	50%	821,911	97.7 ⁽¹⁾	3.3	6.4
Low						82.2	2.3	4.9
High						97.7	3.3	6.4
Median						90.0	2.8	5.7
Average						90.0	2.8	5.7
Fuzhou E-Commerce – Based on the Property Purchase Price	1		1,112.5		214,284	100.0	5.0	6.4

Source: SGX Announcements, REIT circulars, the Circular

Notes:

- (1) As at 31 March 2018, the portfolio occupancy rate of the properties was 83.2% and including committed leases that have been secured as at 26 April 2018 (being the latest practicable date prior to the printing of the circular in relation to the acquisition of properties by Mapletree Logistics Trust), the portfolio occupancy rate is 97.7%.

Based on the table above, we note that the average NPI Yield of the Property of 6.4% is at the higher end of the NPI Yields implied by the Selected PRC Logistics Property Transactions. We also note that the average WALE of the Property of 5.0 years is longer than the WALE of the Selected PRC Logistics Property Transactions.

4.5.2 Selected Industrial/Logistics Property Portfolio Valuation of REITs listed on SGX-ST

We have considered the valuations of the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs in order to compare the yields implied by the Property Purchase Price for the Property with those of the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs.

The Independent Directors, the Audit and Risk Committee and the Trustee should note that any comparison made with respect to the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs are for illustrative purposes only. For the purposes of our evaluation, we have considered the following Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs:

REIT	Valuation Date	Valuation ⁽¹⁾ (RMB'm)	Net Lettable Area (sqm)	Occupancy Rate (%)	WALE (years, per gross rental income) as at the Valuation Date	NPI Yield ⁽²⁾ (%)
Ascendas Real Estate Investment Trust	31 Mar 19	55,336	4,353,926 ⁽³⁾	91.9	4.2	5.8
Cache Logistics Trust	31 Dec 18	6,457	798,966 ⁽³⁾	95.0	3.2 ⁽⁴⁾	7.0
ESR-REIT	31 Dec 18	15,011	1,309,933 ⁽³⁾	93.0	3.8	3.7
AIMS AMP Capital Industrial REIT	31 Mar 19	7,244	633,552	94.0	2.6	5.4
SoilBuild Business Space REIT	31 Dec 18	6,108	374,399	89.5	3.7 ⁽⁴⁾	5.7
Mapletree Industrial Trust	31 Mar 19	23,699	1,727,997	90.2 ⁽⁵⁾	3.6	6.0
Mapletree Logistics Trust	31 Mar 19	39,674	4,600,000	98.0	3.8 ⁽⁴⁾	4.9
Frasers Logistics & Industrial Trust	30 Sep 18	14,391	1,950,000 ⁽⁶⁾	99.6	6.9	5.2
Sabana Shari'ah Compliant REIT	31 Dec 18	4,867	410,807 ⁽³⁾	84.4	2.6	5.4
Low				84.4	2.6	3.7
High				99.6	6.9	7.0
Median				91.5	3.7	5.4
Average				92.2	3.8	5.5
Fuzhou E-Commerce – Based on the Property Purchase Price	31 Dec 18	1,112.5	214,284	100.0	5.0	6.4

Source: Annual reports and Circular

Notes:

- (1) Based on the different currency exchange rates as at the Latest Practicable Date.
- (2) Estimated NPI Yield based on NPI and market value as at the latest financial reports, based on various annual reports and financial results announcements.
- (3) Figures stated are Gross Floor Area.
- (4) Figures stated are as per NLA.
- (5) Figure stated is average portfolio occupancy rate.
- (6) Figure stated is GLA.

Based on the table above, we note that the average NPI Yield of the Property is within the range of observed NPI Yields for the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, and higher than the median and average NPI Yields. We also note that the WALE of the Property is within the range of WALEs of those of the Selected Industrial/Logistics Property Portfolio Valuations for Listed REITs, and is longer than the median and average WALEs observed.

4.6 Pro Forma Financial Effects of the Acquisitions

The details of the pro forma financial effects of the Acquisitions, which are shown for illustrative purposes only, are set out in Section 2.18 of the Letter to Unitholders of the Circular.

We note the following:

- (a) The distribution per Unit (“**DPU**”) increases from 6.179 Singapore cents to 6.277 Singapore cents, or by approximately 1.6%, for the pro forma financial effects of the Acquisitions on EC World REIT’s DPU for the FY2018 Audited Consolidated Financial Statements, assuming the Acquisitions was completed on 1 January 2018 and taking into account the issuance of (i) the Acquisitions Fee Units and (ii) new Units in payment of the management fee as a result of the additional NPI after the Acquisitions. The annualised distribution yield increases from 7.9% to 8.0% based on the DPU divided by the closing price on 31 May 2019 of S\$0.78 per Unit.
- (b) The pro forma NAV per Unit as at 31 December 2018 is expected to increase from 86.94 Singapore cents to 88.21 Singapore cents, or by approximately 1.5%, as if the Acquisitions and issuance of Acquisitions Fee Units were completed on 31 December 2018; and
- (c) The pro forma aggregate leverage is expected to increase from 31.5% to 38.0%, assuming the Acquisitions and issuance of Acquisitions Fee Units, were completed on 31 December 2018. We note that upon completion of the Acquisitions, the aggregate leverage of EC World REIT will remain within the maximum aggregate leverage limit of 45.0% under the Property Funds Appendix.

4.7 Other relevant factors

We have also considered the following in our evaluation on the Acquisitions (including the Master Leases):

4.7.1 The Acquisitions are yield-accretive

The Acquisitions, which are attractive and sizable investments in Hangzhou and PRC e-commerce sector, are expected to be 1.6% DPU-accretive based on pro forma financial effects for FY2018. The NPI of EC World REIT is expected to reach S\$101.7 million, which provides for a 16.4% increase vis-à-vis FY2018 NPI of EC World REIT, on a historical pro forma basis. Also, the Master Leases have a built fixed annual escalation of 2.25% for the first five years which will provide guaranteed growth for Unitholders’ distributions. Further, the Master Leases are subject to an option to renew, exercisable by the Master Lessees, for a further term of five years, but subject to the PRC Holdco’s acceptance at its sole and absolute discretion. We note that under the Master Lease Agreements, the rent for the Option Term are subject to renegotiation during the renewal process, but it is agreed between the PRC Holdco and the Master Lessees that the rent payable for the first 12 months of the Option Term shall not be lower than rent payable for the last 12 months of the Initial Term.

4.7.2 Significant increase in portfolio size

We note that the Acquisitions will significantly increase EC World REIT’s asset portfolio size by 17.9% and 28.7% by valuation and GFA, respectively. The Acquisitions will also increase the proportion of e-commerce and specialised assets to over 74.4% of the entire portfolio by NLA, which will further demonstrate EC World REIT’s differentiated proposition. The proportion of e-

commerce logistics assets will increase from 30.4% to 41.0% by valuation and from 35.3% to 49.7% by NLA.

4.7.3 Master Lessees' obligations under the Master Lease Agreements

The Master Leases provide for certain obligations by the Master Lessees, including (a) payment of utilities and other operation expenses/costs to the Master Lessor and/or to the relevant third parties, (b) placement of security deposit equivalent to the sum of the first six months' rent with the Master Lessor, (c) taking out and maintaining insurance policies in joint names with the Master Lessor, and (d) keeping, at its own cost, all the interior non-structural parts of the Property in good, clean and tenable condition and the Property to be properly preserved. The Master Lessees may, subject to the Master Lessor's consent, sub-let any part of the Property to other tenants.

4.7.4 Master Lessor's obligations under the Master Lease Agreements

The Master Leases provide for certain obligations by the Master Lessor, including (a) payment for the land use fee and house property taxes in relation to the Property, (b) maintaining and procuring the maintenance of the roof and major structural parts of the Property in good condition, (c) repairing structural defects installing facilities and maintaining public territory of the Property, and (d) taking out and maintaining insurance policies in joint names with the Master Lessees over all risks and damage (including earthquake) to the Property, all plant and equipment and installations permanently affixed to the Property.

5 OUR OPINION ON THE ACQUISITIONS (INCLUDING THE MASTER LEASES)

In arriving at our advice to the Independent Directors, the Audit and Risk Committee, and the Trustee on the Acquisitions (including the Master Leases), we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Acquisitions (including the Master Leases). The factors we have considered in our evaluation, which are based on, among others, representations made by EC World REIT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

For the Acquisitions:

- (a) rationale for and the key benefits of the Acquisitions;
- (b) the Property Purchase Price for the Property is lower than the valuations of both Independent Valuers, with the discounts of 7.5% to the average valuation with Master Leases and 6.3% to the average valuation without Master Leases of the Independent Valuers as at the Valuation Date;
- (c) the average NPI Yield of the Property of 6.4% is in line with the NPI Yield of the Existing Portfolio as at 31 December 2018;
- (d) the WALE of the Property of 5.0 years (both in terms of the NLA and the gross rental income) is longer than the average WALE of the Existing Portfolio as at 31 March 2019;
- (e) the average NPI Yield of the Property is at the higher end of the NPI Yields implied by the Selected PRC Logistics Property Transactions;
- (f) the WALE of the Property is longer than the WALE of the Selected PRC Logistics Property Transactions;
- (g) the average NPI Yield of the Property is within the range of observed NPI Yields for the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, and higher than the median and average NPI Yields for the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs;

- (h) the WALE of the Property is within the range of WALEs of the Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs, and is longer than the median and average WALEs observed for Selected Industrial/Logistics Property Portfolio Valuations of Listed REITs;
- (i) based on the pro forma financial effects, the Acquisitions will result in the DPU for the FY2018 Audited Consolidated Financial Statements increasing by approximately 1.6%, NAV per Unit as at 31 December 2018 increasing by approximately 1.5%, and pro forma aggregate leverage as at 31 December 2018 increasing from 31.5% to 38.0%;
- (j) the Acquisitions will significantly increase EC World REIT's asset portfolio size by 17.9% and 28.7% by valuation and GFA, respectively; and
- (k) the Acquisitions will increase the proportion of e-commerce and specialised assets to over 74.4% of the entire portfolio by NLA, which will further demonstrate EC World REIT's differentiated proposition.

For the Master Leases:

- (a) rationale for and the key benefits of the Master Leases;
- (b) the Master Leases will only commence on completion of the Acquisitions;
- (c) the rental rates with the Master Lessees are supported by market rental rates and the opinions by the Independent Valuers;
- (d) the Master Leases are subject to an option to renew for a further term of five years, and it is agreed that the rental rate for the 12 months of the second term shall not be lower than that for the previous 12 months in the fifth year of the initial term;
- (e) the total annual underlying rental income of the Property represents approximately 64.8% of the Master Leases Rental Income payable for Year 1;
- (f) the occupancy rates of the Warehouse and the Office and Support Buildings are 100.0% for both the Master Leases and underlying leases;
- (g) the underlying rental income of the Property is expected to increase over the next five years and the Manager expects the underlying rental rates to appreciate to levels consistent with market rates;
- (h) the Master Leases provide for the respective obligations by the Master Lessees and Master Lessor; and
- (i) the Master Leases has been put in place to benefit from additional rental income stability and downside protection during the initial ramping up period as the Property continues to mature.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Acquisitions (including the Master Leases) are on normal commercial terms and are not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the Acquisitions (including the Master Leases). We wish to highlight that by approving the Acquisitions, Unitholders will be deemed to have also approved the Master Leases.

The Independent Directors, the Audit and Risk Committee, and the Trustee should note that we have arrived at our opinion and recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Acquisitions (including the Master

Leases) cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Acquisitions (including the Master Leases).

We have prepared this letter as required under Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purposes of their consideration of the Acquisitions (including the Master Leases), but any recommendations made by the Independent Directors and the Audit and Risk Committee in respect of the Acquisitions (including the Master Leases) shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Acquisitions (including the Master Leases) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents EC World REIT, the Manager, its directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Acquisitions (including the Master Leases). This opinion 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
Ernst & Young Corporate Finance Pte Ltd

Luke Pais
Managing Director

Elisa Montano
Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of EC World Real Estate Investment Trust (“**EC World REIT**”) will be held at Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on Wednesday, 19 June 2019, at 10.00 a.m., 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 dated 4 June 2019):

THE PROPOSED ACQUISITIONS AND MASTER LEASE AGREEMENTS OF FUZHOU E-COMMERCE WHICH CONSTITUTE AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)

RESOLVED that:

1. approval be and is hereby given for the acquisition of the entire issued share capital of the BVI Holdco which holds a 34.02% equity interest in the PRC Holdco, the sole legal and beneficial land user and owner of the Property, on the terms and subject to the conditions set out in the BVI Share Purchase Agreement dated 10 May 2019 entered into between the Trustee and the BVI Vendor;
2. approval be and is hereby given for the acquisition of the 65.98% equity interest in the PRC Holdco, the sole legal and beneficial land user and owner of the Property, on the terms and subject to the conditions set out in the PRC Share Purchase Agreement dated 10 May 2019 entered into between Wuhan Fute, an indirectly wholly-owned subsidiary of the Trustee, and the PRC Vendor;
3. approval be and is hereby given for the entry into the Master Lease Agreements between Zhejiang Fuzhou E-commerce Co., Ltd. (as master lessor) and Hangzhou Fuyang Yuntong E-Commerce Co., Ltd (as master lessee) in relation to the grant of a master lease over the Warehouse, and between Zhejiang Fuzhou E-commerce Co., Ltd. (as master lessor) and Zhejiang Yuntong E-Commerce Co., Ltd. (as master lessee), in relation to the grant of a master lease over the Office and Support Buildings;
4. approval be and is hereby given for the proposed issue of new units in EC World REIT for the payment of the acquisition fee to EC World Asset Management Pte. Ltd., as manager of EC World REIT (the “**Manager**”), for the proposed Acquisitions;
5. approval be and is hereby given for the payment of all fees and expenses relating to the proposed Acquisitions (including the Master Lease Agreements); and
6. the Manager, any director of the Manager (“**Director**”) and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including 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 proposed Acquisitions, the Share

Purchase Agreements, the entry into the Master Lease Agreements and all transactions in connection therewith.

BY ORDER OF THE BOARD

EC World Asset Management Pte. Ltd.

(as manager of EC World Real Estate Investment Trust)

(Company Registration No. 201523015N)

Victor Lai

Josephine Toh

Company Secretaries

Singapore

4 June 2019

Important Notice:

1. A Unitholder who is not a relevant intermediary and entitled to attend and vote at the Extraordinary General Meeting ("**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 or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary 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 appointment shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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, Chapter 289 of Singapore, and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's Office at Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than seventy-two (72) hours before the time appointed for holding the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by EC World REIT (or its agents) for the purpose of the processing and administration by EC World REIT (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for EC World REIT (or its agents) to comply with any applicable laws, listing 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 (or its agents), 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 (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify EC World REIT in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to the Proxy Form:

1. A unitholder of EC World REIT ("**Unitholder**") who is not a relevant intermediary 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 or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary 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 (defined below).

"Relevant intermediary" means:

 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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, Chapter 289 of Singapore, and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and Units registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units entered against his or her name in the Depository Register and registered in his or her name in the Register of Unitholders. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's Office at Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 72 hours before the time appointed for holding the EGM.
5. 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 officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a Unitholder from attending and voting at the EGM. Any appointment of a proxy or proxies 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 or persons appointed under the instrument of proxy to the EGM.
7. 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 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.
8. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
9. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he or she is a Unitholder. A person entitled to more than one vote need not use all his or her votes or cast them the same way.

General

The Manager shall be entitled to reject an instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Manager may reject an instrument appointing a proxy or proxies if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register not less than 72 hours before the time appointed for holding the meeting, as certified by CDP to the Manager

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EC WORLD REAL ESTATE INVESTMENT TRUST

(constituted in the Republic of Singapore pursuant to a trust deed dated 5 August 2015 (as amended))

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend and vote at the EGM (please see Note 2 for the definition of "Relevant intermediary").
2. For CPF investors who have used their CPF monies to buy units in EC World REIT, 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 them. CPF investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. PLEASE READ THE NOTES TO THE PROXY FORM
Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 June 2019.

I/We _____ (Name)
of _____ (Address)

being a unitholder/unitholders of EC World Real Estate Investment Trust ("EC World REIT"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Unitholdings	
		No. of Units	%
Address			

or, both of whom failing, the Lead Independent Director of EC World Asset Management Pte. Ltd. (as manager of EC World REIT) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of EC World REIT ("EGM") to be held on Wednesday, 19 June 2019, at 10.00 a.m. at Stephen Riady Auditorium @ NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

No.	Ordinary Resolution	No. of Votes For *	No. of Votes Against *
1.	To approve the Acquisitions and the Master Lease Agreements		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total number of Units held

--

Signature(s) of Unitholder(s)/Common Seal

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2nd fold here

EC World Asset Management Pte. Ltd.
(as manager of EC World Real Estate Investment Trust)
c/o
Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

Affix
Postage
Stamp

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