CIRCULAR DATED 24 NOVEMBER 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this circular dated 24 November 2022 ("**Circular**"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in EC World Real Estate Investment Trust ("**EC World REIT**" or "**ECW**", and the units in EC World REIT, the "**Units**"), you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting (the "**EGM**") and the accompanying Proxy Form (as defined herein)) may be accessed at EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and is also available on SGXNET at the URL www.sgx.com/securities/company-announcements.

EC World
运 通 网 城 REIT

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

MANAGED BY

EC World Asset Management Pte. Ltd.

(Company Registration No. 201523015N)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED DIVESTMENT OF STAGE 1 PROPERTIES OF BEI GANG LOGISTICS AND CHONGXIAN PORT LOGISTICS

Financial Adviser to the Manager

BofA SECURITIES

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

PROVENANCECAPITAL

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

IMPORTANT DATES AND TIMES FOR UNITHOLDERS OF EC WORLD REIT ("UNITHOLDERS")

Last date and time for lodgement of Proxy Forms	:	Tuesday, 13 December 2022 at 10.00 a.m. (Singapore time)
Date and time of EGM[(1)]	:	Friday, 16 December 2022 at 10.00 a.m. (Singapore time)
Place of EGM[(1)]	:	Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539

Note:

(1) The EGM will be held in a wholly physical format and Unitholders will be able to attend the EGM in person. **There will be no option for Unitholders to participate virtually.** (See paragraph 13 of the Letter to Unitholders and the Notice of EGM for further details.) Due to the constantly evolving COVID-19 situation in Singapore, EC World Asset Management Pte. Ltd., as manager of EC World REIT (the "**Manager**"), may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at the URL https://www.ecwreit.com and SGXNET at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

TABLE OF CONTENTS

	Page
CORPORATE INFORMATION	ii
OVERVIEW	1
INDICATIVE TIMETABLE	17
LETTER TO UNITHOLDERS	
1. Summary of Approval Sought	18
2. Background	18
3. Rationale for the Proposed Divestment	27
4. Principal Terms of the Proposed Divestment	31
5. Evaluation Process	44
6. *Pro Forma* Financial Effects of the Proposed Divestment	45
7. Estimated Total Divestment Cost	46
8. Intended Use of Divestment Proceeds	46
9. Special Distribution	47
10. Requirement for Unitholders' Approval	49
11. Advice of the Independent Financial Adviser	55
12. Recommendations	56
13. EGM and Actions to be taken by Unitholders	57
14. Directors' Responsibility Statement	60
15. Financial Adviser's Responsibility Statement	61
16. Consents	61
17. Documents for Inspection	61
18. Cautionary Statement	61
IMPORTANT NOTICE	62
GLOSSARY	63
APPENDICES	
APPENDIX A Summary Property Valuation Reports	A-1
APPENDIX B Independent Financial Adviser's Letter	B-1
APPENDIX C Salient Terms of the Form of the Promissory Notes	C-1
APPENDIX D Salient Terms of the Agreed Financing Principles	D-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	E-1
PROXY FORM	

CORPORATE INFORMATION

Directors of the Manager (the "Directors")	:	Mr Zhang Guobiao (Chairman and Non-Executive Director) Mr Chan Heng Wing (Independent Non-Executive Director and Lead Independent Director) Dr David Wong See Hong (Independent Non-Executive Director) Mr Chia Yew Boon (Independent Non-Executive Director) Mr Li Guosheng (Independent Non-Executive Director) Mr Goh Toh Sim (Executive Director and Chief Executive Officer)
Registered Office of the Manager	:	6 Shenton Way #41-03 OUE Downtown 1 Singapore 068809
Trustee of EC World REIT (the "Trustee")	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Financial Adviser to the Manager (the "Financial Adviser")	:	Merrill Lynch (Singapore) Pte. Ltd. OUE Bayfront #14-01 50 Collyer Quay Singapore 049321
Legal Adviser to the Manager as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager as to the People's Republic of China ("PRC") Law	:	King & Wood Mallesons 17th Floor, One ICC Shanghai ICC 999 Middle Huai Hai Road Xuhui District Shanghai 200031, PRC
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Financial Adviser to the Audit and Risk Committee and the Independent Directors of the Manager and to the Trustee (the "IFA")	:	Provenance Capital Pte. Ltd. 96 Robinson Road #13-01 SIF Building Singapore 068899

Independent Valuers (the "Independent Valuers")	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**") (appointed by the Trustee) 7/F, One Taikoo Place 979 King's Road, Hong Kong SAR Knight Frank Petty Limited ("**KF**") (appointed by the Manager) 4/F Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong SAR
Unit Registrar and Unit Transfer Office (the "Unit Registrar")	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632

This page has been intentionally left blank.

OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 63 to 72 of this Circular.

*For illustrative purposes, certain RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of RMB1.00 = S$0.2001 (the "**Illustrative Exchange Rate**"). Such translations should not be construed as representations that the RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all and vice versa.*

ABOUT EC WORLD REIT

Listed on the SGX-ST on 28 July 2016, EC World REIT is a Singapore logistics real estate investment trust established with an investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus on the PRC. As at 17 November 2022, being the latest practicable date prior to the issuance of this Circular (the "**Latest Practicable Date**"), EC World REIT's portfolio consists of seven quality properties (each, a "**Property**", and collectively, the "**Properties**") located in the PRC within the largest e-commerce clusters of Hangzhou in the Yangtze River Delta and Wuhan.

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

SUMMARY OF TRANSACTION

On 30 September 2022, EC World REIT, through its wholly-owned subsidiary incorporated in the Republic of Singapore, Richwin Investment Pte. Ltd. (the "**Vendor**"), entered into a conditional equity purchase agreement (the "**Equity Purchase Agreement**") with Hangzhou Futou Beigang Enterprise Management Co., Ltd. ("**HFBEM**"), FIPL (and together with HFBEM, the "**Purchasers**") and the Sponsor, pursuant to which EC World REIT will divest its indirect 100.0% interests in Stage 1 Properties of Bei Gang Logistics, located at Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC ("**Beigang Logistics Stage 1**"), and Chongxian Port Logistics, located at No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC ("**Chongxian Port Logistics**", and together with Beigang Logistics Stage 1, the "**Divestment Properties**") (the "**Proposed Divestment**"). The Purchasers are wholly-owned subsidiaries of the Sponsor, and their respective percentage interests in the Divestment Properties immediately after Completion[1] shall be determined prior to the date on which Completion takes place (the "**Completion Date**") in the manner set out in paragraph 4.2.1 of the Letter to Unitholders.

Please refer to paragraph 5 of the Letter to Unitholders on the evaluation process undertaken by the Audit and Risk Committee of the Manager (the "**Audit and Risk Committee**") in relation to the Proposed Divestment.

---

1 "**Completion**" means the completion of the Proposed Divestment pursuant to the Equity Purchase Agreement (which shall, at the best endeavours of the Vendor, the Sponsor and the Purchasers (collectively, the "**Parties**"), occur by 31 December 2022, or such other date as may be agreed among the Parties).

In connection with the Proposed Divestment, the Purchasers will:

(i) pay (or procure the payment of) the consideration for the sale and purchase of all of the equity interests in Hangzhou Bei Gang Logistics Co., Ltd. ("**Hangzhou Beigang**", and all of the equity interests therein, the "**Target Equity Interests**") of RMB1,370,000,000 (the "**Equity Consideration**") to the Vendor on Completion (see paragraph 2.3.1 of the Letter to Unitholders for details);

(ii) repay (or procure such repayment of) all the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be no more than RMB266,361,216 (the "**HZBG Loan Repayment Amount**") on Completion[2] (see paragraph 2.3.2 of the Letter to Unitholders for details); and

(iii) pay (or procure the payment of) the HZBG Net Related Party Payable in an amount which shall be no more than RMB189,901,359 within a specified timeframe after Completion (see paragraph 2.3.3 of the Letter to Unitholders for details). "**HZBG Net Related Party Payable**" means the net amount payable as at Completion by Hangzhou Beigang (which would by then wholly own, whether directly or indirectly, Beigang Logistics Stage 1 and Chongxian Port Logistics) to EC World REIT and other subsidiaries of EC World REIT (which exclude Hangzhou Beigang and Chongxian Logistics) (collectively, the "**HZBG Related Parties**"), representing the sum of the amounts payable by Hangzhou Beigang to the HZBG Related Parties (including the sale consideration payable by Hangzhou Beigang to Hangzhou Chongxian Port Investment Co., Ltd. ("**Chongxian Investment**") for the transfer of Chongxian Investment's 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang (the "**Internal Restructuring**")) after netting off the amounts which are receivable by Hangzhou Beigang from the HZBG Related Parties, which net amount shall be no more than RMB189,901,359.

(Please refer to paragraph 2 of the Letter to Unitholders for further details on the Proposed Divestment.)

On 1 June 2022, the Manager had made an announcement in relation to, among others, the extension of the maturity date of the Existing Offshore Bank Loans[3] to the earlier of (i) the earliest maturity date of the Existing Onshore Bank Loans[4] and (ii) 30 April 2023. In connection with the extension of the maturity date of the Existing Offshore Bank Loans, the Sponsor has provided an undertaking dated 31 May 2022 to the relevant lenders of the Existing Offshore Bank Loans (the "**Offshore Undertaking**") that it will:

(i) procure that the exercise of refinancing of the Existing Offshore Bank Loans is commenced immediately; and

(ii) by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Offshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the "**Mandatory Offshore Repayment**").

---

2 Immediately prior to Completion of the Proposed Divestment, Hangzhou Beigang will own Beigang Logistics Stage 1 and (through Hangzhou Chongxian Port Logistics Co., Ltd. ("**Chongxian Logistics**", and together with Hangzhou Beigang, the "**Target Companies**")) own Chongxian Port Logistics (see paragraph 2.2 of the Letter to Unitholders for details). It is intended that the Target Companies may enter into the Transaction Financing (as defined herein) to finance the HZBG Loan Repayment Amount. In any event, on Completion, the Purchasers are obligated to repay (or procure such repayment of) the HZBG Loan Repayment Amount regardless of whether the Transaction Financing is entered into by the Target Companies. Please refer to paragraphs 2.3.2 and 4.6 of the Letter to Unitholders for details.

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

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

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

On 29 June 2022, the Manager announced, among others, that the maturity date of the Existing Onshore Bank Loans (save for a RMB63,749,144[5] portion of the Existing Onshore Bank Loans which will expire in July 2029) has been extended to 30 April 2023. In connection with the extension of the maturity date of the Existing Onshore Bank Loans, the Sponsor has provided an undertaking dated 28 June 2022 to the relevant lenders of the Existing Onshore Bank Loans (the "**Onshore Undertaking**") that it will:

(i) procure that the exercise of refinancing of the Existing Onshore Bank Loans is commenced immediately; and

(ii) by 31 December 2022, ensure that at least 25.0% of the aggregate principal amount of the Existing Onshore Bank Loans are repaid whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise (the "**Mandatory Onshore Repayment**", and together with the Mandatory Offshore Repayment, the "**Mandatory Repayment**").

On 20 November 2022, the Manager announced that the documents in connection with the Transaction Financing[6] (the "**Transaction Financing Documents**") were not entered into although the Transaction Financing Long-Stop Date[7] has passed.

On 22 November 2022, the Manager announced that, among others, (1) the obligation of the ECW Group[8] to repay the Mandatory Repayment amount by 31 December 2022 and the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022 remain to be the case, notwithstanding that the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date has passed; (2) the Manager is currently in discussions with the lead lenders of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans to refinance the April 2023 Outstanding Loans[9]; and (3) in light of the foregoing, the board of Directors of the Manager (the "**Board**") assessed that EC World REIT remains as a going concern, based on the Board's expectation that the repayment of the Mandatory Repayment and refinancing of April 2023 Outstanding Loans would be completed before these borrowings become due for repayment.

On 23 November 2022, the Manager announced that, among others, (1) in respect of the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022, the Board is of the view that the Sponsor has sufficient financial resources to meet its obligations under the Offshore Undertaking and the Onshore Undertaking by ensuring that the Mandatory Repayment is made by 31 December 2022; and (2) this is based on the management's review of latest audited financial statements of the Sponsor and written confirmation from the Sponsor that the Sponsor is able to fulfil its undertakings to the existing lenders of ECW that the Sponsor will ensure ECW to repay Mandatory Repayment by 31 December 2022.

---

5 Based on the amount as at 30 June 2022.

6 "**Transaction Financing**" means the onshore tranche of financing which may be entered into by the relevant Target Companies for the purpose of repaying part of the existing banking facilities of the Vendor's Group (as defined herein) (which shall comply with the Agreed Financing Principles (as defined herein)). For details, please refer to paragraph 4.6 of the Letter to Unitholders.

7 "**Transaction Financing Long-Stop Date**" means the date falling seven weeks after the signing of the Equity Purchase Agreement (i.e. 18 November 2022).

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

9 "**April 2023 Outstanding Loans**" means the balance of the Existing Onshore Bank Loans and the Existing Offshore Bank Loans (after settling the Mandatory Repayment amount or the Relevant Mandatory Prepayment Amount (as defined herein) (as the case may be)) which will be maturing on 30 April 2023.

The Proposed Divestment would enable EC World REIT to obtain funds to, among others:

(a) in respect of the Existing Offshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022 (or such later date as the lenders may agree);

(b) in respect of the Existing Onshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022 (or such later date as the lenders may agree); and

(c) make a special distribution[10] to the Unitholders in connection with the Proposed Divestment ("**Special Distribution**"), which is intended to be made within 40 Business Days[11] of Completion.

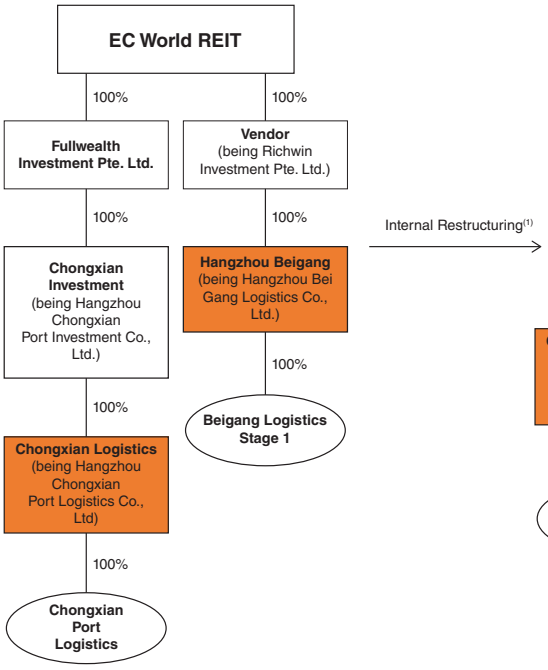
SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from Unitholders for the Proposed Divestment by way of an Ordinary Resolution[12] pursuant to Rules 906(1)(a) and 1014(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**").

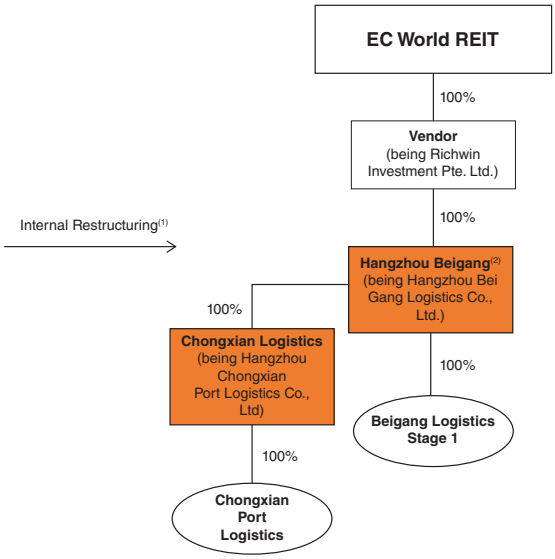
THE PROPOSED DIVESTMENT

The following diagrams illustrate ECW's property-holding structure of Beigang Logistics Stage 1 and Chongxian Port Logistics (i) as at the Latest Practicable Date; and (ii) following the completion of the Internal Restructuring and prior to Completion of the Proposed Divestment:

As at the Latest Practicable Date



Following completion of the Internal Restructuring and prior to Completion



10 Please refer to paragraph 9 of the Letter to Unitholders for further details, including the expected quantum of the Special Distribution which is set out purely for illustrative purposes. Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

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

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

Notes:

(1) Immediately following completion of the Internal Restructuring, the Vendor will directly wholly own Hangzhou Beigang which will in turn wholly own Beigang Logistics Stage 1 and (through Chongxian Logistics) wholly own Chongxian Port Logistics.

(2) Pursuant to the Proposed Divestment, it is envisaged that the Vendor will divest to the Purchasers all of the Target Equity Interests in Hangzhou Beigang, subject to, among others, the completion of the Internal Restructuring.

The Vendor, the Purchasers and the Sponsor have on 30 September 2022 entered into the Equity Purchase Agreement, for the sale by the Vendor to the Purchasers of the Target Equity Interests, subject to, among others, the completion of the Internal Restructuring.

(Please refer to paragraph 2 of the Letter to Unitholders for further details on the Proposed Divestment and the Internal Restructuring.)

To facilitate the Proposed Divestment such that both of the Divestment Properties are wholly owned, whether directly or indirectly, by Hangzhou Beigang, prior to Completion of the Proposed Divestment, pursuant to the Internal Restructuring, Chongxian Investment will transfer its 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang. Accordingly, immediately following the completion of the Internal Restructuring and prior to Completion of the Proposed Divestment, the Vendor will directly and wholly own Hangzhou Beigang which will in turn wholly own Beigang Logistics Stage 1 and (through Chongxian Logistics) wholly own Chongxian Port Logistics. Please refer to paragraph 2.2 of the Letter to Unitholders for the *pro forma* financial effects of the Internal Restructuring on Hangzhou Beigang's net asset value ("**NAV**") (based on the unaudited consolidated balance sheet of Hangzhou Beigang as at 30 June 2022), for illustrative purposes only.

The Completion of the Proposed Divestment is subject to, among others, the completion of the Internal Restructuring, and accordingly, Completion shall not take place unless the Internal Restructuring has been completed.

(Please refer to paragraph 4.1(iv) of the Letter to Unitholders for details.)

The Sponsor has agreed to unconditionally and irrevocably guarantee to the Vendor the due and punctual performance and observance by the Purchasers of all of the commitments, undertakings, warranties and indemnities of the Purchasers under the Equity Purchase Agreement (the "**Specified Obligations**") and to pay to the Vendor or as it may direct upon the Vendor's first demand all amounts due and owing by the Purchasers to the Vendor arising from any breach by any of the Purchasers of the Specified Obligations. For the avoidance of doubt, the Specified Obligations include the indemnity granted by the Purchasers in favour of the Vendor in relation to the Promissory Notes Arrangement (as defined herein) (see paragraph 4.2.2 of the Letter to Unitholders for details).

The Purchasers have acknowledged and agreed that with effect from the date of the Equity Purchase Agreement, the Purchasers' sole remedy and right of recovery for any warranty claims shall be against the Sponsor (and not the Vendor), and no right of rescission or termination shall be available after Completion by reason of any breach of the Vendor's warranties (other than the condition precedent relating to fundamental warranties as set out in paragraph 4.1(vii) of the Letter to Unitholders) (other than fraud on the part of the Vendor's Group[13] and then only to the extent such warranty claim relates to such fraudulent conduct). Other than fraud or gross negligence on the part of the Vendor's Group, the Purchasers will not be entitled to make any warranty claim against the Vendor, except only to the extent required to permit a warranty claim

13 "**Vendor's Group**" means the Vendor and its subsidiaries from time to time and shall include the Target Companies before Completion.

against the Sponsor but only on the basis that the Vendor shall have no liability for any warranty claim beyond S$1.00, irrespective of whether the claim against the Sponsor may be subject to limitations or exclusions.

In addition, the Vendor also has the right to notify the Purchasers of any matters which arise between the date of the Equity Purchase Agreement and Completion which may or would have affected any Vendor's warranty. The Parties have agreed that any such notice shall operate as a disclosure against the Vendor's warranties (other than the fundamental warranties set out in the Equity Purchase Agreement) only for the purposes of any liability of the Vendor, and shall in no event operate as a disclosure against any of the Vendor's warranties for the purposes of any liability of the Sponsor under the Equity Purchase Agreement.

(Please refer to paragraphs 4.8, 4.9 and 4.10 of the Letter to Unitholders for further details.)

The Purchasers and the Relevant Entity

Under the Equity Purchase Agreement, HFBEM and/or FIPL (or their respective designated persons) may establish an entity (the "**Relevant Entity**") to be the actual purchaser (or one of the actual purchasers) under the Proposed Divestment, provided that such Relevant Entity fulfils the following criteria:

(i) either HFBEM or FIPL or the Purchasers collectively shall own, in the aggregate, 100.0% of the interest in the Relevant Entity; and

(ii) by no later than the date falling seven weeks (or such later date as may be agreed by the Parties) after the signing of the Equity Purchase Agreement and at least one week prior to Completion:

    (a) the Relevant Entity shall be established; and

    (b) HFBEM and FIPL shall notify the Vendor in writing of their intention to nominate the Relevant Entity as an actual purchaser under the Proposed Divestment, which notification shall include the full name and ownership structure of the Relevant Entity.

The respective shares of the Target Equity Interests to be acquired by each Purchaser in accordance with the Equity Purchase Agreement shall be notified in writing to the Vendor at least 20 Business Days before the Completion Date. In the event such notification is not given to the Vendor within the aforementioned time period, it will be deemed that each of HFBEM and FIPL will acquire 50.0% of the Target Equity Interests.

The Manager will make further announcements on the respective shares of the Target Equity Interests to be acquired by each Purchaser in due course.

Equity Consideration

On Completion, the Purchasers shall pay for the Equity Consideration (or procure that the Equity Consideration has been paid) in the following manner:

(i) FIPL may deliver (or procure the delivery of) Promissory Notes (as defined herein) to the Vendor in settlement of a part of the Equity Consideration, in accordance with and subject to the requirements referred to in paragraph 4.2.2(i) of the Letter to Unitholders; and

(ii) the actual purchaser(s)[14] under the Proposed Divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with (i) above) to the bank account of the Vendor, the details of which are set out in the Equity Purchase Agreement (the "**Vendor's Bank Account**").

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

Promissory Notes Arrangement

The issuers of the Promissory Notes are intended to be FIPL, Forchn Global Pte. Ltd. ("**FGPL**") and ECWAM (collectively, the "**Forchn Unitholders**"). As part of the terms of the Proposed Divestment, FIPL may, under the Promissory Notes Arrangement, at its option, elect to pay part of the Equity Consideration by delivering (or procuring the delivery of) the Promissory Notes to the Vendor. These Promissory Notes will then be used to set off against the relevant Forchn Unitholders' entitlements to the Special Distribution. Any remaining amount not paid for in the form of Promissory Notes shall be paid in cash to the Vendor.

The arrangement with respect to the Promissory Notes (the "**Promissory Notes Arrangement**") is as follows, and its purpose is to manage efficiency of money flows in view of the intended Special Distribution:

(i) on Completion, FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that:

   (a) the aggregate principal amount of the Promissory Notes (the "**PN Principal Amount**") shall not exceed an amount in Singapore dollar equivalent of RMB197,000,000[15], computed based on the S$: RMB exchange rate prevailing as at the Completion Date; and

   (b) the abovementioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed Settlement Agreements (as defined herein) in respect of the settlement of the Promissory Notes;

(ii) it is envisaged that there will be three transferable promissory notes (the "**Promissory Notes**"), each issued or to be issued by one of the Forchn Unitholders that will bear an interest rate of 4.2% per annum, being the Singapore Standing Facility Deposit Rate published by the Monetary Authority of Singapore (the "**MAS**") as at the date of the Equity Purchase Agreement (the "**PN Interest Rate**"); and

(iii) in connection with the Promissory Notes, each of the Forchn Unitholders will enter into a separate settlement agreement with the Vendor and the Trustee relating to the settlement of the Promissory Notes (each, a "**Settlement Agreement**"), to be delivered to the Vendor on the Completion Date together with the Promissory Notes. It is intended that pursuant to the respective Settlement Agreement, subject to and conditional upon Completion, the Vendor shall indorse and deliver the relevant Promissory Note to the relevant Forchn Unitholder, and the relevant Forchn Unitholder shall accept the relevant Promissory Note from the Vendor, on the date of the Special Distribution in full and final settlement of the relevant portion of the Special Distribution due and payable to the relevant Forchn Unitholder by EC World REIT. Effectively, the principal amount of the relevant Promissory Note will be set off against the amount of the Special Distribution which the relevant Forchn Unitholder is entitled to. Purely for illustrative purposes only, based on the Forchn Unitholders' respective direct unitholdings in EC World REIT as at the Latest Practicable Date, it is expected that the following will be

15 This cap on the PN Principal Amount is computed based on the direct unitholdings of the Forchn Unitholders as at 30 September 2022 and the estimated amount of Special Distribution they will be entitled to. This is because it is intended that the Promissory Notes to be delivered to EC World REIT as partial payment of the Equity Consideration (if any) will be used to set off against EC World REIT's obligation to pay the relevant Forchn Unitholders their entitlements to the Special Distribution (see paragraph 4.2.2(iii) of the Letter to Unitholders for details).

the principal amounts of the Promissory Notes to be issued by the Forchn Unitholders and the Special Distribution amounts they will be entitled to:

Forchn Unitholder	Expected Principal Amount of Promissory Note	Percentage Direct Unitholding in ECW as at the Latest Practicable Date	Illustrative Amount of Special Distribution[(1)(2)]
FGPL	S$35,896,696 (RMB179,393,783)	39.879%	S$35,983,929 (RMB179,829,729)
FIPL	S$2,860,180 (RMB14,293,755)	3.178%	S$2,867,131 RMB14,328,490
ECWAM	S$662,824 (RMB3,312,462)	0.736%	S$664,434 (RMB3,320,512)
Total	**S$39,419,700 (RMB197,000,000)**	**43.793%**	**S$39,515,494 (RMB197,478,731)**

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

(1) The RMB amounts in this column represent the balance of the divestment proceeds expected to be available to EC World REIT after the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208), the repayment of the Relevant Offshore Revolving Credit Facilities (as defined herein) amounting to approximately RMB265,993,266 (approximately S$53,225,253), the payment of the Relevant Transaction Costs (as defined herein) and catering for contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment (see paragraph 8 of the Letter to Unitholders), pro-rated based on the Forchn Unitholders' respective direct unitholdings in EC World REIT as at the Latest Practicable Date.

(2) Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

The Promissory Notes shall be in the form set out in the Equity Purchase Agreement, and the salient terms of such form are set out in **Appendix C** to this Circular.

Purely for illustrative purposes only, assuming that the PN Principal Amount is S$39,419,700[16] and assuming that the period between the Completion Date and the date of payment of the Special Distribution is eight weeks such that interest on the Promissory Notes accrues during this period, it is estimated that the total amount payable to the Vendor pursuant to the Promissory Notes (comprising the PN Principal Amount and the interest payable on the PN Principal Amount at the PN Interest Rate) will be S$39,674,412.

The Purchasers have agreed to indemnify the Vendor against any costs, charges, expenses (including any taxes incurred by any member of the Vendor's Group) and/or any other losses in connection with the Transaction[17] which the Vendor's Group would not otherwise have sustained, incurred or suffered but for the Promissory Notes Arrangement.

16 S$39,419,700 is the Singapore dollar equivalent of the maximum PN Principal Amount of RMB197,000,000 computed based on the Illustrative Exchange Rate. Pursuant to the Equity Purchase Agreement, the actual PN Principal Amount shall be an amount not exceeding the Singapore dollar equivalent of RMB197,000,000 computed based on the S$: RMB exchange rate prevailing as at the Completion Date. Please refer to paragraph 4.2.2(i) of the Letter to Unitholders for further details.

17 "**Transaction**" means, collectively, the sale and purchase of the Target Equity Interests pursuant to the Equity Purchase Agreement and other transactions contemplated by the Equity Purchase Agreement.

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

HZBG Loan Repayment Amount on Completion

On Completion, the Purchasers shall also repay (or procure such repayment of) the HZBG Loan Repayment Amount, representing all the outstanding onshore borrowings of Hangzhou Beigang, the amount of which shall be notified to the Purchasers in writing by the Vendor on Completion, and which shall be no more than RMB266,361,216[18].

Settlement of HZBG Net Related Party Payable after Completion

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

As at the Latest Practicable Date, the ECW Group has a credit arrangement in place whereby certain onshore entities in the ECW Group (namely Hangzhou Beigang, Chongxian Investment and Hengde Sangpu) have placed cash deposits as collateral with their onshore lenders (the "**Collateralised Cash Deposits**"), and the onshore lenders have accordingly issued standby letters of credit in favour of offshore lenders of the ECW Group ("**Existing SBLC**"), so as to back the offshore revolving credit facilities of approximately S$97.9 million owing by ECW Treasure (being a wholly-owned subsidiary of EC World REIT). Following receipt of the proceeds from the Equity Consideration upon Completion, the Manager intends to utilise a portion of the proceeds to repay approximately RMB265,993,266 (approximately S$53,225,253) of the abovementioned offshore revolving credit facilities (the "**Relevant Offshore Revolving Credit Facilities**") (see paragraph 8 of the Letter to Unitholders for further details), such that post-Completion, approximately RMB147,929,376 of the Collateralised Cash Deposits are released to Hangzhou Beigang (the "**Release of the HZBG Collateralised Cash Deposits**") and an aggregate of approximately RMB146,988,889 of the Collateralised Cash Deposits is released to Chongxian Investment and Hengde Sangpu (which, for the avoidance of doubt, are not part of the Proposed Divestment and will therefore continue to be part of the ECW Group post-Completion)[19]. Please refer to paragraph 4.4 of the Letter to Unitholders for the expected breakdown of the Collateralised Cash Deposits intended to be released and the Relevant Offshore Revolving Credit Facilities intended to be repaid.

Given that Hangzhou Beigang will be owned by the Purchasers and not the Vendor post-Completion, the purpose of the Purchasers' obligation to pay (or procure payment of) the HZBG Net Related Party Payable is to repay the Vendor for procuring the Release of the HZBG Collateralised Cash Deposits. As the Release of the HZBG Collateralised Cash Deposits is expected to take place after Completion, the payment for the HZBG Net Related Party Payable will also take place post-Completion in accordance with the timeframe specified above[20].

---

18 This cap of RMB266,361,216 represents all the outstanding onshore borrowings of Hangzhou Beigang as at 30 September 2022. The HZBG Loan Repayment Amount as at Completion will not be higher than RMB266,361,216.

19 The Collateralised Cash Deposits amounts as set out above are based on the respective amounts as at 30 September 2022.

20 For the avoidance of doubt, the settlement of the HZBG Net Related Party Payable is not dependent on the Release of the HZBG Collateralised Cash Deposits.

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

Agreed Property Value and Valuation of the Divestment Properties

The Equity Consideration is computed on the basis of the Agreed Property Value (as defined herein) of each of the Divestment Properties.

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

The table below sets out the independent valuations of the Divestment Properties as at 30 June 2022 by the Independent Valuers (the "**Independent Valuations**") according to the valuation reports of the Divestment Properties issued by JLL dated 30 September 2022 and KF dated 30 September 2022 (the "**Independent Valuation Reports**").

Divestment Properties	**Independent Valuations as at 30 June 2022 (RMB' million)**		**Average of the two Independent Valuations (RMB' million)**	**Appraised Valuation (being the lower of the two Independent Valuations) (RMB' million)**	**Agreed Property Value (RMB' million)**
	KF	**JLL**			
Beigang Logistics Stage 1	1,178	1,238	1,208	1,178 ("**Beigang Logistics Stage 1 Appraised Valuation**")	1,213
Chongxian Port Logistics	797	833	815	797 ("**Chongxian Port Logistics Appraised Valuation**")	820
Total	**1,975**	**2,071**	**2,023**	**1,975 ("Appraised Valuation of the Divestment Properties")**	**2,033 ("Aggregate Agreed Property Value")**

JLL used the income capitalisation method and discounted cash flow approach, and KF used the income approach based on the term and reversion method and income approach based on the discounted cash flow method, to conduct the Independent Valuations. The agreed property value of each Divestment Property, as set out in the Equity Purchase Agreement (the "**Agreed Property Value**"), was arrived at after arm's length negotiations among the Parties, on a willing-buyer willing-seller basis, after taking into account the Independent Valuations and the various factors as set out in paragraph 3 of the Letter to Unitholders.

The premium which the Agreed Property Value of each of the Divestment Properties bears to their respective appraised valuations (being the lower of the two Independent Valuations) are as follows:

(i) in relation to Chongxian Port Logistics, RMB820,146,368 (approximately S$164,111,288), representing a premium of approximately 2.9% to the Chongxian Port Logistics Appraised Valuation; and

(ii) in relation to Beigang Logistics Stage 1, RMB1,212,597,691 (approximately S$242,640,798), representing a premium of approximately 2.9% to the Beigang Logistics Stage 1 Appraised Valuation.

(Please refer to paragraph 2.4 of the Letter to Unitholders for further details.)

APPROVAL OF UNITHOLDERS

The Proposed Divestment constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**") given that the Purchasers are associates of the Sponsor, which is in turn both a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT and a "controlling shareholder" (as defined in the Property Funds Appendix) of the Manager.

In addition, the Proposed Divestment also constitutes a "major transaction" under Chapter 10 of the Listing Manual.

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

In approving the Proposed Divestment, Unitholders will be deemed to have approved, among others, all documents required to be executed by the relevant parties to give effect to the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing).

(Please refer to paragraphs 2.5 and 10 of the Letter to Unitholders for further details.)

RATIONALE FOR THE PROPOSED DIVESTMENT

Having carried out extensive engagements with the lending banks and having evaluated the Proposed Divestment, the Manager is of the view that there is a real risk that the Vendor's Group may not be able to meet its repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans if the Proposed Divestment is not carried out. In this regard, the Manager is of the view that the Proposed Divestment should be carried out for the following reasons, which are elaborated in the sections that follow:

(i) Enabling debt financing and refinancing in order to meet EC World REIT's repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans;

(ii) Opportunity to realise value of the Divestment Properties; and

(iii) Preservation of long-term value for Unitholders.

Enabling debt financing and refinancing in order to meet EC World REIT's repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans

A key component of EC World REIT's strategy in enhancing returns to Unitholders would be to take on debt financing within the limits set out in the Property Funds Appendix. Since the initial public offering of EC World REIT (the "**IPO**"), EC World REIT's debt financing and refinancing agreements have always been on a secured basis and contained covenants which are pegged to the valuations of its properties.

Due to the current macro-economic and real estate market conditions in the PRC, the lenders of the Existing Offshore Bank Loans and Existing Onshore Bank Loans had called on EC World REIT to repay the Mandatory Repayment amount by 31 December 2022. Without the proceeds from the Proposed Divestment, EC World REIT is at the risk of an imminent default of the Mandatory Repayment obligations due by 31 December 2022 (expected to amount to approximately S$142,564,848). The breakdown of the Mandatory Repayment[21], comprising the Mandatory Onshore Repayment and the Mandatory Offshore Repayment, is as follows:

	Expected Amount
Mandatory Onshore Repayment	S$41,923,034
Mandatory Offshore Repayment	S$100,641,814
Total	**S$142,564,848**

In addition, the April 2023 Outstanding Loans are expected to amount to approximately S$427,694,545 (after taking into account the settlement of the Mandatory Repayment amount). As mentioned earlier, based on the announcements released by the Manager on 1 June 2022 and 29 June 2022, even after the maturity dates of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans (save for a RMB63,749,144[22] portion of the Existing Onshore Bank Loans which will expire in July 2029) have been extended, these loans will be maturing on 30 April 2023.

21 Under the terms of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans, in the event that the Proposed Divestment is completed, the amount which the ECW Group is mandatorily required to repay its lenders on Completion will be the Relevant Mandatory Prepayment Amount (as defined herein) (rather than the Mandatory Repayment amount). The onshore component of the Relevant Mandatory Prepayment Amount is expected to be S$53,298,879, while the offshore component of the Relevant Mandatory Prepayment Amount is expected to be S$119,379,208. For the avoidance of doubt, in the event no divestment takes place, the amount which the ECW Group is mandatorily required to repay its lenders by 31 December 2022 is the Mandatory Repayment amount.

22 Based on the amount as at 30 June 2022.

The following table sets out the aggregate outstanding debt of EC World REIT:

Facility	Outstanding Debt as at 30 September 2022 (S$ million)[1]	Outstanding Debt immediately after Completion of the Proposed Divestment and payment of the Relevant Mandatory Prepayment Amount (S$ million)[1]	Blended All-In Interest Rate for the Financial Quarter ended 30 September 2022	Expiration
Loans which are subject to the Offshore Undertaking and the Onshore Undertaking				
Offshore – SGD	284.1	199.8[2]	5.3%	By April 2023
Offshore – USD	118.5	83.4[2]	5.3%	By April 2023
Onshore Facility	167.7	114.4	7.5%	By April 2023[3]
Sub-Total	570.3	397.6	–	–
Loans which are <u>not</u> subject to the Offshore Undertaking and the Onshore Undertaking				
Offshore Revolving Credit Facilities	97.9	44.7[2]	1.3% to 4.3%	–
Total Debt	**668.2**	**442.3**	**5.4%**	**–**

Notes:

(1) Converted using the Illustrative Exchange Rate.

(2) Based on (i) outstanding balance as at 30 September 2022, less (ii) approximately RMB862,591,007 (approximately S$172,604,461) for (a) the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208); and (b) the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB265,993,266 (approximately S$53,225,253).

(3) Save for a portion of the Existing Onshore Bank Loans which will expire in July 2029, amounting to RMB63,749,144 as at 30 June 2022. This amount has decreased to RMB53,561,941 as at the Latest Practicable Date.

Given the above, the Manager is of the view that the Proposed Divestment is required to avoid an imminent default of the Mandatory Repayment obligations due by 31 December 2022 (expected to amount to approximately S$142,564,848) and to minimise uncertainty in respect of the refinancing of the April 2023 Outstanding Loans (expected to amount to approximately S$427,694,545 (after taking into account the settlement of the Mandatory Repayment amount)).

The Proposed Divestment has been structured so as to ensure that the amounts payable by the Purchasers on Completion (specifically, the Equity Consideration and the HZBG Loan Repayment Amount) will be sufficient for the ECW Group to meet its repayment obligations to its lenders which are due by 31 December 2022. For the avoidance of doubt, the Equity Consideration will be partially used by EC World REIT to satisfy such repayment obligations.

The Proposed Divestment is expected to generate net proceeds of RMB1,320,024,988 (approximately S$264,137,000) (after deduction of estimated Relevant Transaction Costs, before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) which are expected to provide sufficient cash proceeds to enable EC World REIT to finance its Mandatory Repayment obligations which are due by 31 December 2022 (expected to amount to approximately S$142,564,848), while also enabling EC World REIT to return cash to Unitholders in the form of the Special Distribution (see paragraph 9 of the Letter to Unitholders for details).

The Board is of the view that EC World REIT should be able to meet its short-term obligations in the next 12 months, save for (i) the Mandatory Repayment amount due to be repaid by 31 December 2022 as explained in paragraph 3.1 of the Letter to Unitholders; and (ii) the April 2023 Outstanding Loans, which are expected to amount to approximately S$427,694,545 and are expected to be refinanced by 30 April 2023. The Manager is in discussions with the existing lenders of EC World REIT in relation to the term sheets for the refinancing of the April 2023 Outstanding Loans. The negotiation of the abovementioned term sheets is expected to be completed by 31 December 2022, and the refinancing of the April 2023 Outstanding Loans is expected to be completed by 30 April 2023. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

In view of the foregoing and taking into account the operational performance of the remaining Properties in EC World REIT's portfolio immediately post-Completion (the "**Remaining Properties**")[23], the Board is of the view that, assuming Completion takes place in time for the Relevant Mandatory Prepayment Amount[24] to be repaid by 31 December 2022 and the April 2023 Outstanding Loans are refinanced by 30 April 2023, EC World REIT's working capital will be adequate for the next 12 months and there should not be an issue with EC World REIT's ability to continue to operate as a going concern at this juncture.

---

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

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

Opportunity to realise value of the Divestment Properties

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

(i) **Premium to Appraised Valuations of the Divestment Properties**

The Aggregate Agreed Property Value represents a 2.9% premium to the Appraised Valuation of the Divestment Properties.

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

The Equity Consideration of RMB1,370,000,000 (approximately S$274,137,000) is higher than the book value of the Target Companies as at 30 June 2022, being RMB1,360,255,941 (approximately S$272,187,214).

(iii) **Premium to IPO levels**

The Aggregate Agreed Property Value represents a blended premium of 17.8% compared to the purchase considerations of the Divestment Properties at the IPO.

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

Subject to and following Completion of the Proposed Divestment, the Manager intends to make a Special Distribution to Unitholders of approximately RMB450,935,889[25] (approximately S$90,232,271[26]). This will enable Unitholders to realise the value of their investment in EC World REIT.

Preservation of long-term value for Unitholders

The Manager believes that the Proposed Divestment will provide long-term value for Unitholders. As compared to the Remaining Properties[27] which are pure logistics assets kept in leasable condition and have been properly maintained, the Divestment Properties have proven to be sub-optimal to the operations of EC World REIT in recent years. Should the Divestment Properties continue to form part of EC World REIT's portfolio, the long-term value to Unitholders would deteriorate due to the following reasons:

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

The average valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2022 have decreased by 4.5% and 6.6% respectively, compared to their average valuations at the IPO. The average of the two Independent Valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2022 were RMB1,208 million and RMB815 million respectively, while the valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 31 December 2015, which were obtained in connection with the IPO, were RMB1,293 million and RMB852.5 million respectively.

---

25 Please refer to paragraph 9 of the Letter to Unitholders for details on how the quantum of the Special Distribution is expected to be computed.

26 For the avoidance of doubt, this is a purely illustrative figure translated based on the prevailing exchange rate as at the date of the Equity Purchase Agreement (which is also the Illustrative Exchange Rate). The actual quantum of the Special Distribution is expected to be computed based on the exchange rate as at the Completion Date. Please refer to paragraph 9 of the Letter to Unitholders for further details.

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

(ii) **Beigang Logistics Stage 1 is no longer as attractive to tenants, due to market trends**

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

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

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

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

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

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

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

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

In light of the foregoing, the Proposed Divestment presents an attractive option for EC World REIT to realise the value of the Divestment Properties.

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

INDICATIVE TIMETABLE

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

Event		Date and Time
Last date and time for submission of questions in advance of EGM	:	Tuesday, 6 December 2022, 10.00 a.m. (Singapore time)[(1)]
Last date and time for lodgement of Proxy Forms	:	Tuesday, 13 December 2022, 10.00 a.m. (Singapore time)[(2)]
Date and time of the EGM to be held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539[(3)]	:	Friday, 16 December 2022, 10.00 a.m. (Singapore time)
If approval for the Proposed Divestment is obtained at the EGM		
Targeted Completion Date		On or before 30 December 2022 (or such other date as may be agreed between the Vendor and the Purchasers)

Notes:

(1) The Manager will endeavour to address all substantial and relevant questions received by this deadline (see paragraph 13.3 of the Letter to Unitholders for details on how such questions may be submitted), prior to or during the EGM. The Manager will publish the responses to such substantial and relevant questions which the Manager is unable to address during the EGM, on EC World REIT's website and on SGXNET. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

(2) Unitholders are requested to submit the Proxy Form in accordance with the respective instructions contained therein not later than **10.00 a.m. (Singapore time) on Tuesday, 13 December 2022**, being not less than 72 hours before the time fixed for holding the EGM.

(3) The EGM will be held in a wholly physical format and Unitholders will be able to attend the EGM in person. **There will be no option for Unitholders to participate virtually.** (See paragraph 13 of the Letter to Unitholders and the Notice of EGM for further details.) Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at the URL https://www.ecwreit.com and SGXNET at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

EC World
运 通 网 城 REIT

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

Directors of the Manager

Mr Zhang Guobiao
(Chairman and Non-Executive Director)

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

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

Mr Chia Yew Boon
(Independent Non-Executive Director)

Mr Li Guosheng
(Independent Non-Executive Director)

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

Registered Office

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

24 November 2022

To: Unitholders of EC World REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek approval from Unitholders by way of an Ordinary Resolution for the Proposed Divestment of EC World REIT's interests in the Divestment Properties pursuant to Rules 906(1)(a) and 1014(2) of the Listing Manual.

2. BACKGROUND

2.1 Summary of Transaction

On 30 September 2022, EC World REIT, through the Vendor, entered into the Equity Purchase Agreement with the Purchasers and the Sponsor, pursuant to which EC World REIT will divest its indirect 100.0% interests in the Divestment Properties under the Proposed Divestment. The Purchasers are wholly-owned subsidiaries of the Sponsor, and their respective percentage interests in the Divestment Properties immediately after Completion shall be determined prior to the Completion Date in the manner set out in paragraph 4.2.1 of this Letter to Unitholders. As at the Latest Practicable Date, EC World REIT's portfolio consists of seven[28] quality Properties located in the PRC within the largest e-commerce clusters of Hangzhou in the Yangtze River Delta and Wuhan.

28 For the avoidance of doubt, this excludes Fu Zhuo Industrial, located at No. 5-1, Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC ("**Fu Zhuo Industrial**"), as EC World REIT no longer owns Fu Zhuo Industrial. On 10 January 2022, the Manager announced that Fu Zhuo Industrial has received a formal notice from the People's Government of Linping District, Hangzhou City, PRC on 6 January 2022 with regard to the compulsory expropriation of Fu Zhuo Industrial (the "**Compulsory Expropriation**") for the development of the Grand Canal National Cultural Park in Hangzhou. On 9 March 2022, the Manager announced EC World REIT's entry into an expropriation and compensation agreement with the Chongxian Sub-district Office of the People's Government of Linping District, Hangzhou City, PRC in relation to the Compulsory Expropriation. Further to the Compulsory Expropriation, with effect from 30 September 2022, EC World REIT has ceased to own Fu Zhuo Industrial and it is no longer part of EC World REIT's portfolio.

Please refer to paragraph 5 of this Letter to Unitholders on the evaluation process undertaken by the Audit and Risk Committee in relation to the Proposed Divestment.

In connection with the Proposed Divestment, the Purchasers will:

(a) pay (or procure the payment of) the Equity Consideration to the Vendor on Completion;

(b) repay (or procure such repayment of) the HZBG Loan Repayment Amount, which shall be no more than RMB266,361,216, on Completion[29]; and

(c) pay (or procure the payment of) the HZBG Net Related Party Payable in an amount which shall be no more than RMB189,901,359 within a specified timeframe after Completion.

On 1 June 2022, the Manager announced, among others, that the maturity date of the Existing Offshore Bank Loans be extended to the earlier of (i) the earliest maturity date of the Existing Onshore Bank Loans and (ii) 30 April 2023. In connection with the extension of the maturity date of the Existing Offshore Bank Loans, the Sponsor has provided the Offshore Undertaking that it will:

(a) procure that the exercise of refinancing of the Existing Offshore Bank Loans is commenced immediately; and

(b) by 31 December 2022, ensure that the Mandatory Offshore Repayment is made.

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

On 29 June 2022, the Manager announced, among others, that the maturity date of the Existing Onshore Bank Loans (save for a RMB63,749,144[30] portion of the Existing Onshore Bank Loans which will expire in July 2029) has been extended to 30 April 2023. In connection with the extension of the maturity date of the Existing Onshore Bank Loans, the Sponsor has provided the Onshore Undertaking that it will:

(a) procure that the exercise of refinancing of the Existing Onshore Bank Loans is commenced immediately; and

(b) by 31 December 2022, ensure that the Mandatory Onshore Repayment is made.

On 20 November 2022, the Manager announced that the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date has passed.

29 It is intended that the Target Companies may enter into the Transaction Financing to finance the HZBG Loan Repayment Amount. In any event, on Completion, the Purchasers are obligated to repay (or procure such repayment of) the HZBG Loan Repayment Amount regardless of whether the Transaction Financing is entered into by the Target Companies. Please refer to paragraphs 2.3.2 and 4.6 of this Letter to Unitholders for details.

30 Based on the amount as at 30 June 2022.

On 22 November 2022, the Manager announced that, among others, (1) the obligation of the ECW Group to repay the Mandatory Repayment amount by 31 December 2022 and the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022 remain to be the case, notwithstanding that the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date has passed; (2) the Manager is currently in discussions with the lead lenders of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans to refinance the April 2023 Outstanding Loans; and (3) in light of the foregoing, the Board assessed that EC World REIT remains as a going concern, based on the Board's expectation that the repayment of the Mandatory Repayment and refinancing of April 2023 Outstanding Loans would be completed before these borrowings become due for repayment.

On 23 November 2022, the Manager announced that, among others, (1) in respect of the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022, the Board is of the view that the Sponsor has sufficient financial resources to meet its obligations under the Offshore Undertaking and the Onshore Undertaking by ensuring that the Mandatory Repayment is made by 31 December 2022; and (2) this is based on the management's review of latest audited financial statements of the Sponsor and written confirmation from the Sponsor that the Sponsor is able to fulfil its undertakings to the existing lenders of ECW that the Sponsor will ensure ECW to repay Mandatory Repayment by 31 December 2022.

The Proposed Divestment would enable EC World REIT to obtain funds to, among others:

(a) in respect of the Existing Offshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022 (or such later date as the lenders may agree);

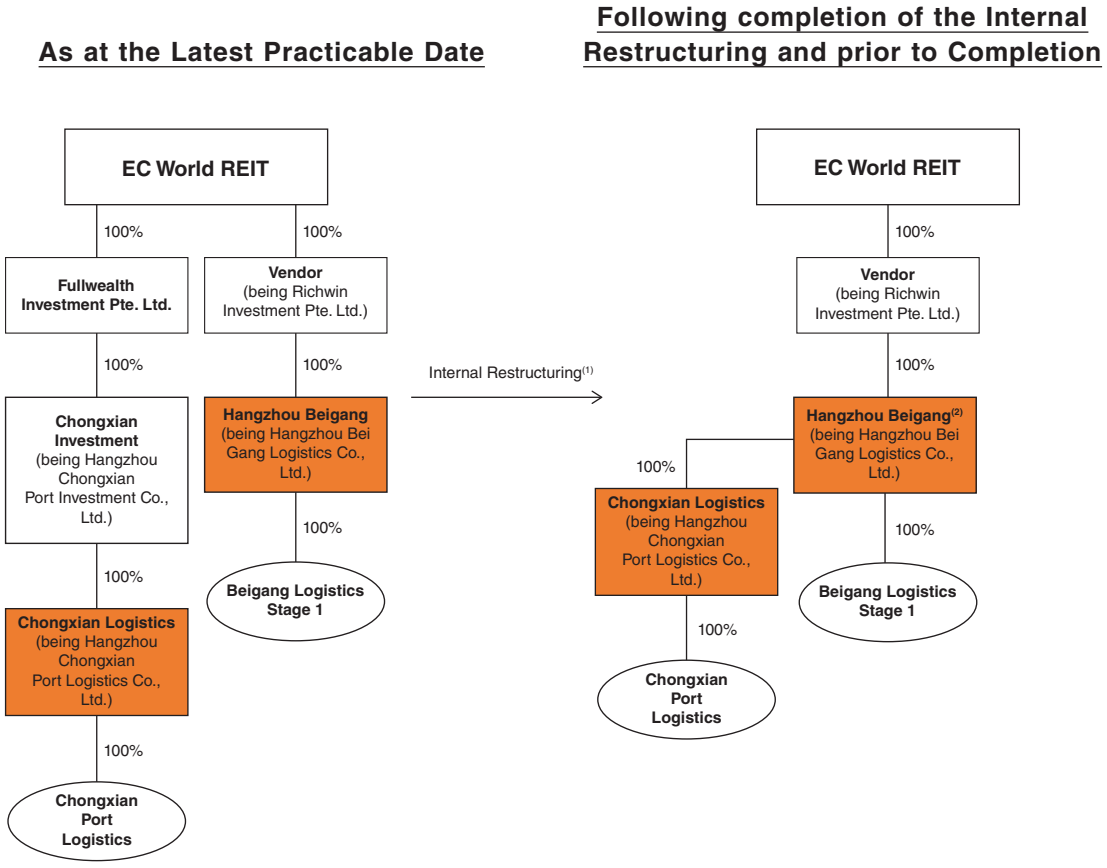
(b) in respect of the Existing Onshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022 (or such later date as the lenders may agree); and

(c) make a Special Distribution to the Unitholders[31], which is intended to be made within 40 Business Days of Completion.

31 Please refer to paragraph 9 of this Letter to Unitholders for details, including the expected quantum of the Special Distribution which is set out purely for illustrative purposes. Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

2.2 Proposed Divestment

The following diagrams illustrate ECW's property-holding structure of Beigang Logistics Stage 1 and Chongxian Port Logistics (i) as at the Latest Practicable Date; and (ii) following the completion of the Internal Restructuring and prior to Completion of the Proposed Divestment:



Notes:

(1) Immediately following completion of the Internal Restructuring, the Vendor will directly wholly own Hangzhou Beigang which will in turn wholly own Beigang Logistics Stage 1 and (through Chongxian Logistics) wholly own Chongxian Port Logistics.

(2) Pursuant to the Proposed Divestment, it is envisaged that the Vendor will divest to the Purchasers all of the Target Equity Interests in Hangzhou Beigang, subject to, among others, the completion of the Internal Restructuring.

As at the Latest Practicable Date:

(a) Chongxian Logistics directly and wholly owns Chongxian Port Logistics; and

(b) Hangzhou Beigang directly and wholly owns Beigang Logistics Stage 1.

The Vendor, the Purchasers and the Sponsor have on 30 September 2022 entered into the Equity Purchase Agreement, for the sale by the Vendor to the Purchasers of the Target Equity Interests in Hangzhou Beigang, subject to, among others, the completion of the Internal Restructuring.

To facilitate the Proposed Divestment such that both of the Divestment Properties are wholly owned, whether directly or indirectly, by Hangzhou Beigang, prior to Completion of the Proposed Divestment, pursuant to the Internal Restructuring, Chongxian Investment will transfer its 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang.

Accordingly, immediately following the completion of the Internal Restructuring and prior to Completion of the Proposed Divestment, the Vendor will directly and wholly own Hangzhou Beigang which will in turn wholly own Beigang Logistics Stage 1 and (through Chongxian Logistics) wholly own Chongxian Port Logistics.

For illustrative purposes only, the *pro forma* financial effects of the Internal Restructuring on Hangzhou Beigang's NAV, based on the unaudited consolidated balance sheet of Hangzhou Beigang as at 30 June 2022, are set out below.

Unaudited consolidated *pro forma* balance sheet of Hangzhou Beigang as at 30 June 2022

	(RMB' million)
Current assets	
Cash and bank balances	257.1
Trade and other receivables	117.5
Other current assets	0.7
	375.3
Non-current assets	
Investment properties	2,023.0
	2,023.0
Total assets	**2,398.3**
Current liabilities	
Term loans[(1)]	270.7
Inter-company payable (net balance)[(2)]	189.9
Other current liabilities	106.1
	566.7
Non-current liabilities	
Tenancy related deposits	109.6
Deferred tax liabilities	353.5
Deferred income	8.2
	471.3
Total liabilities	**1,038.0**
Total equity / NAV	**1,360.3**

Notes:

(1) This refers to the outstanding onshore borrowings of Hangzhou Beigang as at 30 June 2022.

(2) This refers to the net amount payable as at 30 June 2022 by Hangzhou Beigang to the HZBG Related Parties assuming completion of the Internal Restructuring.

The Completion of the Proposed Divestment is subject to, among others, the completion of the Internal Restructuring, and accordingly, Completion shall not take place unless the Internal Restructuring has been completed.

(Please refer to paragraph 4.1(iv) of this Letter to Unitholders for details.)

Pursuant to the Equity Purchase Agreement, EC World REIT will divest its indirect interests in the Divestment Properties to the Purchasers. In connection with the Proposed Divestment, the Purchasers will:

(a) pay (or procure the payment of) the Equity Consideration to the Vendor on Completion (see paragraph 2.3.1 of this Letter to Unitholders below for details);

(b) repay (or procure such repayment of) the HZBG Loan Repayment Amount, which shall be no more than RMB266,361,216, on Completion[32] (see paragraph 2.3.2 of this Letter to Unitholders below for details);

(c) pay (or procure the payment of) the HZBG Net Related Party Payable in an amount which shall be no more than RMB189,901,359 within a specified timeframe after Completion (see paragraph 2.3.3 of this Letter to Unitholders below for details).

2.3 The Purchasers and the Relevant Entity

Under the Equity Purchase Agreement, HFBEM and/or FIPL (or their respective designated persons) may establish a Relevant Entity to be the actual purchaser (or one of the actual purchasers) under the Proposed Divestment, provided that such Relevant Entity fulfils the following criteria:

(i) either HFBEM or FIPL or the Purchasers collectively shall own, in the aggregate, 100.0% of the interest in the Relevant Entity; and

(ii) by no later than the date falling seven weeks (or such later date as may be agreed by the Parties) after the signing of the Equity Purchase Agreement and at least one week prior to Completion:

  (a) the Relevant Entity shall be established; and

  (b) HFBEM and FIPL shall notify the Vendor in writing of their intention to nominate the Relevant Entity as an actual purchaser under the Proposed Divestment, which notification shall include the full name and ownership structure of the Relevant Entity.

The Equity Consideration and certain payments in connection with the Proposed Divestment will be satisfied by the Purchasers on Completion in the following manner.

32 It is intended that the Target Companies may enter into the Transaction Financing to finance the HZBG Loan Repayment Amount. In any event, on Completion, the Purchasers are obligated to repay (or procure such repayment of) the HZBG Loan Repayment Amount regardless of whether the Transaction Financing is entered into by the Target Companies. Please refer to paragraphs 2.3.2 and 4.6 of this Letter to Unitholders for details.

2.3.1 Equity Consideration

On Completion, the Purchasers shall pay for the Equity Consideration (or procure that the Equity Consideration has been paid) in the following manner:

(a) FIPL may deliver (or procure the delivery of) Promissory Notes to the Vendor in settlement of a part of the Equity Consideration, in accordance with and subject to the requirements referred to in paragraph 4.2.2(i) of this Letter to Unitholders; and

(b) the actual purchaser(s)[33] under the Proposed Divestment shall pay the Equity Consideration (less any such part of the Equity Consideration settled in accordance with paragraph 2.3.1(a) of this Letter to Unitholders) to the Vendor's Bank Account.

2.3.2 HZBG Loan Repayment Amount on Completion

On Completion, the Purchasers shall also repay (or procure such repayment of) the HZBG Loan Repayment Amount, representing all the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be notified to the Purchasers in writing by the Vendor on Completion and which shall be no more than RMB266,361,216[34].

2.3.3 Settlement of HZBG Net Related Party Payable after Completion

Under the Equity Purchase Agreement, as a condition subsequent, the Purchasers have undertaken to pay (or procure payment) to the Vendor the HZBG Net Related Party Payable within five Business Days from the date when the Vendor notifies the Purchasers in writing of the HZBG Net Related Party Payable, which notification shall be provided within 10 Business Days from Completion. Please refer to paragraph 4.4 of this Letter to Unitholders for further details.

2.4 Agreed Property Value and Valuation of the Divestment Properties

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

The table below sets out the Independent Valuations as at 30 June 2022 according to the Independent Valuation Reports dated 30 September 2022.

Divestment Properties	Independent Valuations as at 30 June 2022 (RMB' million)		Average of the two Independent Valuations (RMB' million)	Appraised Valuation (being the lower of the two Independent Valuations) (RMB' million)	Agreed Property Value (RMB' million)
	KF	JLL			
Beigang Logistics Stage 1	1,178	1,238	1,208	1,178	1,213
Chongxian Port Logistics	797	833	815	797	820
Total	**1,975**	**2,071**	**2,023**	**1,975**	**2,033**

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

34 This cap of RMB266,361,216 represents all the outstanding onshore borrowings of Hangzhou Beigang as at 30 September 2022. The HZBG Loan Repayment Amount as at Completion will not be higher than RMB266,361,216.

JLL used the income capitalisation method and discounted cash flow approach, and KF used the income approach based on the term and reversion method and income approach based on the discounted cash flow method, to conduct the Independent Valuations. The summary property valuation reports issued by JLL and KF (the "**Summary Property Valuation Reports**") are set out in **Appendix A** to this Circular.

Both JLL and KF have not undertaken any valuation update on the Independent Valuations respectively beyond 30 June 2022. As the Equity Purchase Agreement was entered into on 30 September 2022, the latest practicable date for the Independent Valuations is 30 June 2022.

The Agreed Property Value of each Divestment Property was arrived at after arm's length negotiations among the Parties on a willing-buyer willing-seller basis, after taking into account the Independent Valuations and the various factors as set out in paragraph 3 of this Letter to Unitholders.

The premium which the Agreed Property Value of each of the Divestment Properties bears to their respective appraised valuations (being the lower of the two Independent Valuations) are as follows:

(i) in relation to Chongxian Port Logistics, RMB820,146,368 (approximately S$164,111,288), representing a premium of approximately 2.9% to the Chongxian Port Logistics Appraised Valuation; and

(ii) in relation to Beigang Logistics Stage 1, RMB1,212,597,691 (approximately S$242,640,798), representing a premium of approximately 2.9% to the Beigang Logistics Stage 1 Appraised Valuation.

2.5 Approval of Unitholders

The Proposed Divestment constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under Paragraph 5 of the Property Funds Appendix given that the Purchasers are associates of the Sponsor, which is in turn both a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT and a "controlling shareholder" (as defined in the Property Funds Appendix) of the Manager.

In addition, the Proposed Divestment also constitutes a "major transaction" under Chapter 10 of the Listing Manual.

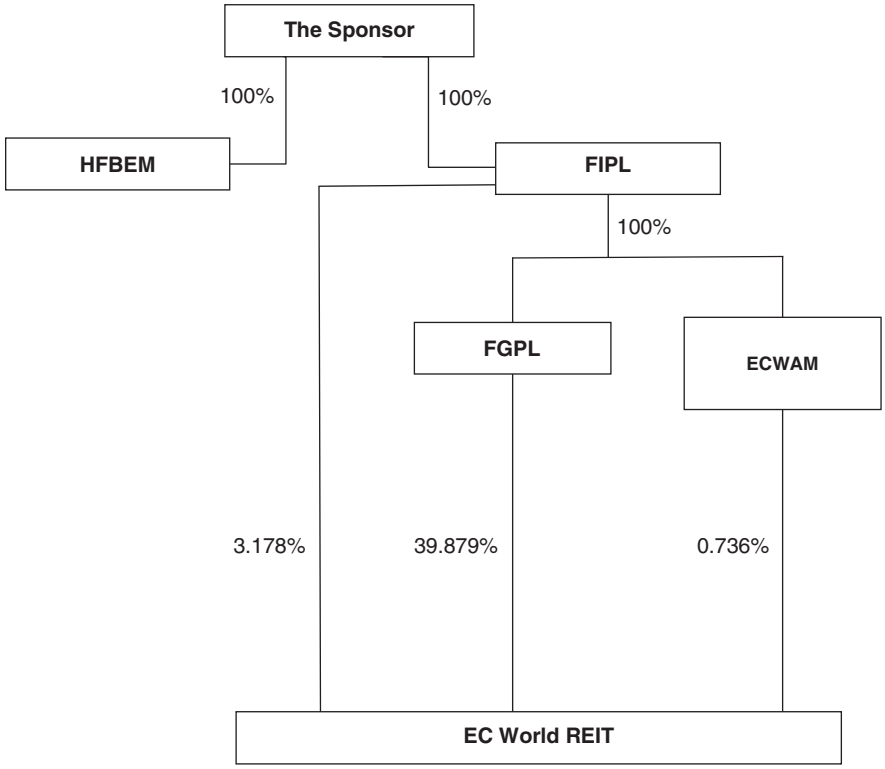
Accordingly, the Proposed Divestment is conditional upon, among others, approval from Unitholders by way of an Ordinary Resolution.

In approving the Proposed Divestment, Unitholders will be deemed to have approved, among others, all documents required to be executed by the relevant parties to give effect to the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing).

(Please refer to paragraph 10 of this Letter to Unitholders for further details.)

2.6 Information on the Purchasers

The following diagram illustrates the relationships among the Purchasers (being HFBEM and FIPL), the Sponsor, the Manager and EC World REIT as at the Latest Practicable Date:



HFBEM, which is a company incorporated in the PRC, is a direct wholly-owned subsidiary of the Sponsor.

As at the Latest Practicable Date, FIPL, a company incorporated in the Republic of Singapore, holds, directly and indirectly, 354,653,140 Units, representing 43.793% of the Units in issue, and is also the sole shareholder of the Manager. FIPL is in turn wholly-owned by the Sponsor.

Established in 1992, the Sponsor is a Shanghai-based conglomerate with businesses in the supply chain, intelligent manufacturing, medical care and healthcare, finance and other sectors. The Sponsor holds all its Units indirectly through its wholly-owned subsidiaries (see paragraph 10.3 of this Letter to Unitholders for details). In addition, the Sponsor indirectly owns 100.0% of the shares in the Manager. Mr Zhang Guobiao, who is the Chairman of the Sponsor, is also Chairman and Non-Executive Director of the Manager.

3. RATIONALE FOR THE PROPOSED DIVESTMENT

Having carried out extensive engagements with the lending banks and having evaluated the Proposed Divestment, the Manager is of the view that there is a real risk that the Vendor's Group may not be able to meet its repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans if the Proposed Divestment is not carried out. In this regard, the Manager is of the view that the Proposed Divestment should be carried out for the following reasons, which are elaborated in the sections that follow:

(i) Enabling debt financing and refinancing in order to meet EC World REIT's repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans;

(ii) Opportunity to realise value of the Divestment Properties; and

(iii) Preservation of long-term value for Unitholders.

3.1 Enabling debt financing and refinancing in order to meet EC World REIT's repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans

A key component of EC World REIT's strategy in enhancing returns to Unitholders would be to take on debt financing within the limits set out in the Property Funds Appendix. Since the IPO, EC World REIT's debt financing and refinancing agreements have always been on a secured basis and contained covenants which are pegged to the valuations of its properties.

Due to the current macro-economic and real estate market conditions in the PRC, the lenders of the Existing Offshore Bank Loans and Existing Onshore Bank Loans had called on EC World REIT to repay the Mandatory Repayment amount by 31 December 2022. Without the proceeds from the Proposed Divestment, EC World REIT is at the risk of an imminent default of the Mandatory Repayment obligations due by 31 December 2022 (expected to amount to approximately S$142,564,848). The breakdown of the Mandatory Repayment[35], comprising the Mandatory Onshore Repayment and the Mandatory Offshore Repayment, is as follows:

	Expected Amount
Mandatory Onshore Repayment	S$ 41,923,034
Mandatory Offshore Repayment	S$100,641,814
Total	**S$142,564,848**

In addition to the above, the April 2023 Outstanding Loans and such balance is expected to amount to approximately S$427,694,545 (after taking into account the settlement of the Mandatory Repayment amount). As mentioned earlier, based on the announcements released by the Manager on 1 June 2022 and 29 June 2022, even after the maturity dates of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans (save for a RMB63,749,144[36] portion of the Existing Onshore Bank Loans which will expire in July 2029) have been extended, these loans will be maturing on 30 April 2023.

35 Under the terms of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans, in the event that the Proposed Divestment is completed, the amount which the ECW Group is mandatorily required to repay its lenders on Completion will be the Relevant Mandatory Prepayment Amount (rather than the Mandatory Repayment amount). The onshore component of the Relevant Mandatory Prepayment Amount is expected to be S$53,298,879, while the offshore component of the Relevant Mandatory Prepayment Amount is expected to be S$119,379,208. For the avoidance of doubt, in the event no divestment takes place, the amount which the ECW Group is mandatorily required to repay its lenders by 31 December 2022 is the Mandatory Repayment amount.

36 Based on the amount as at 30 June 2022.

The following table sets out the aggregate outstanding debt of EC World REIT:

Facility	Outstanding Debt as at 30 September 2022 (S$ million)[1]	Outstanding Debt immediately after Completion of the Proposed Divestment and payment of the Relevant Mandatory Prepayment Amount (S$ million)[1]	Blended All-In Interest Rate for the Financial Quarter ended 30 September 2022	Expiration
Loans which are subject to the Offshore Undertaking and the Onshore Undertaking				
Offshore – SGD	284.1	199.8[2]	5.3%	By April 2023
Offshore – USD	118.5	83.4[2]	5.3%	By April 2023
Onshore Facility	167.7	114.4	7.5%	By April 2023[3]
Sub-Total	570.3	397.6	–	–
Loans which are <u>not</u> subject to the Offshore Undertaking and the Onshore Undertaking				
Offshore Revolving Credit Facilities	97.9	44.7[2]	1.3% to 4.3%	–
Total Debt	**668.2**	**442.3**	**5.4%**	**–**

Notes:

(1) Converted using the Illustrative Exchange Rate.

(2) Based on (i) outstanding balance as at 30 September 2022, less (ii) approximately RMB862,591,007 (approximately S$172,604,461) for (a) the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208); and (b) the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB265,993,266 (approximately S$53,225,253).

(3) Save for a portion of the Existing Onshore Bank Loans which will expire in July 2029, amounting to RMB63,749,144 as at 30 June 2022. This amount has decreased to RMB53,561,941 as at the Latest Practicable Date.

Given the above, the Manager is of the view that the Proposed Divestment is required to avoid an imminent default of the Mandatory Repayment obligations due by 31 December 2022 (expected to amount to approximately S$142,564,848) and to minimise uncertainty in respect of the refinancing of the April 2023 Outstanding Loans (expected to amount to approximately S$427,694,545 (after taking into account the settlement of the Mandatory Repayment amount)). The Proposed Divestment has been structured so as to ensure that the amounts payable by the Purchasers on Completion (specifically, the Equity Consideration and the HZBG Loan Repayment Amount) will be sufficient for the ECW Group to meet its repayment obligations to its lenders which are due by 31 December 2022. For the avoidance of doubt, the Equity Consideration will be partially used by EC World REIT to satisfy such repayment obligations. The Proposed Divestment is expected to generate net proceeds of RMB1,320,024,988 (approximately S$264,137,000) (after deduction of estimated Relevant Transaction Costs, before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) which are expected to provide sufficient cash proceeds to enable EC World REIT to finance its Mandatory Repayment obligations which are due by 31 December 2022 (expected to amount to approximately S$142,564,848), while also enabling EC World REIT to return cash to Unitholders in the form of the Special Distribution (see paragraph 9 of this Letter to Unitholders for details).

The Board is of the view that EC World REIT should be able to meet its short-term obligations in the next 12 months, save for (i) the Mandatory Repayment amount due to be repaid by 31 December 2022 as explained in this paragraph 3.1 of this Letter to Unitholders; and (ii) the April 2023 Outstanding Loans, which are expected to amount to approximately S$427,694,545 and are expected to be refinanced by 30 April 2023. The Manager is in discussions with the existing lenders of EC World REIT in relation to the term sheets for the refinancing of the April 2023 Outstanding Loans. The negotiation of the abovementioned term sheets is expected to be completed by 31 December 2022, and the refinancing of the April 2023 Outstanding Loans is expected to be completed by 30 April 2023. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

In view of the foregoing and taking into account the operational performance of the Remaining Properties[37], the Board is of the view that, assuming Completion takes place in time for the Relevant Mandatory Prepayment Amount to be repaid by 31 December 2022 and the April 2023 Outstanding Loans are refinanced by 30 April 2023, EC World REIT's working capital will be adequate for the next 12 months and there should not be an issue with EC World REIT's ability to continue to operate as a going concern at this juncture.

3.2 Opportunity to realise value of the Divestment Properties

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

(i) **Premium to Appraised Valuations of the Divestment Properties**

The Aggregate Agreed Property Value represents a 2.9% premium to the Appraised Valuation of the Divestment Properties.

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

The Equity Consideration of RMB1,370,000,000 (approximately S$274,137,000) is higher than the book value of the Target Companies as at 30 June 2022, being RMB1,360,255,941 (approximately S$272,187,214).

(iii) **Premium to IPO levels**

The Aggregate Agreed Property Value represents a blended premium of 17.8% compared to the purchase considerations of the Divestment Properties at the IPO.

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

Subject to and following Completion of the Proposed Divestment, the Manager intends to make a Special Distribution to Unitholders of approximately RMB450,935,889[38] (approximately S$90,232,271[39]). This will enable Unitholders to realise the value of their investment in EC World REIT.

---

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

38 Please refer to paragraph 9 of this Letter to Unitholders for details on how the quantum of the Special Distribution is expected to be computed.

39 For the avoidance of doubt, this is a purely illustrative figure translated based on the prevailing exchange rate as at the date of the Equity Purchase Agreement (which is also the Illustrative Exchange Rate). The actual quantum of the Special Distribution is expected to be computed based on the exchange rate as at the Completion Date. Please refer to paragraph 9 of this Letter to Unitholders for further details.

3.3 Preservation of long-term value for Unitholders

The Manager believes that the Proposed Divestment will provide long-term value for Unitholders. As compared to the Remaining Properties[40] which are pure logistics assets kept in leasable condition and have been properly maintained, the Divestment Properties have proven to be sub-optimal to the operations of EC World REIT in recent years. Should the Divestment Properties continue to form part of EC World REIT's portfolio, the long-term value to Unitholders would deteriorate due to the following reasons:

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

The average valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2022 have decreased by 4.5% and 6.6% respectively, compared to their average valuations at the IPO. The average of the two Independent Valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 30 June 2022 were RMB1,208 million and RMB815 million respectively, while the valuations of Beigang Logistics Stage 1 and Chongxian Port Logistics as at 31 December 2015, which were obtained in connection with the IPO, were RMB1,293 million and RMB852.5 million respectively.

(ii) **Beigang Logistics Stage 1 is no longer as attractive to tenants, due to market trends**

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

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

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

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

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

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

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

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

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

In light of the foregoing, the Proposed Divestment presents an attractive option for EC World REIT to realise the value of the Divestment Properties.

4. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

4.1 Conditions Precedent

Completion is subject to and conditional upon satisfaction or waiver (as the case may be) of the following conditions (the "**Conditions**") no later than the Record Date[41], and in the case of the Conditions in paragraphs 4.1(v), 4.1(vi) and 4.1(vii) of this Letter to Unitholders only, no later than the Completion Date:

(i) the delivery of the opinion of the IFA to the Audit and Risk Committee and the independent Directors (the "**Independent Directors**") in relation to the Proposed Divestment (including the Promissory Notes Arrangement), meeting the requirements under Rule 921(4) of the Listing Manual, and satisfactory to the Vendor. The opinion of the IFA is set out in **Appendix B** to this Circular;

(ii) the approval by Unitholders for the Proposed Divestment at the EGM;

(iii) the receipt of all consents, waivers, confirmations and approvals as may be necessary by the Vendor's Group for the Transaction under the existing banking facilities of the Vendor's Group from the existing lenders of the Vendor's Group;

(iv) the completion of the Internal Restructuring. For the avoidance of doubt, the consideration payable by Hangzhou Beigang for the Internal Restructuring shall be taken into account in determining the HZBG Net Related Party Payable which the Purchasers are obligated to pay (or procure the payment of) pursuant to paragraph 4.4 of this Letter to Unitholders below;

(v) there being no objection from the SGX-ST and/or the MAS in relation to the Transaction (including the Transaction Financing and the Promissory Notes Arrangement);

41 "**Record Date**" means the date on which Hangzhou Beigang first issues a drawdown request at the request of the Purchasers for the purposes of drawing (whether partially or in full) on the loans under the Transaction Financing (the "**Financing Drawdown Request**").

(vi) there having been no Material Adverse Change[42] between the date of the Equity Purchase Agreement and the Completion Date; and

(vii) the fundamental warranties set out in the Equity Purchase Agreement remaining true and accurate and not misleading on the Completion Date.

UNITHOLDERS SHOULD NOTE THAT IN THE EVENT THAT ANY OF THE CONDITIONS ARE NOT SATISFIED OR WAIVED, THE PROPOSED DIVESTMENT WILL NOT COMPLETE AND THE EQUITY CONSIDERATION AND CERTAIN PAYMENTS IN CONNECTION WITH THE PROPOSED DIVESTMENT WILL NOT BE PAYABLE.

4.2 Equity Consideration and Promissory Notes Arrangement

4.2.1 Equity Consideration

The Equity Consideration is RMB1,370,000,000, which is fixed as at the date of the Equity Purchase Agreement and is not subject to any change. The breakdown of the Equity Consideration in respect of the Target Companies is as follows:

	Target Companies		
	Hangzhou Beigang (杭州北港物流有限公司) (which owns Bei Gang Logistics Stage 1)	**Chongxian Logistics (杭州崇贤港物流有限公司) (which owns Chongxian Port Logistics)**	**Total**
Equity Consideration	**RMB600,000,000**	**RMB770,000,000**	**RMB1,370,000,000**

The Equity Consideration is computed on the basis of the Agreed Property Value of each of the Divestment Properties.

The respective shares of the Target Equity Interests to be acquired by each Purchaser in accordance with the Equity Purchase Agreement shall be notified in writing to the Vendor at least 20 Business Days before the Completion Date. In the event such notification is not given to the Vendor within the aforementioned time period, it will be deemed that each of HFBEM and FIPL will acquire 50.0% of the Target Equity Interests.

The Manager will make further announcements on the respective shares of the Target Equity Interests to be acquired by each Purchaser in due course.

4.2.2 Promissory Notes Arrangement

The issuers of the Promissory Notes are intended to be the Forchn Unitholders. As part of the terms of the Proposed Divestment, FIPL may, under the Promissory Notes Arrangement, at its option, elect to pay part of the Equity Consideration by delivering (or procuring the delivery of) Promissory Notes to the Vendor. These Promissory Notes will then be used to set off against the relevant Forchn Unitholders' entitlements to the Special Distribution. Any remaining amount not paid for in the form of Promissory Notes shall be paid in cash to the Vendor.

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

The Promissory Notes Arrangement is as follows, and its purpose is to manage efficiency of money flows in view of the intended Special Distribution:

(i) on Completion, FIPL may, subject to the approval of the Vendor (such approval not to be unreasonably withheld) and provided always that such arrangement shall not render any member of the ECW Group in breach of any applicable law, deliver or procure that the Relevant Entity delivers (as the case may be) the duly indorsed original Promissory Notes (if issued before the Completion Date) to the Vendor in settlement of a part of the Equity Consideration which is equal to the RMB equivalent of the aggregate principal amount of the Promissory Notes so delivered, provided always that:

  (a) the PN Principal Amount shall not exceed the Singapore dollar equivalent of RMB197,000,000[43], computed based on the S$: RMB exchange rate prevailing as at the Completion Date; and

  (b) the abovementioned delivery of the Promissory Notes shall be accompanied by the delivery by FIPL or the Relevant Entity (as the case may be) of the duly executed Settlement Agreements in respect of the settlement of the Promissory Notes;

(ii) it is envisaged that there will be three Promissory Notes, each issued or to be issued by one of the Forchn Unitholders that will bear the PN Interest Rate of 4.2% per annum; and

(iii) in connection with the Promissory Notes, each of the Forchn Unitholders will enter into a separate Settlement Agreement with the Vendor and the Trustee relating to the settlement of the Promissory Notes, to be delivered to the Vendor on the Completion Date together with the Promissory Notes. It is intended that pursuant to the respective Settlement Agreement, subject to and conditional upon Completion, the Vendor shall indorse and deliver the relevant Promissory Note to the relevant Forchn Unitholder, and the relevant Forchn Unitholder shall accept the relevant Promissory Note from the Vendor, on the date of the Special Distribution in full and final settlement of the relevant portion of the Special Distribution due and payable to the relevant Forchn Unitholder by EC World REIT. Effectively, the principal amount of the relevant Promissory Note will be set off against the amount of the Special Distribution which the relevant Forchn Unitholder is entitled to. Purely for illustrative purposes only, based on the Forchn Unitholders' respective direct unitholdings in EC World REIT as at the Latest Practicable Date, it is expected that the following will be the principal amounts of the Promissory Notes to be issued by the Forchn Unitholders and the Special Distribution amounts they will be entitled to:

Forchn Unitholder	Expected Principal Amount of Promissory Note	Percentage Direct Unitholding in ECW as at the Latest Practicable Date	Illustrative Amount of Special Distribution[(1)(2)]
FGPL	S$35,896,696 (RMB179,393,783)	39.879%	S$35,983,929 (RMB179,829,729)
FIPL	S$2,860,180 (RMB14,293,755)	3.178%	S$2,867,131 RMB14,328,490
ECWAM	S$662,824 (RMB3,312,462)	0.736%	S$664,434 (RMB3,320,512)
Total	**S$39,419,700 (RMB197,000,000)**	**43.793%**	**S$39,515,494 (RMB197,478,731)**

43 This cap on the PN Principal Amount is computed based on the direct unitholdings of the Forchn Unitholders as at 30 September 2022 and the estimated amount of Special Distribution they will be entitled to. This is because it is intended that the Promissory Notes to be delivered to EC World REIT as partial payment of the Equity Consideration (if any) will be used to set off against EC World REIT's obligation to pay the relevant Forchn Unitholders their entitlements to the Special Distribution (see paragraph 4.2.2(iii) of this Letter to Unitholders for details).

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

(1) The RMB amounts in this column represent the balance of the divestment proceeds expected to be available to EC World REIT after the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208), the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB265,993,266 (approximately S$53,225,253), the payment of the Relevant Transaction Costs and catering for contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment (see paragraph 8 of this Letter to Unitholders), pro-rated based on the Forchn Unitholders' respective direct unitholdings in EC World REIT as at the Latest Practicable Date.

(2) Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

The Promissory Notes shall be in the form set out in the Equity Purchase Agreement, and the salient terms of such form are set out in **Appendix C** to this Circular.

Please refer to paragraph 9 of this Letter to Unitholders for details in relation to the repayment of the Promissory Notes in the event that due to unforeseen circumstances, the Manager decides not to make the Special Distribution or determines a lower quantum of the Special Distribution than what is currently expected (assuming that the Promissory Notes have been delivered to the Vendor as partial payment of the Equity Consideration).

Purely for illustrative purposes only, assuming that the PN Principal Amount is S$39,419,700[44] and assuming that the period between the Completion Date and the date of payment of the Special Distribution is eight weeks such that interest on the Promissory Notes accrues during this period, it is estimated that the total amount payable to the Vendor pursuant to the Promissory Notes (comprising the PN Principal Amount and the interest payable on the PN Principal Amount at the PN Interest Rate) will be S$39,674,412.

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

4.2.3 Lock-up

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

44 S$39,419,700 is the Singapore dollar equivalent of the maximum PN Principal Amount of RMB197,000,000 computed based on the Illustrative Exchange Rate. Pursuant to the Equity Purchase Agreement, the actual PN Principal Amount shall be an amount not exceeding the Singapore dollar equivalent of RMB197,000,000 computed based on the S$: RMB exchange rate prevailing as at the Completion Date. Please refer to paragraph 4.2.2(i) of this Letter to Unitholders for further details.

The purpose of the foregoing is to ensure certainty as to the minimum unitholding of the relevant Forchn Unitholder in EC World REIT as at the record date for the purposes of determining such Forchn Unitholder's entitlement to the Special Distribution, so that EC World REIT's return of the relevant Promissory Note to the Forchn Unitholder can be set off against EC World REIT's obligation to pay the Forchn Unitholder its entitlement to the Special Distribution (see paragraph 4.2.2(iii) of this Letter to Unitholders for details).

4.3 HZBG Loan Repayment Amount on Completion

On Completion, the Purchasers shall also repay (or procure such repayment of) the HZBG Loan Repayment Amount, representing all the outstanding onshore borrowings of Hangzhou Beigang, the amount of which shall be notified to the Purchasers in writing by the Vendor on Completion, and which shall be no more than RMB266,361,216[45].

The Equity Purchase Agreement imposes the above obligation on the Purchasers on Completion because the existing lenders of the ECW Group require Hangzhou Beigang's outstanding onshore borrowings to be settled on Completion in the event of the divestment of interests in Hangzhou Beigang. For the avoidance of doubt, in the event that due to unforeseen circumstances, the Purchasers do not fulfil their obligation in relation to the payment of the HZBG Loan Repayment Amount on the date scheduled for Completion, (i) Completion will not take place given that such obligation is a Completion obligation under the Equity Purchase Agreement; and (ii) such non-fulfilment would not trigger a default of Hangzhou Beigang's outstanding loans, because the above-mentioned requirement of the existing lenders of the ECW Group in relation to Hangzhou Beigang's outstanding onshore borrowings is triggered only if the divestment of interests in Hangzhou Beigang takes place.

4.4 Settlement of HZBG Net Related Party Payable after Completion

Under the Equity Purchase Agreement, as a condition subsequent, the Purchasers have undertaken to pay to the Vendor (or procure the payment of) the HZBG Net Related Party Payable, the amount of which shall be no more than RMB189,901,359, within five Business Days from the date when the Vendor notifies the Purchasers in writing of the HZBG Net Related Party Payable, which notification shall be provided within 10 Business Days from Completion.

As at the Latest Practicable Date, the ECW Group has a credit arrangement in place whereby certain onshore entities in the ECW Group (namely Hangzhou Beigang, Chongxian Investment and Hengde Sangpu) have placed the Collateralised Cash Deposits as collateral with their onshore lenders, and the onshore lenders have accordingly issued the Existing SBLC, so as to back the offshore revolving credit facilities of approximately S$97.9 million owing by ECW Treasure (being a wholly-owned subsidiary of EC World REIT). Following receipt of the proceeds from the Equity Consideration upon Completion, the Manager intends to utilise a portion of the proceeds to repay approximately RMB265,993,266 (approximately S$53,225,253) of the Relevant Offshore Revolving Credit Facilities (see paragraph 8 of this Letter to Unitholders for further details), such that post-Completion, the Release of the HZBG Collateralised Cash Deposits (approximately RMB147,929,376) can take place and an aggregate of approximately RMB146,988,889 of the Collateralised Cash Deposits is released to Chongxian Investment and Hengde Sangpu (which, for the avoidance of doubt, are not part of the Proposed

45 This cap of RMB266,361,216 represents all the outstanding onshore borrowings of Hangzhou Beigang as at 30 September 2022. The HZBG Loan Repayment Amount as at Completion will not be higher than RMB266,361,216.

Divestment and will therefore continue to be part of the ECW Group post-Completion)[46]. The table below sets out the expected breakdown of the Collateralised Cash Deposits intended to be released and the Relevant Offshore Revolving Credit Facilities intended to be repaid.

	Collateralised Cash Deposits Intended to be Released(1)	**Relevant Offshore Revolving Credit Facilities Intended to be Repaid(1)(2)**
Hangzhou Beigang	RMB147,929,376 (S$29,600,668)	RMB132,433,783 (S$26,500,000)
Chongxian Investment	RMB79,750,000 (S$15,957,975)	RMB72,463,768 (S$14,500,000)
Hengde Sangpu	RMB67,238,889 (S$13,454,502)	RMB61,095,715 (S$12,225,253)
Total	**RMB294,918,265 (S$59,013,145)**	**RMB265,993,266 (S$53,225,253)**

Notes:

(1) Based on the respective amounts as at 30 September 2022. The currency translations have been made based on the Illustrative Exchange Rate.

(2) For the avoidance of doubt, following the repayment of the Relevant Offshore Revolving Credit Facilities, the released credit limit will be available to ECW Treasure for drawdown in the future, as the intention is for ECW Treasure's offshore revolving credit facilities to continue to be in place.

Given that Hangzhou Beigang will be owned by the Purchasers and not the Vendor post-Completion, the purpose of the Purchasers' obligation to pay (or procure payment of) the HZBG Net Related Party Payable is to repay the Vendor for procuring the Release of the HZBG Collateralised Cash Deposits. As the Release of the HZBG Collateralised Cash Deposits is expected to take place after Completion, the payment for the HZBG Net Related Party Payable will also take place post-Completion in accordance with the timeframe specified above[47].

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

The Specified Obligations guaranteed by the Sponsor in favour of the Vendor (see paragraph 4.8 of this Letter to Unitholders for details on this guarantee) include the Purchasers' obligation under the Equity Purchase Agreement to pay (or procure payment) to the Vendor the HZBG Net Related Party Payable within the specified timeframe as set out above. Taking into consideration the foregoing, as well as the *pro forma* cash and bank

46 The Collateralised Cash Deposits amounts as set out above are based on the respective amounts as at 30 September 2022.

47 For the avoidance of doubt, the settlement of the HZBG Net Related Party Payable is not dependent on the Release of the HZBG Collateralised Cash Deposits.

balances of Hangzhou Beigang as at Completion (see paragraph 2.2 of this Letter to Unitholders), the Board is satisfied that even if the Release of the HZBG Collateralised Cash Deposits does not take place, it is expected that the Vendor will receive the payment of the HZBG Net Related Party Payable from the Purchasers (or failing which, the Sponsor) pursuant to the Equity Purchase Agreement.

4.5 Completion

(i) Subject to the Conditions, Completion shall take place on the date falling six Business Days after the Record Date or at such other date and time, and at such location, as may be agreed in writing between the Purchasers and the Vendor, and in any event, no later than the long-stop date of 31 January 2023 or such other date as may be agreed among the Parties (the "**Long-Stop Date**"). In any event, no later than the Long-Stop Date, and prior to the Record Date, the Vendor, the Sponsor or the Purchasers may, by notice in writing to the other Parties, postpone Completion to a date not later than the Long-Stop Date.

(ii) Subject to the Conditions, each of the Parties shall use its best endeavours to procure that Completion shall take place by 31 December 2022.

(iii) Notwithstanding anything to the contrary, subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions, the Purchasers shall be obligated to proceed with Completion[48], regardless of whether any Transaction Financing has been entered into by the Transaction Financing Long-Stop Date, and nothing in paragraph 4.6 of this Letter to Unitholders shall be construed as detracting from this obligation.

(iv) If at any time prior to Completion the Vendor has repaid the Relevant Mandatory Prepayment Amount, the Parties upon agreement in writing may terminate the Equity Purchase Agreement (other than, among others, certain surviving provisions under the Equity Purchase Agreement (the "**Surviving Provisions**")). Upon termination of the Equity Purchase Agreement, each Party shall bear and pay its own costs and expenses in connection with the preparation, negotiation and entry into of the Equity Purchase Agreement and the Transaction Financing Documents (as defined herein) and the execution and performance of the transactions thereunder (including the Transaction), provided that any costs and expenses arising from or incidental to the unwinding of such Transaction Financing (including any cancellation fee payable thereunder) shall be borne by the Purchasers. In the event of such termination, where the Transaction Financing has been entered into, the Purchasers and the Sponsor shall take, and shall procure that the lenders under the Transaction Financing shall, with the reasonable efforts of the Vendor take, any necessary steps to unwind the Transaction Financing, including the termination of any Transaction Financing Documents to which any member of the Vendor's Group is a party and the release of any mortgage and any other encumbrances in connection with the Transaction Financing.

48 This obligation of the Purchasers includes procuring the payment of the Equity Consideration and HZBG Loan Repayment Amount to the Vendor on Completion pursuant to the Equity Purchase Agreement. Such payment (which may be funded by the Purchasers' Group through methods other than Transaction Financing) would in turn put the ECW Group in funds to meet its obligations to pay its lenders the Relevant Mandatory Prepayment Amount on the Completion Date.

4.6 Transaction Financing

4.6.1 Overview

It is intended that the Target Companies may enter into the Transaction Financing Documents, for the purpose of repaying part of the existing banking facilities of the Vendor's Group (specifically, to repay the HZBG Loan Repayment Amount[49]). The Transaction Financing Documents shall comply with the Agreed Financing Principles. In connection with the Transaction Financing, it is intended that the Target Companies will provide third ranking mortgages over all the Divestment Properties in favour of the lenders to secure the Transaction Financing (the "**Third Ranking Mortgages**").

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

For the avoidance of doubt, the entry into the Transaction Financing is not a condition precedent to the Proposed Divestment (i.e. the Equity Purchase Agreement does not contain a financing-out), and the failure to enter into the Transaction Financing is also not a ground of termination for the Purchasers under the Equity Purchase Agreement. Accordingly, as stated in paragraph 4.5(iii) of this Letter to Unitholders, subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions, the Purchasers shall be obligated to proceed with Completion, regardless of whether any Transaction Financing has been entered into by the Transaction Financing Long-Stop Date. However, as announced by the Manager on 20 November 2022, the failure to enter into the Transaction Financing by the Transaction Financing Long-Stop Date (i.e. 18 November 2022) may affect whether Completion of the Proposed Divestment will occur by 31 December 2022[50]. Having said that, as stated in the Manager's 22 November 2022 announcement, the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022 remains to be the case. The Manager also announced on 23 November 2022 that: (i) in respect of the obligation of the Sponsor to ensure that the Mandatory Repayment is made by 31 December 2022, the Board is of the view that the Sponsor has sufficient financial resources to meet its obligations under the Offshore Undertaking and the Onshore Undertaking by ensuring that the Mandatory Repayment is made by 31 December 2022; and (ii) this is based on the management's review of latest audited financial statements of the Sponsor and written confirmation from the Sponsor that the Sponsor is able to fulfil its undertakings to the existing lenders of ECW that the Sponsor will ensure ECW to repay Mandatory Repayment by 31 December 2022.

---

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

50 A facility agreement is typically structured such that after the facility agreement has been signed and before a loan drawdown request can be made thereunder, various conditions precedent need to be fulfilled by the borrower. Time is required to carry out the steps for the fulfilment of such conditions precedent. Therefore, the delay in execution of the Transaction Financing Documents by the Transaction Financing Long-Stop Date of 18 November 2022 may potentially lead to delay in the process for the drawdown of the Transaction Financing, and in turn, Completion of the Proposed Divestment. Hence, the failure to enter into the Transaction Financing by the Transaction Financing Long-Stop Date increases the risk that Completion of the Proposed Divestment may not occur by 31 December 2022.

4.6.2 Entry into the Transaction Financing Documents

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

(i) the Vendor shall cooperate in good faith to procure the relevant Target Companies to enter into the Transaction Financing Documents on terms and conditions reasonable to the Vendor (having regard to the Vendor's own commercial position) prior to the issuance of the Notice of EGM;

(ii) in no event shall the Vendor or the Purchasers be required to accept any terms and conditions that are not reasonably acceptable to it, or which contradict the financing principles as set out in the Equity Purchase Agreement which the Parties have agreed shall govern the Transaction Financing, the financing term sheet which may be entered into by Hangzhou Beigang in respect of an onshore term loan facility of up to RMB266,361,216 under the Transaction Financing (the "**Financing Term Sheet**"), and the Transaction Financing Documents (the "**Agreed Financing Principles**"). Please refer to **Appendix D** to this Circular for the salient terms of the Agreed Financing Principles.

As disclosed in the update announcement released by the Manager on 20 November 2022 in relation to the Transaction Financing, the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date has passed. The Manager understands from the Purchasers that the internal approval process of the lenders under the Transaction Financing was delayed due to the stringent COVID-19 controls and events in October 2022, namely the PRC National Day holiday in early October 2022 and the Twentieth National Congress of the Communist Party of China. For details on the safeguards for and implications of the foregoing on EC World REIT, please refer to paragraph 4.6.3 of this Letter to Unitholders.

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

Without prejudice always to paragraph 4.5(iii) of this Letter to Unitholders, given that the Transaction Financing Documents were not executed by the Transaction Financing Long-Stop Date:

(i) the Sponsor shall indemnify the Vendor for the costs and expenses incurred by the Vendor in connection with the preparation, negotiation and entry into of the Equity Purchase Agreement, the proposed sale of the Target Equity Interests, the Transaction Financing and the Transaction Financing Documents;

(ii) the Vendor shall be entitled (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages) by notice in writing to the Purchasers to terminate the Equity Purchase Agreement (other than the Surviving Provisions) forthwith without liability on its part,

provided that, if the Vendor does not terminate the Equity Purchase Agreement in accordance with this paragraph 4.6.3 of this Letter to Unitholders and the Transaction Financing Documents are executed after the Transaction Financing Long-Stop Date, upon such execution, the indemnity described in paragraph 4.6.3(i) of this Letter to Unitholders above shall cease to be applicable and the Sponsor shall not be required to indemnify the Vendor and the Vendor shall not be entitled to claims for any damages pursuant to such provisions.

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

(a) procure the relevant Target Companies to enter into the Transaction Financing Documents notwithstanding that the Transaction Financing Long-Stop Date may have passed, and in this regard, the Vendor will not accept any terms and conditions of the Transaction Financing Documents that are not reasonably acceptable to it or which contradict the Agreed Financing Principles. In such event, as mentioned in this paragraph 4.6.3 of this Letter to Unitholders above, the indemnity described in paragraph 4.6.3(i) of this Letter to Unitholders above shall cease to be applicable and the Sponsor shall not be required to indemnify the Vendor and the Vendor shall not be entitled to claims for any damages pursuant to such provisions;

(b) proceed to Completion of the Proposed Divestment without the entry into of any Transaction Financing Documents or any Transaction Financing. The Manager wishes to highlight that subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions, the Purchasers shall be obligated to proceed with Completion of the Proposed Divestment, regardless of whether any Transaction Financing has been entered into by the Transaction Financing Long-Stop Date. Please refer to paragraph 4.5(iii) of this Letter to Unitholders for further details; or

(c) exercise the Vendor's right to terminate the Equity Purchase Agreement in accordance with paragraph 4.6.3(ii) of this Letter to Unitholders above, without prejudice to all other rights or remedies available.

For the avoidance of doubt, the entry into the Transaction Financing is not a condition precedent to the Proposed Divestment (i.e. the Equity Purchase Agreement does not contain a financing-out), and the failure to enter into the Transaction Financing is also not a ground of termination for the Purchasers under the Equity Purchase Agreement. Accordingly, as stated in paragraph 4.5(iii) of this Letter to Unitholders, subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions, the Purchasers shall be obligated to proceed with Completion, regardless of whether any Transaction Financing has been entered into by the Transaction Financing Long-Stop Date.

4.6.4 Relevant Amendments to the Transaction Financing Documents

In the event the Vendor reasonably requests for any amendments to, or any terms or conditions to be included in the Equity Purchase Agreement or the Transaction Financing Documents, in each case, arising from, among others, applicable laws and regulations (including the Code on Collective Schemes) and the Listing Manual or pursuant to any requests from any governmental authority (collectively, the "**Relevant Amendments**") and provided that such Relevant Amendments have

been proposed in writing to the Purchasers and the Sponsor as soon as practicable before the clearance of this Circular is granted by the SGX-ST, the Sponsor and the Purchasers shall use commercially reasonable efforts to incorporate or to procure the lenders under the Transaction Financing to incorporate the Relevant Amendments into the Equity Purchase Agreement or the Transaction Financing Documents (as the case may be), and shall perform such other reasonable acts and things to give full effect to the Relevant Amendments. In the event the Relevant Amendments are commercially unacceptable to the Purchasers (if any Relevant Amendment results in the lenders under the Transaction Financing having to re-obtain internal approval in connection with the Transaction Financing and such internal procedure is not expected to complete within a reasonable period of time, such Relevant Amendment shall be regarded as commercially unacceptable to the Purchasers), the Sponsor or the lenders under the Transaction Financing, either the Vendor or the Purchasers has the right to terminate the Equity Purchase Agreement (other than the Surviving Provisions) forthwith without any liability on any Party, except that the Purchasers and the Sponsor shall:

(i) take, and shall procure that the lenders under the Transaction Financing shall, with the reasonable efforts of the Vendor take, any necessary steps to unwind the Transaction Financing, including the termination of any Transaction Financing Documents to which any member of the Vendor's Group is a party and the release of any mortgage and any other encumbrances in connection with the Transaction Financing; and

(ii) indemnify the Vendor or at its option any Target Company for the losses, costs and expenses incurred by the Vendor and any Target Company in connection with the entry into of the Transaction Financing Documents.

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

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

Further, subject to the Transaction Financing Documents being executed and the Equity Purchase Agreement and the Transaction Financing Documents not being terminated pursuant to paragraph 4.6.4 or 4.5(iv) of this Letter to Unitholders, in the event Completion has not occurred on the date scheduled for Completion pursuant to paragraph 4.5 of this Letter to Unitholders and:

(i) the Purchasers have not requested Hangzhou Beigang to make any Financing Drawdown Request by the Long-Stop Date; or

(ii) any Financing Drawdown Request has been issued but Completion does not occur on the date scheduled for Completion pursuant to paragraph 4.5 of this Letter to Unitholders,

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

(a) take, and shall procure that the lenders under the Transaction Financing shall, with the reasonable efforts of the Vendor take, any necessary steps to unwind the Transaction Financing, including the termination of any Transaction Financing Documents to which any member of the Vendor's Group is a party and the release of any mortgage and any other encumbrances in connection with the Transaction Financing, and

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

4.7 Vendor's Further Obligations

On the Completion Date (or such later date as agreed by all the existing offshore lenders and all the onshore lenders of the ECW Group), the Vendor shall ensure and procure that, (i) an amount equal to the Relevant Mandatory Prepayment Amount is applied towards the prepayment of the onshore loans and the offshore loans of the ECW Group on a pro-rata basis; and (ii) cash and rental receivables on the account of the Target Companies in the aggregate amount of no less than RMB230,000,000.

4.8 Sponsor's Guarantee, Indemnity and Undertaking

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

(i) the Sponsor has unconditionally and irrevocably guaranteed to the Vendor the due and punctual performance and observance by the Purchasers of the Specified Obligations, and has agreed to pay to the Vendor or as it may direct upon the Vendor's first demand all amounts due and owing by the Purchasers to the Vendor arising from any breach by the Purchasers of the Specified Obligations[51]. Such obligations of the Sponsor are and will remain in full force and effect by way of continuing security until no sum remains payable under the Specified Obligations by the Purchasers;

(ii) the Sponsor shall not be discharged, nor shall its liability be affected, by any act, thing, omission or other means whereby its liability would not have been discharged if it had been principal debtor, nor shall its liability be affected, by (a) any time, indulgence, waiver or consent at any time given to the Purchasers or any other person, (b) any amendment to any provision of the Equity Purchase Agreement or any other

51 For the avoidance of doubt, the Specified Obligations include the indemnity granted by the Purchasers in favour of the Vendor in relation to the Promissory Notes Arrangement (see paragraph 4.2.2 of this Letter to Unitholders for details).

agreement or document to be entered into between the Parties pursuant to or in connection with the Equity Purchase Agreement, (c) the making or absence of any demand on the Purchasers or any other person for payment or (d) the insolvency, winding-up or liquidation of the Purchasers or any other person; and

(iii) the Sponsor has irrevocably agreed to indemnify and make whole the Vendor or at its option any Target Company for any and all losses which the Vendor or such Target Company (as the case may be) suffered or is reasonably expected to suffer by reason of any breach by the Purchasers of any of the Specified Obligations, and has agreed to pay the Vendor or at its option the Target Company or as the Vendor may otherwise direct the amount of such loss.

4.9 Limitation of Liability

The Purchasers have acknowledged and agreed that with effect from the date of the Equity Purchase Agreement, the Purchasers' sole remedy and right of recovery for any warranty claims shall be against the Sponsor (and not the Vendor), and no right of rescission or termination shall be available after Completion by reason of any breach of the Vendor's warranties (other than the condition precedent relating to fundamental warranties as set out in paragraph 4.1(vii) of this Letter to Unitholders) (other than fraud on the part of the Vendor's Group and then only to the extent such warranty claim relates to such fraudulent conduct). Other than fraud or gross negligence on the part of the Vendor's Group, the Purchasers will not be entitled to make any warranty claim against the Vendor, except only to the extent required to permit a warranty claim against the Sponsor but only on the basis that the Vendor shall have no liability for any warranty claim beyond S$1.00, irrespective of whether the claim against the Sponsor may be subject to limitations or exclusions.

4.10 Pre-Completion Notice

The Vendor has the right to notify the Purchasers of any matters which arise between the date of the Equity Purchase Agreement and Completion which may or would have affected any Vendor's warranty. The Parties have agreed that any such notice shall operate as a disclosure against the Vendor's warranties (other than the fundamental warranties set out in the Equity Purchase Agreement) only for the purposes of any liability of the Vendor, and shall in no event operate as a disclosure against any of the Vendor's warranties for the purposes of any liability of the Sponsor under the Equity Purchase Agreement. For the avoidance of doubt, such notice will not operate to prejudice the Purchasers' rights under or in respect of the condition precedents as set out in paragraphs 4.1(v), 4.1(vi) or 4.1(vii) of this Letter to Unitholders.

4.11 Fees and Taxes

(i) The Purchasers shall bear the cost of all taxes and any notarial fees (including the stamp duty levied on the Equity Purchase Agreement and all other agreements and documents pertaining to the Transaction) incurred in connection with the Transaction (including the Internal Restructuring), including any taxes arising from any gain on the sale of the Target Equity Interests which would otherwise be payable by Vendor to the PRC tax authorities.

(ii) The Purchasers or the Sponsor (as the case may be) shall be responsible for arranging the payment of such taxes and notarial fees, which includes, among others, any stamp duty and withholding tax which may be payable to the PRC tax authorities.

(iii) The Sponsor and the Purchasers agree that post-Completion, the Sponsor and the Purchasers shall not, and shall procure that the Target Companies shall not make any claim against any member of the Vendor's Group for any taxes in connection with the Transaction (including any stamp duty and withholding tax which may be payable to the PRC tax authorities).

(iv) The Sponsor indemnifies the Vendor against (i) any losses which any member of the Vendor's Group may at any time and from time to time sustain, incur or suffer as a result of or arising out of or in connection with the Purchasers failing to comply with their obligations under this paragraph 4.11 of this Letter to Unitholders and/or (ii) any claim against the Vendor or the Vendor's subsidiaries post-Completion in connection with the Transaction by any PRC tax authority or pursuant to any PRC taxation statute.

(v) The Vendor shall provide all necessary documents and assistance as reasonably requested by the Purchasers in order for the Purchasers or the Sponsor (as the case may be) to perform their obligations under this paragraph 4.11 of this Letter to Unitholders, such assistance includes, without limitation, to pay the relevant tax in the name of Vendor (if necessary) and to dispute and contest any levy of the taxes by the relevant government authorities in the name of Vendor (if necessary). All reasonable costs to be incurred by the Vendor pursuant to this paragraph 4.11(v) of this Letter to Unitholders shall be borne by the Purchasers or the Sponsor (as the case may be).

5. EVALUATION PROCESS

The Audit and Risk Committee had undertaken the following evaluation process:

(i) evaluated the price and terms of the Non-Binding MOU;

(ii) engaged in several rounds of discussions with the Purchasers, the Sponsor and their representatives to negotiate the terms of the Proposed Divestment;

(iii) reviewed the main assumptions and methodologies for the Independent Valuations. Please refer to **Appendix A** to this Circular for the Summary Property Valuation Reports of the Independent Valuers;

(iv) considered the opinion of the IFA. Please refer to paragraph 11 of this Letter to Unitholders for details on the opinion of the IFA and to **Appendix B** to this Circular for a copy of the letter from the IFA (the "**IFA Letter**"), containing its advice in full; and

(v) further to the lenders of the Existing Offshore Bank Loans and Existing Onshore Bank Loans calling on EC World REIT to repay the Mandatory Repayment amount by 31 December 2022, the Manager had explored various fund-raising options before proposing the Proposed Divestment. The Manager, with the assistance of the Financial Adviser, conducted a market testing process to solicit interest in the Divestment Properties and also conducted direct outreach to several potential bidders which did not yield any indications of interest for the Divestment Properties. As at the Latest Practicable Date, the Audit and Risk Committee had not received any unsolicited offers from third parties and the Proposed Divestment is the only definitive proposal received by the Manager, which will enable EC World REIT to meet its repayment obligations under its existing loans.

The Audit and Risk Committee confirms that it has undertaken due process to ensure that the terms of the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing) are generally in line with that which have been obtained had the Divestment Properties been sold to a non-interested party.

6. *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

The *pro forma* financial effects of the Proposed Divestment on EC World REIT, prepared based on EC World REIT's audited consolidated financial results for the financial year ended 31 December 2021 ("**FY2021**"), are set out below.

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

6.1 *Pro Forma* NAV per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Proposed Divestment on EC World REIT's NAV per Unit, based on EC World REIT's audited consolidated financial results for FY2021 and the Appraised Valuation of the Divestment Properties as at 30 June 2022, and assuming that the Proposed Divestment was completed on 31 December 2021, are as follows:

	As at 31 December 2021	
	Before the Proposed Divestment[(1)]	**After the Proposed Divestment**[(1)]
NAV (S$'000)	733,142	632,955
Units in issue[(2)]	809,838,247	809,838,247
NAV per Unit (cents)	90.53	78.16

Notes:

(1) Based on EC World REIT's audited consolidated financial results for FY2021 and the Appraised Valuation of the Divestment Properties as at 30 June 2022, after accounting for the estimated Relevant Transaction Costs of approximately S$10.0 million.

(2) Based on the total number of Units in issue as at 30 September 2022.

6.2 *Pro Forma* Distribution per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Proposed Divestment on EC World REIT's distribution per Unit ("**DPU**"), based on EC World REIT's audited consolidated financial results for FY2021 and assuming that the Proposed Divestment was completed on 1 January 2021, are as follows:

	FY2021	
	Before the Proposed Divestment[(1)]	**After the Proposed Divestment**[(1) (2)]
Distributable Income (S$'000)	51,908	37,061
Net Property Income (S$'000)	113,025	81,277
Units in issue[(3)]	809,838,247	809,838,247
DPU (cents)	6.41	4.58

Notes:

(1) Based on EC World REIT's audited consolidated financial results for FY2021.

(2) Adjusted based on the Appraised Valuation of the Divestment Properties as at 30 June 2022.

(3) Based on the total number of Units in issue as at 30 September 2022.

7. ESTIMATED TOTAL DIVESTMENT COST

The estimated total cost of the Proposed Divestment is approximately S$12.0 million, comprising:

(i) the divestment fee payable to the Manager for the Proposed Divestment pursuant to the Trust Deed (the "**Divestment Fee**") of approximately S$2.0 million (being 0.5% of the Aggregate Agreed Property Value). The Divestment Fee will be paid entirely in Units (the "**Divestment Fee Units**")[52]. The Divestment Fee Units will be issued to the Manager only after the record date for the purpose of determining Unitholders' entitlements to the Special Distribution, and accordingly, the Divestment Fee Units will not be entitled to the Special Distribution; and

(ii) the professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment of approximately S$10.0 million (the "**Relevant Transaction Costs**").

After taking into account the estimated Relevant Transaction Costs and the estimated net book value of the Target Companies as at the Completion Date, the estimated net loss on the Proposed Divestment is approximately S$8.0 million[53].

8. INTENDED USE OF DIVESTMENT PROCEEDS

The Manager intends to utilise the proceeds from the Equity Consideration of RMB1,370,000,000 (approximately S$274,137,000) in the following manner:

(i) approximately RMB862,591,007 (approximately S$172,604,461) for the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208) and the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB265,993,266 (approximately S$53,225,253);

(ii) approximately RMB49,975,012 (approximately S$10,000,000) as payment of the Relevant Transaction Costs;

(iii) approximately RMB6,498,092 (approximately S$1,300,268) for any contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment: and

52 As the Proposed Divestment will constitute an "interested party transaction" under the Property Funds Appendix, the Divestment Fee payable to the Manager in respect of the Proposed Divestment will be paid entirely in Units, which shall not be sold within one year of the date of issuance in accordance with paragraph 5.7 of the Property Funds Appendix.

53 The estimated net gain/loss is calculated by subtracting the net proceeds from the Proposed Divestment of RMB1,320,024,988 (approximately S$264,137,000) (after deduction of estimated Relevant Transaction Costs, before taking into account savings on potential transaction-related tax expenses which would be borne by the Purchasers) from the estimated net book value of the Target Companies as at the Completion Date of RMB1,360,255,941 (approximately S$272,187,214).

(iv) approximately RMB450,935,889 (approximately S$90,232,271[54]) to fund the Special Distribution to the Unitholders.

For completeness, as mentioned in paragraph 2.3.2 of this Letter to Unitholders, on Completion, the Purchasers will repay (or procure such repayment of) the HZBG Loan Repayment Amount, being the amount representing all the outstanding onshore borrowings of Hangzhou Beigang. For illustrative purposes only, the HZBG Loan Repayment Amount is estimated to be approximately RMB266,361,216 (approximately S$53,298,879)[55].

9. SPECIAL DISTRIBUTION

The Manager intends to make a Special Distribution to Unitholders within 40 Business Days of Completion. The amount of the Special Distribution is expected to be the Singapore dollar equivalent of an RMB amount which represents the balance of the proceeds from the Equity Consideration after the utilisation of proceeds referred to in paragraphs 8(i), 8(ii) and 8(iii) of this Letter to Unitholders above, based on the exchange rate as at the Completion Date. Purely for illustrative purposes only, based on the Illustrative Exchange Rate, the Special Distribution is expected to be approximately S$90,232,271, which represents approximately S$0.1114 per Unit[56].

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

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

(a) the sustainable capital structure of EC World REIT, including the *pro forma* aggregate leverage of EC World REIT assuming Completion has occurred;

(b) the short-term cash flow requirements of EC World REIT, including its upcoming refinancing obligations, working capital requirements and capital expenditure requirements;

(c) the capital deployment and investment opportunities available to EC World REIT;

(d) the benefit to Unitholders given that they will be able to unlock value from the Proposed Divestment in the form of a return of cash; and

(e) the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT and the progress of the discussions with the existing lenders in relation to the April 2023 Outstanding Loans (see paragraph 3.1 of this Letter to Unitholders for details),

(collectively, the "**Relevant Factors**").

---

54 For the avoidance of doubt, this is a purely illustrative figure translated based on the Illustrative Exchange Rate. The actual quantum of the Special Distribution is expected to be computed based on the exchange rate as at the Completion Date. Please refer to paragraph 9 of this Letter to Unitholders for further details.

55 The quantum of the HZBG Loan Repayment Amount shall be notified to the Purchasers in writing by the Vendor on Completion and shall be no more than RMB266,361,216. Please refer to paragraph 2.3.2 of this Letter to Unitholders above for details.

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

In determining whether the Special Distribution will be made, and if so, the quantum of the Special Distribution, the Board will take into account, among others, the Relevant Factors and the amount of cash proceeds available to EC World REIT after the settlement of a portion of the Existing Offshore Bank Loans amounting to approximately RMB596,597,741 (approximately S$119,379,208), the repayment of the Relevant Offshore Revolving Credit Facilities amounting to approximately RMB265,993,266 (approximately S$53,225,253), the payment of the Relevant Transaction Costs and catering for contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment. In making the above determination, the Board will also take into account the recommendation of the Audit and Risk Committee, with Mr Zhang Guobiao (Chairman and Non-Executive Director) and Mr Goh Toh Sim (Executive Director and Chief Executive Officer) abstaining from voting on such determination(s) by the Board.

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

Although the Manager's current intention is for the Special Distribution to be made, there is no certainty or assurance that the Special Distribution will be made. As stated in paragraph 3.1 of this Letter to Unitholders, depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to EC World REIT, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

In the event that due to unforeseen circumstances, the Manager decides not to make the Special Distribution or determines a lower quantum of the Special Distribution than what is currently expected, the Manager will procure that the Vendor call for the repayment of the balance of the PN Principal Amount which is not set off by the relevant Forchn Unitholders' entitlements to the Special Distribution (if any) (the "**PN Balance**"), by issuing payment notices to the relevant Forchn Unitholders in accordance with the terms of the Promissory Notes (assuming that the Promissory Notes have been delivered to the Vendor as partial payment of the Equity Consideration). In the case where the Manager decides not to make the Special Distribution, the payment notices will be issued as soon as reasonably practicable after such decision has been made. In the case where the Manager determines a lower quantum of the Special Distribution than what is currently expected, the payment notices will require the PN Balance to be paid to the Vendor by the date of payment of the Special Distribution. For details on the payment notice requirements set out in the form of the Promissory Notes, please refer to paragraph 3 of **Appendix C** to this Circular.

10. REQUIREMENT FOR UNITHOLDERS' APPROVAL

10.1 The Proposed Divestment as Interested Person Transaction and Interested Party Transaction

10.1.1 Interested Person Transaction and Interested Party Transaction

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

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an "interested party transaction" by EC World REIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) is equal to or exceeds 5.0% of EC World REIT's latest audited NAV.

Based on EC World REIT's audited consolidated financial results for FY2021, the audited NTA and audited NAV of EC World REIT attributable to Unitholders was approximately S$751.8 million as at 31 December 2021. 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 or interested party is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$37.6 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

10.1.2 The Sponsor

As at the Latest Practicable Date, the Sponsor has a deemed interest in an aggregate of 354,653,140 Units, representing approximately 43.793% of the total number of Units in issue. The Sponsor holds the above interest through the following[57]:

(a) FIPL, which is a wholly-owned subsidiary of the Sponsor, a party to the Equity Purchase Agreement. FIPL has a direct interest in 25,732,615 Units as at the Latest Practicable Date;

(b) FGPL, which is a wholly-owned subsidiary of FIPL. FGPL has a direct interest in 322,957,200 Units as at the Latest Practicable Date; and

(c) the Manager, which is a wholly-owned subsidiary of FIPL, has a direct interest in 5,963,325 Units as at the Latest Practicable Date.

The Sponsor is therefore regarded as a "controlling unitholder" of EC World REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

57 Please refer to paragraph 2.6 of this Letter to Unitholders for a diagram illustrating the relationships among the Purchasers (being HFBEM and FIPL), the Sponsor, the Manager and EC World REIT as at the Latest Practicable Date.

10.1.3 The Proposed Divestment

The Purchasers under the Proposed Divestment are HFBEM and FIPL. Please refer to paragraph 2.6 of this Letter to Unitholders for a diagram illustrating the relationships among the Purchasers (being HFBEM and FIPL), the Sponsor, the Manager and EC World REIT as at the Latest Practicable Date.

HFBEM, which is a company incorporated in the PRC, is a direct wholly-owned subsidiary of the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, HFBEM (being an associate of a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT and an associate of a "controlling shareholder" (as defined in the Property Funds Appendix) of the Manager) is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of EC World REIT.

As at the Latest Practicable Date, FIPL, a company incorporated in the Republic of Singapore, holds, directly and indirectly, 354,653,140 Units, representing 43.793% of the Units in issue, and is also the sole shareholder of the Manager. FIPL is in turn wholly-owned by the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, FIPL (being a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT and a "controlling shareholder" (as defined in the Property Funds Appendix) of the Manager) is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of EC World REIT.

The issuers of the Promissory Notes are intended to be the Forchn Unitholders, being FIPL, FGPL and ECWAM (which is the manager of EC World REIT). As at the Latest Practicable Date, FGPL has a direct interest in 322,957,200 Units, representing 39.879% of Units in issue. FGPL is in turn wholly-owned by the Sponsor. Thus, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, FGPL (being a "controlling unitholder" (as defined in the Listing Manual) of EC World REIT) is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) of EC World REIT.

Therefore, the Proposed Divestment is an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the specific approval of Unitholders is required given that the value of the Proposed Divestment will exceed 5.0% of the latest audited NTA and audited NAV of EC World REIT. For the purposes of the foregoing, the value at risk of the Proposed Divestment is the Equity Consideration of RMB1,370,000,000 (approximately S$274,137,000) which represents approximately 36.5% of the audited NTA and audited NAV of EC World REIT as at 31 December 2021. Accordingly, the Proposed Divestment is subject to the approval of Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix. For Unitholders' reference only, (i) the Aggregate Agreed Property Value for the Divestment Properties, being RMB2,032,744,059 (approximately S$406,752,086), represents approximately 54.1% of the audited NTA and audited NAV of EC World REIT as at 31 December 2021; and (ii) the NAV of the Target Companies as at 30 June 2022, being RMB1,360,255,941 (approximately S$272,187,214), represents approximately 36.2% of the audited NTA and audited NAV of EC World REIT as at 31 December 2021. In approving the Proposed Divestment, Unitholders will be deemed to have

approved, among others, all documents required to be executed by the relevant parties to give effect to the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing).

10.1.4 Abstention from Voting

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

Under Paragraph 5.2(b) of the Property Funds Appendix, where a meeting is held to obtain unitholders' approval for an "interested party transaction" within the definition of the Property Funds Appendix, a person who has an interest, whether commercial, financial or personal, in the outcome of the transaction, other than in his capacity as a unitholder, will not be allowed to vote on a resolution to approve that interested party transaction.

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

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

10.2 The Proposed Divestment as a Major Transaction

Chapter 10 of the Listing Manual classifies transactions into (a) non-discloseable transactions, (b) discloseable transactions, (c) major transactions, and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases:

(i) the NAV of the assets to be disposed of, compared with EC World REIT's NAV pursuant to Rule 1006(a) of the Listing Manual;

(ii) the net profits attributable to the assets disposed of, compared with EC World REIT's net profits pursuant to Rule 1006(b) of the Listing Manual; and

(iii) the aggregate value of the consideration received, compared with EC World REIT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a "discloseable transaction" under Rule 1010 of the Listing Manual which would require the issue of an announcement. Under Rule 1014(1) of the Listing Manual, where any of the relative figures computed on the basis of the above exceeds 20.0%, the transaction is classified as a "major transaction" which would be subject to the approval of Unitholders.

The relative figures for the Proposed Divestment using the applicable bases of comparison are set out in the table below:

Criteria	The Proposed Divestment (S$ million)	EC World REIT (S$ million)	Relative Percentage (%)
Rule 1006(a) The NAV of the assets to be disposed of, compared with EC World REIT's NAV	282.8	678.7[(1)]	41.7
Rule 1006(b) The net property income[(2)] attributable to the Divestment Properties, compared with EC World REIT's net property income	19.1[(2)]	57.9[(1)(2)]	32.9
Rule 1006(c) Aggregate value of the consideration received compared with EC World REIT's market capitalisation based on the total number of issued Units	274.1[(3)]	400.5[(4)]	68.4

Notes:

(1) Based on the unaudited consolidated accounts of EC World REIT in respect of the period from 1 January 2022 to 30 June 2022, as announced on 11 August 2022.

(2) In the case of a real estate investment trust, net property income is a close proxy to the net profits attributable to its assets.

(3) Based on Equity Consideration of RMB1,370,000,000, converted using the Illustrative Exchange Rate.

(4) Based on the number of Units in issue multiplied by the volume-weighted average trading price of S$0.4946 per Unit on 29 September 2022, being the market day immediately prior to the date of the Equity Purchase Agreement.

Given that the relative figures for the Proposed Divestment computed using the applicable bases of comparison exceed 20.0%, the Manager is seeking Unitholders' approval for the Proposed Divestment.

10.3 Interests of Directors and Substantial Unitholders[58]

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

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

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

Notes:

(1) The percentage interest is based on a total of 809,838,247 Units in issue as at the Latest Practicable Date.

(2) Zhang Guobiao owns 80.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

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

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

Notes:

(1) The percentage interest is based on a total of 809,838,247 Units in issue as at the Latest Practicable Date.

(2) FIPL is deemed to be interested in the Units held by its wholly-owned subsidiaries, FGPL and ECWAM.

(3) The Sponsor is the sole shareholder of FIPL, which is in turn the sole shareholder of FGPL and ECWAM. Accordingly, the Sponsor is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

(4) Zhang Guobiao owns 80.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Guobiao is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

(5) Zhang Zhangsheng owns 20.0% of the equity interest of the Sponsor. The Sponsor is in turn the sole shareholder of FIPL. Further, FIPL is the sole shareholder of FGPL and ECWAM. Accordingly, Zhang Zhangsheng is deemed to be interested in the Units held by FIPL, FGPL and ECWAM.

(6) Guo Guangchang owns 64.45% of Fosun International Holdings Ltd. Accordingly, he is deemed to be interested in the Units held by Fosun International Holdings Ltd.

(7) China Cinda (HK) Asset Management Co., Limited is deemed to be interested in the Units held by its wholly-owned subsidiary, Sunkits Resources Limited.

(8) China Cinda (HK) Holdings Company Limited is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited, which is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited.

(9) China Cinda Asset Management Co., Ltd. is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited, which is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited. China Cinda (HK) Holdings Company Limited is 100.0% owned by China Cinda Asset Management Co., Ltd.

(10) The Ministry of Finance of the People's Republic of China is deemed to be interested in the Units held by Sunkits Resources Limited. Sunkits Resources Limited is a wholly-owned subsidiary of China Cinda (HK) Asset Management Co., Limited. China Cinda (HK) Asset Management Co., Limited is a wholly-owned subsidiary of China Cinda (HK) Holdings Company Limited, which is in turn 100.0% owned by China Cinda Asset Management Co., Ltd. The Ministry of Finance of the People's Republic of China owns 67.84% of China Cinda Asset Management Co., Ltd.

(11) Dazhong Capital (Hong Kong) Co Ltd is a company wholly owned by Yang Yiqing. Therefore, Yang Yiqing is deemed to be interested in all the Units held by Dazhong Capital (Hong Kong) Co Ltd.

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

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

10.4 Director's Service Contracts

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

11. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

11.1 IFA

The Manager and the Trustee have appointed Provenance Capital Pte. Ltd. as the IFA as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Audit and Risk Committee, the Independent Directors and the Trustee as to whether the Proposed Divestment (including the Promissory Notes Arrangement) is carried out on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

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

11.2 Advice of the IFA

Having considered the factors described in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, and subject to the assumptions and qualifications set out therein, the IFA is of the opinion that the Proposed Divestment as an "interested person transaction" is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

Accordingly, the IFA advises the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed Divestment.

In arriving at its recommendation, the IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Unitholders should read paragraph 11.2 of this Letter to Unitholders (including the following extract) in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix B** to this Circular. Unless otherwise defined or the context otherwise requires, all capitalised terms in the extract below shall have the same meanings as defined in the IFA Letter.

"***6. OUR OPINION***

In arriving at our opinion in respect of the Proposed Divestment as an IPT, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(i) rationale for the Proposed Divestment;

(ii) assessment of the key terms of the Proposed Divestment;

(iii) assessment of the Promissory Notes Arrangement; and

(iv) other relevant considerations.

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Divestment as an IPT is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders. Accordingly, we advise the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders VOTE IN FAVOUR of the resolution in relation to the Proposed Divestment.

Our opinion in relation to the Proposed Divestment as an IPT should be considered in the context of the entirety of this Letter and the Circular."

As stated in the IFA Letter, the IFA's opinion, as disclosed in this Letter to Unitholders, does not reflect any projections of future performance of EC World REIT and/or its subsidiaries after Completion, and the IFA's opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to the IFA's views on the Proposed Divestment as an "interested person transaction".

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

12. RECOMMENDATIONS

Having considered the following:

(i) rationale for the Proposed Divestment, including the following:

(a) the Manager, with the assistance of the Financial Adviser, conducted a market testing process to solicit interest in the Divestment Properties and also conducted direct outreach to several potential bidders which did not yield any indications of interest for the Divestment Properties; and

(b) the Proposed Divestment would enable EC World REIT to obtain funds to, among others: (1) in respect of the Existing Offshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022; (2) in respect of the Existing Onshore Bank Loans, fully finance the repayment obligations which are due to its lenders by 31 December 2022; and (3) make a Special Distribution to the Unitholders,

(further details of the rationale for the Proposed Divestment are set out in paragraph 3 of this Letter to Unitholders above); and

(ii) the opinion of the IFA (as set out in the IFA Letter in **Appendix B** to this Circular) on the Proposed Divestment,

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

Accordingly, the Independent Directors and Audit and Risk Committee recommend that Unitholders vote in favour of the resolution in relation to the Proposed Divestment.

13. EGM AND ACTIONS TO BE TAKEN BY UNITHOLDERS

13.1 Background

The Manager refers to:

(a) the COVID-19 (Temporary Measures) Act 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, electronically despatch documents required to be laid or produced before a general meeting of unitholders and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts; and

(b) the FAQs on "The Holding of General Meetings" dated 23 May 2022 issued by Singapore Exchange Regulation, which provides additional guidance on the conduct of general meetings.

13.2 Date, time and conduct of EGM

The EGM will be held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on **Friday, 16 December 2022 at 10.00 a.m. (Singapore time)**, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM. **There will be no option for Unitholders to participate virtually.**

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

Approval by way of Ordinary Resolution is required in respect of the Proposed Divestment.

13.3 Question and answer and EGM minutes

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

Unitholders, including CPF and SRS investors, may also submit questions related to the resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted in the following manner by **10.00 a.m. (Singapore time) on Tuesday, 6 December 2022**:

(a) if submitted by post, be deposited at the office of the Unit Registrar of EC World REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, via email to the Manager at ir@ecwreit.com.

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

(1) the Unitholder's full name;

(2) the Unitholder's address; and

(3) the manner in which the Unitholder holds Units in EC World REIT (e.g., via CDP, CPF or SRS).

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit their questions via email.

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

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

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

Pursuant to the Order, this Circular will be sent to Unitholders solely by electronic means via publication on EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Circular will **not** be sent to Unitholders, unless requested for by a Unitholder completing and returning the request form for a printed copy of the Circular ("**Request Form**") accompanying the Notice of EGM and the instrument appointing proxy(ies) ("**Proxy Form**") in accordance with paragraph 13.5 of this Letter to Unitholders.

Printed copies of the Notice of EGM, the Proxy Form and the Request Form will be sent to Unitholders. The Notice of EGM, the Proxy Form and the Request Form will also be made available on EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and SGXNET at the URL https://www.sgx.com/securities/company-announcements.

13.5 Request for printed copies of the Circular

Unitholders may obtain a printed copy of the Circular by completing and returning the Request Form to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by completing and signing the Request Form, and attaching and sending a clear PDF copy of the same via email to the Manager c/o the Unit Registrar at srs.teamc@boardroomlimited.com, which should reach the Unit Registrar by **5.00 p.m. (Singapore time) on Thursday, 1 December 2022**. A printed copy of the Circular will then be sent to the address specified by the Unitholder at his/her/its own risk.

13.6 Arrangements for participation in EGM

Unitholders may participate in the EGM by:

(i) attending the EGM in person;

(ii) submitting questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM or at the EGM itself (see paragraph 13.3 of this Letter to Unitholders above); and/or

(iii) voting at the EGM (a) in person or (b) by his/her/its duly appointed proxy(ies).

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

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

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

(i) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(ii) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at srs.teamc@boardroomlimited.com,

in either case, by **10.00 a.m. (Singapore time) on Tuesday, 13 December 2022**, being 72 hours before the time fixed for the EGM.

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

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

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

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

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

"**Relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

(iii) (if applicable) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

13.8 Information relating to CPF and SRS investors

CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks[59] or SRS Operators[60], and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Tuesday, 6 December 2022**, being at least seven working days before the date of the EGM, to ensure their votes are submitted.

13.9 Important Notice

Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at the URL https://www.ecwreit.com and SGXNET at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

Additionally, the Manager encourages Unitholders and/or their proxy(ies) who are feeling unwell on the date of the EGM to exercise personal and social responsibility and to stay home and not attend the EGM.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

---

59 "**CPF Agent Bank**" means an agent bank appointed to maintain CPF investment accounts under the CPF Investment Scheme.

60 "**SRS Operator**" means a bank appointed to operate Supplementary Retirement Scheme accounts.

15. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **Appendices A** and **B** to this Circular, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, EC World REIT and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

16. CONSENTS

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

17. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 6 Shenton Way, #41-03 OUE Downtown 1, Singapore 068809 from the date of this Circular up to and including the date falling three months thereafter[61]:

(i) the Equity Purchase Agreement;

(ii) the Independent Valuation Reports;

(iii) the IFA Letter; and

(iv) the written consents of each of the Financial Adviser, the Independent Valuers and the IFA.

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

18. CAUTIONARY STATEMENT

Unitholders should note that the Proposed Divestment is subject to and conditional upon satisfaction or waiver (as the case may be) of the Conditions. The Manager wishes to highlight that regardless of whether Unitholders' approval for the Proposed Divestment is obtained at the EGM, there is no certainty or assurance that the Proposed Divestment will be completed.

Accordingly, Unitholders are advised to exercise caution when trading in Units.

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

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

IMPORTANT NOTICE

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

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

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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

This Circular is not for distribution, directly or indirectly, in or into the United States of America ("**United States**" or "**U.S.**"). 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 the context otherwise requires:

"**Aggregate Agreed Property Value**"	:	The aggregate of the Agreed Property Values for all the Divestment Properties
"Agreed Financing Principles"	:	The financing principles as set out in the Equity Purchase Agreement which shall govern the Transaction Financing, the Financing Term Sheet and the Transaction Financing Documents
"**Agreed Property Value**"	:	The agreed property value of each Divestment Property, as set out in the Equity Purchase Agreement
"**Appraised Valuation of the Divestment Properties**"	:	The appraised value of the Divestment Properties as at 30 June 2022 of RMB1,975,000,000, being the total of the Beigang Logistics Stage 1 Appraised Valuation and Chongxian Port Logistics Appraised Valuation
"**April 2023 Outstanding Loans**"	:	The balance of the Existing Offshore Bank Loans and the Existing Onshore Bank Loans (after settling the Mandatory Repayment amount or the Relevant Mandatory Prepayment Amount (as the case may be)) which will be maturing on 30 April 2023
"**Audit and Risk Committee**"	:	The Audit and Risk Committee of the Manager, which comprises Dr David Wong See Hong (Chairman), Mr Chia Yew Boon (Member), and Mr Li Guosheng (Member)
"**Beigang Logistics Stage 1**"	:	Stage 1 Properties of Bei Gang Logistics, located at Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC
"Beigang Logistics Stage 1 Appraised Valuation"	:	The appraised value of Beigang Logistics Stage 1 as at 30 June 2022 of RMB1,178,000,000, being the lower of the two Independent Valuations of Beigang Logistics Stage 1
"**Board**"	:	The board of Directors of the Manager
"**Business Day**"	:	A day which is not a Saturday, a Sunday or a public holiday in Singapore or the PRC
"**CDP**"	:	The Central Depository (Pte) Limited
"**Chongxian Investment**"	:	Hangzhou Chongxian Port Investment Co., Ltd.
"**Chongxian Logistics**"	:	Hangzhou Chongxian Port Logistics Co., Ltd.
"**Chongxian Port Logistics**"	:	Chongxian Port Logistics, located at No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC

"**Chongxian Port Logistics Appraised Valuation**"	:	The appraised value of Chongxian Port Logistics as at 30 June 2022 of RMB797,000,000, being the lower of the two Independent Valuations of Chongxian Port Logistics
"**Circular**"	:	This circular to Unitholders dated 24 November 2022
"**Collateralised Cash Deposits**"	:	The cash deposits placed by certain onshore entities in the ECW Group (namely Hangzhou Beigang, Chongxian Investment and Hengde Sangpu) as collateral with their onshore lenders in relation to the Existing SBLC
"**Completion**"	:	The completion of the Proposed Divestment pursuant to the Equity Purchase Agreement (which shall, at the best endeavours of the Parties, occur by 31 December 2022, or such other date as may be agreed among the Parties)
"**Completion Date**"	:	The date on which Completion takes place
"**Compulsory Expropriation**"	:	The compulsory expropriation of Fu Zhuo Industrial
"**Conditions**"	:	The conditions precedent in respect of the Proposed Divestment, as set out in paragraph 4.1 of the Letter to Unitholders
"**CPF Agent Bank**"	:	An agent bank appointed to maintain CPF investment accounts under the CPF Investment Scheme
"**CPF Board**"	:	Central Provident Fund Board
"**Directors**"	:	Directors of the Manager
"**Divestment Fee**"	:	The divestment fee payable to the Manager for the Proposed Divestment pursuant to the Trust Deed
"**Divestment Fee Units**"	:	The Units to be issued to the Manager as payment for the Divestment Fee
"**Divestment Properties**"	:	Beigang Logistics Stage 1 and Chongxian Port Logistics, collectively
"**DPU**"	:	Distribution per Unit
"**ECW Group**"	:	The Vendor, its subsidiaries, EC World REIT and other entities under the same control of EC World REIT from time to time which, for the avoidance of doubt, shall include the Target Companies before Completion
"**ECW Treasure**"	:	ECW Treasure Pte. Ltd.
"**EC World REIT**" or "**ECW**"	:	EC World Real Estate Investment Trust

"**ECWAM**"	:	EC World Asset Management Pte. Ltd.
"**EGM**"	:	The extraordinary general meeting of Unitholders to be held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on **Friday, 16 December 2022 at 10.00 a.m. (Singapore time)** to approve the matters set out in the Notice of EGM
"**Equity Consideration**"	:	The consideration for the sale and purchase of the Target Equity Interests of RMB1,370,000,000
"**Equity Purchase Agreement**"	:	The conditional equity purchase agreement dated 30 September 2022 made between the Vendor, the Sponsor and the Purchasers in relation to the divestment of the Target Equity Interests
"**Existing Offshore Bank Loans**"	:	All outstanding amounts pursuant to an offshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between ECW Treasure, FZDS, and various banks coordinated by DBS Bank Ltd. and United Overseas Bank Limited
"Existing Onshore Bank Loans"	:	All outstanding amounts pursuant to an onshore facility agreement dated 28 June 2019 as amended, modified and supplemented from time to time between certain wholly-owned subsidiaries of EC World REIT, being Chongxian Investment, Hangzhou Beigang, Hengde Sangpu and FZDS, and various banks coordinated by DBS Bank (China) Limited Hangzhou Branch and United Overseas Bank (China) Limited Hangzhou Branch
"**Existing SBLC**"	:	The standby letters of credit issued by the onshore lenders of certain onshore entities in the ECW Group (namely Hangzhou Beigang, Chongxian Investment and Hengde Sangpu) in connection with the Collateralised Cash Deposits
"**Expected Completion Date**"	:	10 Business Days (or such later date as may be agreed by the Parties) of the Record Date
"**FGPL**"	:	Forchn Global Pte. Ltd.
"**Financial Adviser**"	:	Merrill Lynch (Singapore) Pte. Ltd.
"**Financing Drawdown Request**"	:	The drawdown request to be issued by Hangzhou Beigang at the request of the Purchasers for the purposes of drawing (whether partially or in full) on the loans under the Transaction Financing

"**Financing Term Sheet**"	:	The financing term sheet which may be entered into by Hangzhou Beigang in respect of an onshore term loan facility of up to RMB266,361,216 under the Transaction Financing, which shall comply with the Agreed Financing Principles
"**FIPL**"	:	Forchn International Pte. Ltd.
"**Forchn Unitholders**"	:	FIPL, FGPL and ECWAM, collectively
"**Fu Zhuo Industrial**"	:	Fu Zhuo Industrial, located at No. 5-1, Yunhe Road, Linping District, Hangzhou, Zhejiang Province, PRC
"**FY2021**"	:	Financial year ended 31 December 2021
"**FZDS**"	:	Zhejiang Fuzhou E-Commerce Co., Ltd.
"**Hangzhou Beigang**"	:	Hangzhou Bei Gang Logistics Co., Ltd.
"**Hengde Sangpu**"	:	Zhejiang Hengde Sangpu Logistics Co., Ltd.
"**HFBEM**"	:	Hangzhou Futou Beigang Enterprise Management Co., Ltd.
"**HZBG Loan Repayment Amount**"	:	All the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be no more than RMB266,361,216
"**HZBG Net Related Party Payable**"	:	The net amount payable as at Completion by Hangzhou Beigang (which would by then wholly own, whether directly or indirectly, Beigang Logistics Stage 1 and Chongxian Port Logistics) to the HZBG Related Parties, representing the sum of the amounts payable by Hangzhou Beigang to the HZBG Related Parties (including the sale consideration payable by Hangzhou Beigang to Chongxian Investment for the Internal Restructuring) after netting off the amounts which are receivable by Hangzhou Beigang from the HZBG Related Parties, which net amount shall be no more than RMB189,901,359
"HZBG Related Parties"	:	EC World REIT and its subsidiaries (other than Hangzhou Beigang and Chongxian Logistics)
"**IFA**"	:	The independent financial adviser to the Audit and Risk Committee and the Independent Directors of the Manager and to the Trustee, being Provenance Capital Pte. Ltd.
"**IFA Letter**"	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee as set out in **Appendix B** to this Circular

"**Illustrative Exchange Rate**"	:	The exchange rate of RMB1.00 = S$0.2001 used to translate certain RMB amounts in this Circular into Singapore dollars for illustrative purposes
"**Independent Directors**"	:	The independent Directors, being Mr Chan Heng Wing, Dr David Wong See Hong, Mr Chia Yew Boon and Mr Li Guosheng
"**Independent Valuations**"	:	The independent valuations of the Divestment Properties as at 30 June 2022 by the Independent Valuers
"**Independent Valuation Reports**"	:	The valuation reports of the Divestment Properties issued by JLL dated 30 September 2022 and KF dated 30 September 2022, collectively
"**Independent Valuers**"	:	JLL and KF, collectively
"**Internal Restructuring**"	:	The transfer of Chongxian Investment's 100.0% equity interests in Chongxian Logistics to Hangzhou Beigang
"**IPO**"	:	The initial public offering of EC World REIT
"**JLL**"	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
"**KF**"	:	Knight Frank Petty Limited
"**Latest Practicable Date**"	:	17 November 2022, being the latest practicable date prior to the issuance of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST
"**Long-Stop Date**"	:	The date no later than 31 January 2023 or such other date as may be agreed among the Parties
"**Manager**"	:	EC World Asset Management Pte. Ltd., as manager of EC World REIT
"**Mandatory Offshore Repayment**"	:	The repayment of at least 25.0% of the aggregate principal amount of the Existing Offshore Bank Loans whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise by 31 December 2022
"**Mandatory Onshore Repayment**"	:	The repayment of at least 25.0% of the aggregate principal amount of the Existing Onshore Bank Loans whether by acquisition of asset(s) of EC World REIT and/or its subsidiaries or otherwise by 31 December 2022
"**Mandatory Repayment**"	:	The Mandatory Offshore Repayment and the Mandatory Onshore Repayment, collectively
"**MAS**"	:	Monetary Authority of Singapore

"**Material Adverse Change**"	:	Any event that has, or would have, a material adverse effect on the business, results of operations, financial condition or the assets of (a) any one or more of the Target Companies resulting in a diminution in the value of the Divestment Property(ies) exceeding the threshold(s) set out in the Equity Purchase Agreement; or (b) any one Target Company resulting in a diminution in the value of the Divestment Property of such Target Company in the amount exceeding the threshold(s) set out in the Equity Purchase Agreement, in each case, in accordance with the terms set out in the Equity Purchase Agreement
"**NAV**"	:	Net asset value
"Non-Binding MOU"	:	The non-binding memorandum of understanding entered into by the Manager and FIPL on 13 June 2022 to explore the potential divestment of the Divestment Properties
"**NTA**"	:	Net tangible assets
"**Offshore Undertaking**"	:	The undertaking dated 31 May 2022 provided by the Sponsor to the relevant lenders of the Existing Offshore Bank Loans
"**Onshore Undertaking**"	:	The undertaking dated 28 June 2022 provided by the Sponsor to the relevant lenders of the Existing Onshore Bank Loans
"**Order**"	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020
"**Ordinary Resolution**"	:	A resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
"**O2O**"	:	Online to Offline
"**Parties**"	:	The Vendor, the Sponsor and the Purchasers, collectively
"**PN Balance**"	:	The balance of the PN Principal Amount which is not set off by the relevant Forchn Unitholders' entitlements to the Special Distribution (if any)
"**PN Interest Rate**"	:	The interest rate of 4.2% per annum, being the Singapore Standing Facility Deposit Rate published by the MAS as at the date of the Equity Purchase Agreement
"**PN Principal Amount**"	:	The aggregate principal amount of the Promissory Notes

"**PRC**"	:	People's Republic of China
"**Promissory Notes**"	:	Three transferable, duly indorsed original promissory notes, each issued or to be issued by one of the three Forchn Unitholders
"**Promissory Notes Arrangement**"	:	The arrangement by which it is intended that the Forchn Unitholders would issue the Promissory Notes to the Vendor to discharge part of the Equity Consideration
"**Properties**"	:	The seven properties directly or indirectly owned by EC World REIT in the PRC as at the Latest Practicable Date, which, for the avoidance of doubt, excludes Fu Zhuo Industrial, each a "**Property**"
"**Property Funds Appendix**"	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
"**Proposed Divestment**"	:	The proposed divestment of EC World REIT's indirect 100.0% interests in the Divestment Properties pursuant to the Equity Purchase Agreement
"**Proxy Form**"	:	The instrument appointing proxy(ies) in respect of the EGM
"**Purchasers**"	:	HFBEM and FIPL, collectively
"**Record Date**"	:	The date on which Hangzhou Beigang first issues a Financing Drawdown Request
"Release of the HZBG Collateralised Cash Deposits"	:	The release of the Collateralised Cash Deposits to Hangzhou Beigang post-Completion, pursuant to the intended repayment of the Relevant Offshore Revolving Credit Facilities
"**Relevant Amendments**"	:	Any amendments to, or any terms or conditions to be included in the Equity Purchase Agreement or the Transaction Financing Documents, in each case, arising from, among others, applicable laws and regulations (including the Code on Collective Schemes) and the Listing Manual or pursuant to any requests from any governmental authority
"**Relevant Entity**"	:	An entity which may be established by HFBEM and/or FIPL (or their respective designated persons) to be the actual purchaser (or one of the actual purchasers) under the Proposed Divestment provided that such entity fulfils the criteria set out in paragraph 2.3 of the Letter to Unitholders
"**Relevant Factors**"	:	The relevant factors taken into account by the Board in arriving at its view that the proposed Special Distribution is in the best interests of EC World REIT and its independent Unitholders, as referred to in paragraph 9 of the Letter to Unitholders

"Relevant Mandatory Prepayment Amount"	:	In respect of the Transaction, the higher of: (i) an amount which is 25.0% of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group; and (ii) an amount equal to the Relevant Percentage of the maximum aggregate amount of the offshore loans and the onshore loans outstanding of the ECW Group
"**Relevant Offshore Revolving Credit Facilities**"	:	The offshore revolving credit facilities of approximately RMB265,993,266 (approximately S$53,225,253) owing by ECW Treasure
"**Relevant Transaction Costs**"	:	The professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment of approximately S$10.0 million
"Relevant Percentage"	:	In respect of the Transaction, the percentage of the market value of the total consolidated assets of the Target Companies sold, transferred or disposed of pursuant to the Transaction as it bears to the market value of the total consolidated assets of the ECW Group immediately prior to the Completion, as calculated by the facility agent (acting on the instructions of the lenders of the ECW Group)
"**Remaining Properties**"	:	The remaining Properties in EC World REIT's portfolio immediately post-Completion, which are Chongxian Port Investment, Fu Heng Warehouse, Hengde Logistics, Wuhan Meiluote and Fuzhou E-Commerce
"Request Form"	:	The request form for a printed copy of the Circular
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
"**Settlement Agreements**"	:	The separate settlement agreements which will be entered into by each of the Forchn Unitholders with the Vendor and the Trustee for the settlement of the Promissory Notes
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Special Distribution**"	:	The special distribution that the Manager intends to make in connection with the Proposed Divestment
"**Specified Obligations**"	:	All of the commitments, undertakings, warranties and indemnities of the Purchasers under the Equity Purchase Agreement
"**Sponsor**"	:	Forchn Holdings Group Co., Ltd., the sponsor of EC World REIT

"**SRS Operator**"	:	A bank appointed to operate Supplementary Retirement Scheme accounts
"Substantial Unitholders"	:	Unitholders with an interest in not less than 5.0% of all the Units in issue
"**Summary Property Valuation Reports**"	:	The summary property valuation reports issued by JLL and KF, as set out in **Appendix A** to this Circular
"**Surviving Provisions**"	:	Certain surviving provisions under the Equity Purchase Agreement
"**Target Companies**"	:	Hangzhou Beigang and Chongxian Logistics
"**Target Equity Interests**"	:	All of the equity interests in Hangzhou Beigang
"Third Ranking Mortgages"	:	The third ranking mortgages over all the Divestment Properties to be provided by the Target Companies in favour of the lenders to secure the Transaction Financing
"**Transaction**"	:	The sale and purchase of the Target Equity Interests pursuant to the Equity Purchase Agreement and other transactions contemplated by the Equity Purchase Agreement, collectively
"**Transaction Financing**"	:	The onshore tranche of financing which may be entered into by the relevant Target Companies for the purpose of repaying part of the existing banking facilities of the Vendor's Group (which shall comply with the Agreed Financing Principles)
"**Transaction Financing Documents**"	:	The documents in connection with the Transaction Financing
"**Transaction Financing Long-Stop Date**"	:	The date falling seven weeks after the signing of the Equity Purchase Agreement (i.e. 18 November 2022)
"**Trustee**"	:	DBS Trustee Limited, in its capacity as trustee of EC World REIT
"**Trust Deed**"	:	The deed of trust constituting EC World REIT dated 5 August 2015 (as amended and restated)
"**Unit**"	:	A unit representing an undivided interest in EC World REIT
"**Unitholder**"	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

"**United States**" or "**U.S.**"	:	The United States of America
"**Unit Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**Vendor**"	:	Richwin Investment Pte. Ltd.
"**Vendor's Bank Account**"	:	The bank account of the Vendor, details of which are set out in the Equity Purchase Agreement
"**Vendor's Group**"	:	The Vendor and its subsidiaries from time to time and shall include the Target Companies before Completion

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

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

References to persons shall include corporations.

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

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

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to one decimal place.

JLL Achieve Ambitions

Valuation Advisory

Client: DBS Trustee Limited

(in its capacity as Trustee of EC World Real Estate Investment Trust)

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

September 2022



Our ref: CON101038956
30 September 2022

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

Dear Sirs,

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

In accordance with your instructions to value Chongxian Port Logistics and Stage 1 of Bei Gang Logistics (hereinafter referred to as the "Properties" or individually as the "Property") in the Hangzhou, Zhejiang Province, the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values of the Properties as at 30 June 2022 (the "Valuation Date") for divestment and circular disclosure purpose of your company.

We confirm that comprehensive valuation reports have been prepared and are vested with EC World REIT and EC World Asset Management Pte. Ltd., and DBS Trustee Limited (in its capacity as trustee of EC World REIT).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Description of the Properties

Property Name	Chongxian Port Logistics	Stage 1 Properties of Bei Gang Logistics
Brief Description	Four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard	One 15-storey office erected over a 4-storey retail podium, one 4-storey retail building and six 5-storey buildings for O2O office
Tenure	Expiring on 30 December 2055 with remaining lease term of 33.5 years	Expiring on 14 March 2052 with remaining lease term of 29.7 years
Land Area	160,022.50 sq.m.	99.897.6 sq.m.
Gross Floor Area	117,384.78 sq.m.	120,449.17 sq.m.
Net Lettable Area	125,826.75 sq.m.	120,449.17 sq.m.

Tenancy Profile & Master Lease

Property Name	Chongxian Port Logistics
Major Tenants	Hangzhou Fu Gang Supply Chain Co., Ltd. Zhejiang Yuntong E-Commerce Co., Ltd.
Occupancy	99.7%
WALE (by area)	0.6 year
Master lease	Not Applicable
Income Support	Not Applicable

Tenancy Profile & Master Lease (Cont'd)

<table>
<tr><td>Property Name</td><td>Stage 1 Properties of Bei Gang Logistics</td></tr>
<tr><td>Major Tenants</td><td>Forchn Holdings Group Co., Ltd.</td></tr>
<tr><td>Occupancy</td><td>100%</td></tr>
<tr><td>WALE (by area)</td><td>2.3 years</td></tr>
<tr><td>Master lease</td><td>Based on the information provided, Forchn Holdings Group Co., Ltd. as lessee entered into the master lease for a term of 48 months commencing from 1 November 2020 to 31 October 2024 with rent review structure as follows:

<table>
<tr><th>Period</th><th>Monthly Rent (Inclusive of VAT)</th><th>Rent Review Structure</th></tr>
<tr><td>1 Nov 2020 to 31 Dec 2020</td><td>RMB10,825,403</td><td>N/A</td></tr>
<tr><td>1 Jan 2021 to 31 Dec 2021</td><td>RMB10,825,403</td><td>N/A</td></tr>
<tr><td>1 Jan 2022 to 31 Dec 2022</td><td>RMB10,933,657</td><td>1.0%</td></tr>
<tr><td>1 Jan 2023 to 31 Dec 2023</td><td>RMB11,042,994</td><td>1.0%</td></tr>
<tr><td>1 Jan 2024 to 31 Oct 2024</td><td>RMB11,153,424</td><td>1.0%</td></tr>
</table>

As of 30 June 2022, the contracted gross rent is approximately RMB10,933,657 per month or approximately RMB2.98/sq.m. (NLA)/day with gross rent structure inclusive of VAT based on NLA (RMB2.84/sq.m. (NLA)/day if exclusive of VAT).

In arriving at our value opinion, we have adopted both Discounted Cashflow Approach and Income Capitalisation Method. The prevailing overall market rent adopted in the valuation is approximately RMB2.31/sq.m./day with similar rental structural basis (RMB2.20/sq.m./day if exclusive of VAT) with range of rental comparable for office portion and retail portion at RMB1.5/sq.m./day to RMB2.5/sq.m./day and RMB3.0/sq.m./day to RMB3.5/sq.m./day respectively. Rental growth at 3% for Year 1 to 2 and 4% for Year 3 to 10 together with a long term capital expenditure allowance at 1% of rental income on top of the budgeted 2022 capital expenditure are assumed in the Discounted Cashflow Approach.

In respect of the master lease, we have assumed NLA of the Property as provided is correct and the existing master lease is legally binding and valid. We further assumed that the lessee is capable of meeting their financial obligations under the master lease and that there are no arrears of rent or undisclosed breaches of covenant.</td></tr>
<tr><td>Income Support</td><td>Not Applicable</td></tr>
</table>

Key Parameters & Summary of Values

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

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

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

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

Property Name	Chongxian Port Logistics	Stage 1 Properties of Bei Gang Logistics
Capitalisation Rate	5.5%	5.5%
Terminal Capitalisation Rate	5.5%	5.5%
Discount Rate	8.5%	8.5%
Income Capitalisation Method	RMB830,000,000	RMB1,238,000,000
DCF Approach	RMB835,000,000	RMB1,238,000,000
Market Value	**RMB833,000,0000**	**RMB1,238,000,000**

We are of the opinion that the market value of the total portfolio, subject to the assumptions, comments, terms and conditions contained within and annexed, assuming the Properties are free of all encumbrances, as at 30 June 2022 is in the sum of **RMB2,071,000,000 (RENMINBI TWO BILLION SEVENTY ONE MILLION ONLY).**

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

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

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 28 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

Ref.no: CON101038956

VALUATION CERTIFICATE

Chongxian Port Logistics

Property Address	:	Chongxian Port Logistics No. 5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China
Client	:	DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
Purpose of Valuation	:	Divestment and circular disclosure purpose
Registered Owner	:	Hangzhou Chongxian Port Logistics Co., Ltd. (杭州崇賢港物流有限公司)
Interest Valued	:	100% leasehold interest of the Property
Site Area	:	Approximately 160,022.50 sq.m.
Land Tenure	:	Expiring on 30 December 2055 with remaining lease terms of approximately 33.5 years for port pier (港口码头用地) use. Information of total lease term and lease commencement date are not available in the Real Estate Ownership Certificate and we assume no effect on the remaining lease terms.
Gross Floor Area	:	Approximately 117,384.78 sq.m. as stated on copies of Real Estate Ownership Certificate (不动产权证书) of the Property
Net Lettable Area	:	Approximately 125,826.75 sq.m. as advised
Brief Description	:	The Property is known as Chongxian Port Logistics, comprises of four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard completed in 2009
Tenancy Details	:	As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 25 April 2023 with an occupancy of 99.7% Major tenants includes Hangzhou Fu Gang Supply Chain Co., Ltd., and Zhejiang Yuntong E-Commerce co. Ltd. with a WALE (by area) at 0.6 year
Basis of Valuation	:	Market Value of the Property in its existing state as at the Valuation Date

Valuation Standards	:	In the course of our valuation, we have complied with all the requirements contained in the "International Valuation Standards Effective 31 January 2022" published by the International Valuation Standards Council (IVSC), the "RICS Valuation – Global Standards Effective from 31 January 2022" published by the Royal Institution of Chartered Surveyors (RICS)" subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.
Valuation Approach	:	Income Capitalisation Method & Discounted Cash Flow Analysis
Valuation Date	:	30 June 2022
Inspection Date	:	30 June 2022
Date of the Valuation Report	:	30 September 2022
Market Value	:	RMB833,000,000 *(RMB7,096/sq.m. on gross floor area of 117,384.78 sq.m. or RMB6,620/sq.m. on net lettable area of 125,826.75 sq.m.)*
Term Cap Rate	:	5.00%
Reversionary Cap Rate	:	5.50%
Terminal Cap Rate	:	5.50%
Discount Rate	:	8.50%
Assumptions, Disclaimers, Limitations & Qualifications	:	This certificate has been prepared subject to the assumptions, disclaimers, limitations and qualifications detailed in the valuation report. Reliance of this certificate is conditional on readers' acknowledgement of the same and satisfy themselves as to the statements made therein. In the valuation of the Property, we have made the following assumptions: 1) Hangzhou Chongxian Port Logistics Co., Ltd. legally holds the ownership rights of the Property and all title certificates mentioned above issued for the Property are in full force and effect; 2) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by Hangzhou Chongxian Port Logistics Co., Ltd. with no outstanding payable fees or monies; and 3) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

VALUATION CERTIFICATE

Stage 1 Properties of Bei Gang Logistics

Property Address	:	Stage 1 Properties of Bei Gang Logistics Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China
Client	:	DBS Trustee Limited (in its capacity as Trustee of EC World Real Estate Investment Trust)
Purpose of Valuation	:	Divestment and circular disclosure purpose
Registered Owner	:	Hangzhou Bei Gang Logistics Co., Ltd. (杭州北港物流有限公司)
Interest Valued	:	100% leasehold interest of the Property
Site Area	:	Approximately 99,897.6 sq.m.
Land Tenure	:	Expiring on 14 March 2052 with remaining lease terms of approximately 29.7 years for commerce use. Information of total lease term and lease commencement date are not available in the Real Estate Ownership Certificate and we assume no effect on the remaining lease terms.
Gross Floor Area	:	Approximately 120,499.17 sq.m. as stated on copies of Real Estate Ownership Certificates (不动产权证书) of the Property and as advised
Net Lettable Area	:	Approximately 120,499.17 sq.m. as advised
Brief Description	:	The Property is known as Stage 1 Properties of Bei Gang Logistics, comprises of one 15-storey office erected over a 4-storey retail podium, one 4-storey retail building and six 5-storey buildings for O2O office completed in 2015.
Tenancy Details	:	As at the Valuation Date, the Property was master leased with a WALE (by area) of 2.3 years.
Master Lease	:	Based on the information provided, Forchn Holdings Group Co., Ltd. as lessee entered into the master lease for a term commencing from 1 November 2020 to 31 October 2024 with 1.0% annual rent growth. As of 30 June 2022, the contracted gross rent is approximately RMB10,933,657 per month with gross rent structure inclusive of VAT based on NLA. The lessee will be responsible for rental fee and other charges including charges for remittance and transfer from the lease commencement date.

Basis of Valuation	:	Market Value of the Property in its existing state as at the Valuation Date
Valuation Standards	:	In the course of our valuation, we have complied with all the requirements contained in the "International Valuation Standards Effective 31 January 2022" published by the International Valuation Standards Council (IVSC), the "RICS Valuation – Global Standards Effective from 31 January 2022" published by the Royal Institution of Chartered Surveyors (RICS)" subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.
Valuation Approach	:	Income Capitalisation Method & Discounted Cash Flow Analysis
Valuation Date	:	30 June 2022
Inspection Date	:	30 June 2022
Date of the Valuation Report	:	30 September 2022
Market Value	:	RMB1,238,000,000 *(RMB10,278/sq.m. on gross floor area of 120,449.17 sq.m. or RMB10,278/sq.m. on net lettable area of 120,449.17 sq.m.)*
Term Cap Rate	:	5.00%
Reversionary Cap Rate	:	5.50%
Terminal Cap Rate	:	5.50%
Discount Rate	:	8.50%
Assumptions, Disclaimers, Limitations & Qualifications	:	This certificate has been prepared subject to the assumptions, disclaimers, limitations and qualifications detailed in the valuation report. Reliance of this certificate is conditional on readers' acknowledgement of the same and satisfy themselves as to the statements made therein. In the valuation of the Property, we have made the following assumptions: 1) Hangzhou Bei Gang Logistics Co., Ltd. legally holds the ownership rights of the Property and all title certificates mentioned above issued for the Property are in full force and effect; 2) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by Hangzhou Bei Gang Logistics Co., Ltd. with no outstanding payable fees or monies; and 3) The Master Lease relating to the Property are legally binding, valid and enforceable.

LIMITING CONDITIONS

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.

2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.

3. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.

4. As instructed, this report has been compiled for divestment and circular disclosure purposes for DBS Trustee Limited (in its capacity as Trustee-of EC World Real Estate Investment Trust) and certain assumptions have been made which may not be confirmed upon external checking.

5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.

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

7. Reliance on this valuation report is permitted only:

   (i) by a party expressly identified by the report as being permitted to rely on it;
   (ii) when the given party has received the report directly from JLL; and
   (iii) for a purpose expressly identified by the report as being a permitted use of the report.

****

VALUER'S PROFESSIONAL DECLARATION

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

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

Gilbert Chan	**Charles Choi**	**Melissa Shi**	**Josh Wang**
Senior Director	Director	Manager	Manager

Beijing

Room 801, 8/F, Jinghui Building
No.118 Jianguo Road Yi, Chaoyang District,
Beijing 100022, China

T +86 10 5922 1300
F +86 10 5922 3608

Shanghai

22/F HKRI Centre One HKRI Taikoo Hui
288 Shimen Road No.1,
Shanghai 200040, China

T +86 21 6393 3333
F +86 21 6393 3080

Shenzhen

Room 1901,1903-04, 19/F Tower Three, Kerry Plaza
1 Zhongxinsi Road, Futian District,
Shenzhen 518048, China

T +86 755 8826 6608
F +86 755 2263 8966

Guangzhou

Room 2801-03, 2807-08, 28/F
Guangzhou CTF Finance Centre,
No.6 Zhujiang East Road, Zhujiang New Town,
Guangzhou 510623, China

T +86 20 2338 8088
F +86 20 2338 8118

Chengdu

29/F, Tower 1, Chengdu International Finance Square
1 Hongxing Road Section 3, Chengdu 610021, China

T +86 28 6680 5091
F +86 28 6680 5096

Hong Kong

7/F, One Taikoo Place
979 King's Road,
Quarry Bay,
Hong Kong SAR

T +852 2846 5000
F +852 2169 6001

Macau

Unit H, 16/F, Finance and IT Center of Macau Nam Van Lake, Quarteirao 5 Lote A,
Macau SAR

T +853 2871 8822
F +853 2871 8800

Singapore

1 Paya Lebar Link,
#10-08 Paya Lebar Quarter Tower 2, Singapore 408533

T +65 6220 3888

For other office locations, please visit JLL website.

臻量

Powered by Zhenliang.com, a JLL-owned valuation and asset management SaaS platform, China's first accredited RICS tech partner

Copyright © Jones Lang LaSalle IP, Inc. 2022. All Rights Reserved

臻量平台
官方微信公众号

Valuation Summary Report

Our Ref: CV/CL/GL/JK/jn/19379/7(1)

DBS Trustee Limited
(in its capacity as trustee of EC World Real Estate Investment Trust)
12 Marina Boulevard, Level 44
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

30 September 2022

Dear Sirs

Valuation of **(1)** **Chongxian Port Logistics, No.5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China; and**

(2) **Stage 1 Properties of Bei Gang Logistics, Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, The People's Republic of China. (the "Properties")**

In accordance with the instruction received from DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust) (the "Instructing Party") (the "Trustee") for us to value the Properties located in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties in their existing state as at 30 June 2022 for the purpose of mid-year 2022 valuation and divestment of the Properties. Comprehensive valuation reports for the Properties have been prepared and are vested with EC World Real Estate Investment Trust, EC World Asset Management Pte. Ltd., DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust).

Basis of Valuation

Our valuation is our opinion of the market value of the property interests, which we would define as intended to mean "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an 'arms-length' transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently, and without compulsion".

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically 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.

In preparing our valuation report, we have complied with "The RICS Valuation – Global Standards 2022" issued by the Royal Institution of Chartered Surveyors ("RICS"), which incorporate the International Valuation Standards (the "Red Book").

Below are the brief description of the Properties:-

Brief Description of the Properties

No.	Property Name	Brief Description	Tenure (Remaining Term)	Site Area (sq m)	Gross Floor Area (sq m)	Net Lettable Area (sq m)
1	Chongxian Port Logistics	a large-scale logistics development comprising five single-storey warehouses, a 12-storey office building, a 4-storey canteen and a storage yard	Approximately 33.5 years; expiring on 30 December 2055	160,022.50	117,384.78	125,826.75
2	Stage 1 Properties of Bei Gang Logistics	a mixed-use development comprising a 15-storey office and retail tower (Building No.1), a 4-storey retail building (Building No.2), and six 5-storey (Building Nos.3 to 8) commercial building erected upon a basement for carparking use.	Approximately 29.7 years; expiring on 14 March 2052	99,897.60	120,449.17	120,449.17

Tenancy Profile

No.	Property Name	Major Tenants	Occupancy Rate	WALE by Lettable Floor Areas (in years)
1	Chongxian Port Logistics	Hangzhou Fugang Supply Chain Co., Ltd. (杭州富港供应链有限公司) Zhejiang Yuntong E-Commerce Co., Ltd. (浙江运通电子商务有限公司) Hangzhou Yonglei Logistics Co., Ltd. (杭州永磊物流有限公司)	99.1%	0.6
2	Stage 1 Properties of Bei Gang Logistics	Forchn Holdings Group Co., Ltd.	100%	2.3

Master Lease

<table>
<tr><th>No.</th><th>Property Name</th><th>Master Lease</th><th>Income Support</th></tr>
<tr><td>1</td><td>Chongxian Port Logistics</td><td>N/A</td><td>N/A</td></tr>
<tr><td>2</td><td>Stage 1 Properties of Bei Gang Logistics</td><td>According to the information provided, the Property with a total NLA of approximately 120,499 sq m is fully let to Forchn Holdings Group Co., Ltd. for a term of 48 months commencing from 1 November 2020 to 31 October 2024 with rent review structure as follows:
<table>
<tr><th>Period of term</th><th>Monthly Rent (Inclusive of VAT)</th><th>Rent Review Structure</th></tr>
<tr><td>Nov 2020 to Dec 2020</td><td>RMB10,825,403</td><td>N/A</td></tr>
<tr><td>Jan 2021 to Dec 2021</td><td>RMB10,825,403</td><td>N/A</td></tr>
<tr><td>Jan 2022 to Dec 2022</td><td>RMB10,933,657</td><td>1%</td></tr>
<tr><td>Jan 2023 to Dec 2023</td><td>RMB11,042,994</td><td>1%</td></tr>
<tr><td>Jan 2024 to Oct 2024</td><td>RMB11,153,424</td><td>1%</td></tr>
</table>
The prevailing overall market rent adopted in the valuation is approximately RMB72 per sq m per month with similar rental structural basis (RMB69 per sq m per month if exclusive of VAT) with range of rental comparable at RMB90 per sq m per month to RMB99 per sq m per month. The weighted average lease expiry by area and rent are 2.3 years and 2.3 years respectively under the existing master lease. Rent achieved under the master lease is higher than the prevailing overall market level.

The passing rental income was approximately RMB10,413,000 per month (exclusive of VAT). The average unit rental was approximately RMB86.4 per sq m per month on NLA for the existing master lease exclusive of management fee and VAT.

As per the provided tenancy schedule, we are not aware of any onerous and or unusual provision of rental incentives.

In respect of the master lease, we have assumed NLA of the Property as provided is correct and the existing master lease is legally binding and valid. We further assumed that the lessee is capable of meeting their financial obligations under the master lease and that there are no arrears of rent and undisclosed breaches of covenant. As advised by the Client, the lessee have to reinstate the leased portion of the Property when it is handed over to the lessor in accordance with the tenancy agreement.</td><td>N/A</td></tr>
</table>

Valuation Methodology

We have adopted Income Approach – Term and Reversion Method, Income Approach – Discounted Cash Flow ("DCF") Method and cross-checked the valuation by Market Approach.

Income Approach – Term and Reversion Method

Income Approach – Term and Reversion Method is a valuation 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.

Income Approach – DCF

Income approach – DCF is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This method involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken the DCF on a yearly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the residual land use rights term. This method allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both income and capital growth over the residual land use rights term.

Market Approach

For cross-checking purpose, we have referenced to Market Approach, which we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Properties and the comparable properties such as location, size, age, asking, quality and view in arriving at our opinion of the market value.

Key parameters adopted for the valuation as set below.

Assumptions and Parameters

No.	Property Name	Income Approach – Term and Reversion Method Yield Rate	Income Approach – DCF Terminal Capitalisation Rate	Income Approach – DCF Discount Rate
1	Chongxian Port Logistics	4.75%	5.00%	8.00%
2	Stage 1 Properties of Bei Gang Logistics	5.75%	6.25%	9.25%

Summary of Values

We have adopted the Income Approach – Term and Reversion Method and Income Approach – Discounted Cash Flow Method in the course of our valuation of the market values of the Properties. Given that the Properties are an income generating properties, we have given same weighing to the two methods. We have summarized below the calculation results of each method:

No.	Property Name	Valuation Method	Weighing (%)	Market Value (RMB)
1	Chongxian Port Logistics	Income Approach – Term and Reversion Method	50	780,000,000
		Income Approach – DCF	50	813,000,000
		Adopted Value		**797,000,000**
2	Stage 1 Properties of Bei Gang Logistics	Income Approach – Term and Reversion Method	50	1,188,000,000
		Income Approach – DCF	50	1,168,000,000
		Adopted Value		**1,178,000,000**
			Total	**1,975,000,000**

We are of the opinion that the Market Value of the Properties in their existing state as at 30 June 2022 was in the sum of **RMB1,975,000,000 (RENMINBI ONE BILLION AND NINE HUNDRED SEVENTY FIVE MILLION)**, subject to the valuation basis and assumptions as stated throughout the annexed and its title being free of all material encumbrances or defects.

Title Documents and Encumbrances

We have been provided with extracts of documents in relation of the title to the Properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We do not accept liability for any interpretation which we have placed on such information, which likely falls within the sphere of your legal adviser. Neither have we verified the correctness of any information supplied to us concerning the Properties, whether in writing or verbally by EC World Real Estate Investment Trust.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties have proper legal titles and all land premiums had been fully settled. It is also assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Source of Information

We have relied to a considerable extent on the information given by you. We have no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We have accepted advice given to us on such matters as tenure, ownership, particulars of occupancy, tenancy information, floor areas and all other relevant matters. Dimensions, measurements and areas included in the report are based on information contained in the documents provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the correctness of the floor areas of the Properties and we have assumed that the floor areas shown on the documents handed to us are correct. We were also advised that no material facts have been omitted from the information provided.

Inspection and Structural Condition

We have inspected the exterior and, where possible, the interior of the Properties. No structural survey has been made. We are not, therefore, able to report that the Properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services. For the purpose of this valuation, we have assumed that the Properties have been maintained in satisfactory condition commensurate with their building ages and use.

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 Properties are 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 Properties have been 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 Properties 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.

Assumptions, Disclaimers, Limitations and Qualifications

We have assumed that the Properties are freely disposable and transferable in the market, whether as a whole or on strata-title basis, to local or overseas purchasers for their designated uses for the whole of the unexpired term as granted.

Valuation Certificates of the Properties are attached to this letter. This letter alone does not contain the necessary data and support information included in our valuation reports. For further information to that contained herein, reference should be made to the valuation reports, copy of which is held by the Trustee.

This letter is for the use of the Trustee in connection with the proposed divestment. No responsibility is accepted to any other party for the whole or any part of its contents.

We have prepared this letter for inclusion in the prospectus and specially disclaim liability to any person in the event of any omission from or false or misleading statement included in the circular, other than in respect of the information provided within the valuation reports and brief summary. We do not make any warranty or representation as to the accuracy of the information in any part of the prospectus other than as expressly made or given in the valuation certificates attached.

We hereby confirm that we have neither present nor prospective interests in EC World Real Estate Investment Trust or the Properties.

Currency

Unless otherwise stated, all money amounts stated are in Renminbi.

We hereby certify that our valuers undertaking this valuation are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties. We enclose herewith the valuation certificate of the Properties.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Clement W M Leung MFin MCIREA MHKIS MRICS RPS (GP)
RICS Registered Valuer (0840379)
Executive Director, Head of China Valuation & Advisory

Reviewed (but not undertaken) by:

Gary S K Lau MSc(RealEst) MHKIS MRICS RPS (GP)
RICS Registered Valuer (5915451)
Director, China Valuation & Advisory

Enc

Valuation Certificate 1

Chongxian Port Logistics	
Address	Chongxian Port Logistics, No.5-2 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China (the "Property")
Name of Client	DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust)
Registered Owner	Hangzhou Chongxian Port Logistics Co., Ltd (杭州崇贤港物流有限公司)
Purpose of Valuation	Mid-Year 2022 valuation, divestment and public disclosure obligations
Valuation Date	30 June 2022
Basis of Valuation	Market value basis. In the course of our valuation, we have taken into account existing tenancies and on an as-is basis.
Interest to be Valued	100% interest of the Property
Site Area	Approximately 160,022.50 sq m
Gross Floor Area (GFA)	Approximately 117,384.78 sq m
Net Lettable Area (NLA)	Approximately 125,826.75 sq m
Description	The Property is a large-scale logistics development comprising five single-storey warehouses, a 12-storey office building, a 4-storey canteen and a storage yard. The Property was completed in 2010.
Master Plan Zoning	N/A
Occupancy Status	The Property with a total NLA of approximately 125,826.75 sq m of which approximately 125,394.76 sq m is subject to various tenancies with the last term expiring in December 2023, yielding a total monthly rental of approximately RMB4,300,000, inclusive of VAT but exclusive of management fee.
Occupancy Rate	Approximately 99.1%
Weighted Average Lease Expiry (Including contracts of services and equipment)	Approximately 0.6 years by net lettable area Approximately 0.6 years by gross rental income
Tenancy Profile	According to the information provided, the occupancy rate of the Property is approximately 99.1%, subject to various tenancies with the last term expiring in December 2023, yielding a total monthly rental of approximately RMB4,300,000, inclusive of VAT but exclusive of management fee.

	Major tenants **Tenant** — **Leased NLA (sq m)** Hangzhou Fugang Supply Chain Co., Ltd. (杭州富港供应链有限公司) — 101,894.68 Zhejiang Yuntong E-Commerce Co., Ltd. (浙江运通电子商务有限公司) — 6,640.08 Hangzhou Yonglei Logistics Co., Ltd. (杭州永磊物流有限公司) — 5,400.00
Gross Income of the Property	Approximately RMB4,300,000 per month as at the Valuation Date (inclusive of VAT but exclusive of management fee)
Net Income of the Property (First Year)	Approximately RMB3,710,000 per month
Operating Expenses (First Year)	Approximately RMB710,000 per month
Property Management Fee	1.6% of the rental income
Property Tax	10% of the rental Income
Compounded Rental Growth Rate	6.4% (5-year) 5.6% (10-year)
Compounded General Inflation	3.0% (5-year) 3.0% (10-year)
Legal Descriptions	Pursuant to the Real Estate Title Certificate No. Zhe (2020) Yu Hang Qu Bu Dong Chan Quan Di 0039903, the land use rights of the Property with a site area of approximately 160,022.50 sq sm and the building ownership of the Property with a gross floor area of approximately 117,384.78 sq m are vested in Hangzhou Chongxian Port Logistics Co., Ltd. with a land use rights term expiring on 30 December 2055 for port (non-residential use).
Tenure	Leasehold
Remaining Land Use Term	Approximately 33.5 years, expiring on 30 December 2055
Number of years of leasehold	N/A
Leasehold Commencement Date	N/A

Valuation Assumptions	In the course of our valuation, we have made certain assumptions which collectively may have a material impact on our valuation and these are noted as follows: - • Information Provided. 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 REIT Manager and their professional advisers and have accepted advice given to us on such matters as the identification of the Property, site and floor areas, building uses and other relevant matters. We were advised by the REIT Manager and their professional advisers that no material facts have been omitted from the information provided. • Proper Legal Title. We have assumed that the Property has a proper legal title and all land premium had been fully settled. It is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value. • Alienation. We have assumed that the Property is freely disposable and transferable in the market, whether as a whole or on strata-title basis, to local or overseas purchasers for its designated use for the whole of the unexpired term as granted. • 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. Special assumption is also made regarding to the contractual terms. We have assumed that the tenant will comply with the contractual term to perform its duties to reinstate the respective leased portions for commercial use upon expiry of the lease. For the other assumptions, disclaimers, limitations and qualifications, please refer to the other sections of the valuation certificate or report.
Valuation Approaches	Income Approach – Term and Reversion Method • Income Approach – Term and Reversion Method is a valuation 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.

	Income Approach – Discounted Cash Flow Method (DCF) • Income Approach – DCF is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This method involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. • We have undertaken the DCF on a yearly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the residual land use rights term. This method allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both income and capital growth over the residual land use rights term.
Term Yield (Term Capitalisation Rate)	4.25%
Reversionary Yield (Reversionary Capitalisation Rate)	4.75%
Initial Yield	Approximately 6.47%
Discount Rate	8.00%
Terminal Capitalization Rate	5.00%
Stabilized Growth Rate	3.00% income growth rate
Market value	

Valuation Method	Weighting (%)	Market Value (RMB)
Income Approach – Term and Reversion Method	50	780,000,000
Income Approach – Discounted Cash Flow Method	50	813,000,000
Adopted Value		**797,000,000**

Unit Rate	

Basis	Unit Rate (per sq m)	Unit Rate (per sq ft)
On GFA	RMB 6,790	RMB 631
On NLA	RMB 6,334	RMB 589

Market value attributable to the Client	**RMB797,000,000 (RENMINBI SEVEN HUNDRED NINETY SEVEN MILLION)**
Assumptions, Disclaimers, Limitations and Qualifications	Knight Frank has prepared the valuation based on the information and data available to us as at the valuation date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the valuation date may affect the value of the Property. The valuation certificate or report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressed shall not disclose the valuation certificate or report to any other person. Neither the whole, or any part of this valuation certificate or report and valuation, nor any reference thereto may be included in any documents, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web site) without our written approval of the form and context in which it will appear. In accordance with our standard practice, we must state that this report and valuation is for the use 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. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report. Special assumption is also made regarding to the contractual terms. We have assumed that the tenant will comply with the contractual term to perform its duties to reinstate the respective leased portions for commercial use upon expiry of the lease. For the other assumptions, disclaimers, limitations and qualifications, please refer to the other sections of the valuation certificate or report.

Valuation Certificate 2

Stage 1 Properties of Bei Gang Logistics	
Address	Stage 1 Properties of Bei Gang Logistics, Block 1-8, No.5-4 Yunhe Road, Linping District, Hangzhou, Zhejiang Province, the People's Republic of China (the "Property")
Name of Client	DBS Trustee Limited (in its capacity as trustee of EC World Real Estate Investment Trust)
Registered Owner	Hangzhou Bei Gang Logistics Co., Ltd. (杭州北港物流有限公司)
Purpose of Valuation	Mid-Year 2022 valuation, divestment and public disclosure obligations
Valuation Date	30 June 2022
Basis of Valuation	Market value basis. In the course of our valuation, we have taken into account existing tenancies and on an as-is basis.
Interest to be Valued	100.0% interest of the Property
Site Area	Approximately 99,897.60 sq m
Gross Floor Area (GFA)	Approximately 120,449.17 sq m
Net Lettable Area (NLA)	Approximately 120,449.17 sq m
Master Plan Zoning	N/A
Description	The Property is a mixed-use development comprising of a 15-storey office and retail tower (Building No.1), a 4-storey retail building (Building No.2), and six 5-storey (Building Nos.3 to 8) commercial building erected upon a basement for carparking use. The Property was completed in 2015.
Occupancy Rate	Approximately 100.0%
Weighted Average Lease Expiry	Approximately 2.3 years by net lettable area Approximately 2.3 years by gross rental income
Tenancy Profile	According to the information provided, the Property is fully let, subject to a tenancy expiring in November 2024, yielding a total monthly rental of approximately RMB11,000,000, inclusive of VAT but exclusive of management fee. Major tenant

Tenant	Leased NLA (sq m)
Forchn Holdings Group Co., Ltd.	120,449.17

Master Lease	According to the information provided, the Property with a total NLA of approximately 120,499 sq m is fully let to Forchn Holdings Group Co., Ltd. for a term of 48 months commencing from 1 November 2020 to 31 October 2024 with rent review structure as follows:

Period of term	Monthly Rent (Inclusive of VAT)	Rent Review Structure
Nov 2020 to Dec 2020	RMB10,825,403	N/A
Jan 2021 to Dec 2021	RMB10,825,403	N/A
Jan 2022 to Dec 2022	RMB10,933,657	1%
Jan 2023 to Dec 2023	RMB11,042,994	1%
Jan 2024 to Oct 2024	RMB11,153,424	1%

The prevailing overall market rent adopted in the valuation is approximately RMB72 per sq m per month with similar rental structural basis (RMB69 per sq m per month if exclusive of VAT) with range of rental comparable at RMB90 per sq m per month to RMB99 per sq m per month. The weighted average lease expiry by area and rent are 2.3 years and 2.3 years respectively under the existing master lease. Rent achieved under the master lease is higher than the prevailing overall market level.

The passing rental income was approximately RMB10,413,000 per month (exclusive of VAT). The average unit rental was approximately RMB86.4 per sq m per month on NLA for the existing master lease exclusive of management fee and VAT.

As per the provided tenancy schedule, we are not aware of any onerous and or unusual provision of rental incentives.

In respect of the master lease, we have assumed NLA of the Property as provided is correct and the existing master lease is legally binding and valid. We further assumed that the lessee is capable of meeting their financial obligations under the master lease and that there are no arrears of rent and undisclosed breaches of covenant. As advised by the Client, the lessee have to reinstate the leased portion of the Property when it is handed over to the lessor in accordance with the tenancy agreement.

Gross Income of the Property	RMB10,933,657 per month as at the Valuation Date (inclusive of VAT but exclusive of management fee)

Net Income of the Property (First Year)	Approximately RMB9,870,000 per month
Operation Expenses (First Year)	Approximately RMB1,100,000 per month
Property Management Fee	1.5% of the rental income
Property Tax	5% of the rental Income
Compounded Rental Growth Rate	5.3% (5-year) 4.8% (10-year)
Compounded General Inflation	3.0% (5-year) 3.0% (10-year)
Legal Descriptions	Pursuant to a Land Use Right Certificate No. Hang Yu Chu (2012) Di 108-405 issued by Hangzhou Land Resource Bureau dated 13 July 2012, the land use rights of the Property with a site area of approximately 99,897.60 sq m is vested in Hangzhou Bei Gang Logistics Co., Ltd. with a land use rights term expiring on 14 March 2052 for commercial use. Pursuant to 695 Real Estate Title Certificates issued by Hangzhou Land Resource Bureau, the building ownerships of the Property with gross floor area of approximately 90,601.27 sq m are vested in Hangzhou Bei Gang Logistics Co., Ltd. for non-residential use.
Tenure	Leasehold
Remaining Land Use Term	Approximately 29.7 years
Number of years of leasehold	N/A
Leasehold Commencement Date	N/A

Valuation Assumptions

In the course of our valuation, we have made certain assumptions which collectively may have a material impact on our valuation and these are noted as follows: -

- Information Provided. 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 REIT Manager and their professional advisers and have accepted advice given to us on such matters as the identification of the Property, site and floor areas, building uses and other relevant matters. We were advised by the REIT Manager and their professional advisers that no material facts have been omitted from the information provided.

- Proper Legal Title. We have assumed that the Property has a proper legal title and all land premium had been fully settled. It is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

- Alienation. We have assumed that the Property is freely disposable and transferable in the market, whether as a whole or on strata-title basis, to local or overseas purchasers for its designated use for the whole of the unexpired term as granted.

- 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.

Special assumption is also made regarding to the contractual terms. We have assumed that the tenant will comply with the contractual term to perform its duties to reinstate the respective leased portions for commercial use upon expiry of the lease.

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

Valuation Approaches	Income Approach – Term and Reversion Method • Income Approach – Term and Reversion Method is a valuation 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. Income Approach – Discounted Cash Flow Method (DCF) • Income Approach – DCF is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This method involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property. In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. • We have undertaken the DCF on a yearly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the residual land use rights term. This method allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both income and capital growth over the residual land use rights term.
Term Yield (Term Capitalisation Rate)	5.25%
Reversionary Yield (Reversionary Capitalisation Rate)	5.75%
Initial Yield	Approximately 11.21%
Discount Rate	9.25%
Terminal Capitalization Rate	6.25%

Stabilized Growth Rate	3.00% income growth rate

Market value

Valuation Method	Weighting (%)	Market Value (RMB)
Income Approach – Term and Reversion Method	50	1,188,000,000
Income Approach – Discounted Cash Flow Method	50	1,168,000,000
Adopted Value		**1,178,000,000**

Unit Rate

Basis	Unit Rate (per sq m)	Unit Rate (per sq ft)
On GFA	RMB 9,780	RMB 909
On NLA	RMB 9,780	RMB 909

Market value attributable to the Client	**RMB1,178,000,000 (RENMINBI ONE BILLION ONE HUNDRED SEVENTY EIGHT MILLION)**

Assumptions, Disclaimers, Limitations and Qualifications	Knight Frank has prepared the valuation based on the information and data available to us as at the valuation date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the valuation date may affect the value of the Property. The valuation certificate or report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressed shall not disclose the valuation certificate or report to any other person. Neither the whole, or any part of this valuation certificate or report and valuation, nor any reference thereto may be included in any documents, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web site) without our written approval of the form and context in which it will appear. In accordance with our standard practice, we must state that this report and valuation is for the use 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. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report. For the other assumptions, disclaimers, limitations and qualifications, please refer to the other sections of the valuation certificate or report.

APPENDIX B
INDEPENDENT FINANCIAL ADVISER'S LETTER

PROVENANCE CAPITAL PTE. LTD.

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

24 November 2022

To: The Audit and Risk Committee and the Independent Directors of EC World Asset Management Pte. Ltd., as manager of EC World Real Estate Investment Trust ("**EC World REIT**")

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

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

Dear Sirs,

PROPOSED DIVESTMENT OF STAGE 1 PROPERTIES OF BEI GANG LOGISTICS AND CHONGXIAN PORT LOGISTICS

*Unless otherwise defined or the context otherwise requires, all terms used in this letter ("**Letter**") have the same meanings as defined in the circular to unitholders of EC World REIT ("**Unitholders**") dated 24 November 2022 ("**Circular**"). The latest practicable date as referred to in the Circular and for the purposes of this Letter is 17 November 2022 ("**Latest Practicable Date**"). Where applicable, for illustrative purposes, certain RMB amounts are translated into Singapore dollars based on the exchange rate of RMB1.00:S$0.2001 prevailing as at the date of the Equity Purchase Agreement (as defined in Section 1.1 of this Letter).*

1. INTRODUCTION

1.1 Proposed Divestment

EC World REIT is a Singapore logistics real estate investment trust listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") 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. As at the Latest Practicable Date, EC World REIT, together with its subsidiaries ("**Group**"), has a portfolio of 7 properties located in the People's Republic of China ("**PRC**").

Mr Zhang Guobiao owns 80% of the equity interest of Forchn Holdings Group Co., Ltd., which is the sponsor of EC World REIT ("**Sponsor**"). The Sponsor, through its direct and indirect subsidiaries, namely Forchn International Pte. Ltd. ("**FIPL**"), EC World Asset Management Pte. Ltd. ("**Manager**") and Forchn Global Pte. Ltd. ("**FGPL**", together with FIPL and the Manager, the "**Forchn Unitholders**"), collectively owns an aggregate of 354,653,140 units in EC World REIT ("**Units**"), representing approximately 43.793% of the outstanding 809.8 million Units as at the Latest Practicable Date. Established in 1992 and headquartered in Shanghai, PRC, the Sponsor is a conglomerate with businesses in the supply chain, intelligent manufacturing, health and wellness, finance and other sectors.

EC World REIT is managed by the Manager.

Memorandum of understanding

On 13 June 2022, the Manager announced that it had entered into a non-binding memorandum of understanding with FIPL to explore the potential divestment of two of EC World REIT's properties, namely Stage 1 Properties of Bei Gang Logistics ("**Beigang Logistics Stage 1**") and Chongxian Port Logistics (together, the "**Divestment Properties**") to an entity controlled or managed by FIPL. The Divestment Properties are located in Hangzhou, PRC.

Equity Purchase Agreement

Before trading hours on 3 October 2022, the Manager announced that EC World REIT, through its wholly-owned subsidiary, Richwin Investment Pte. Ltd. ("**Vendor**"), had on 30 September 2022 entered into an equity purchase agreement ("**Equity Purchase Agreement**") with Hangzhou Futou Beigang Enterprise Management Co., Ltd. ("**HFBEM**"), FIPL (HFBEM and FIPL, collectively the "**Purchasers**") and the Sponsor, pursuant to which the Group will divest its interests in the Divestment Properties ("**Proposed Divestment**").

The Purchasers are wholly-owned subsidiaries of the Sponsor.

The Proposed Divestment will involve the sale by the Vendor to the Purchasers of all the equity interests in Hangzhou Bei Gang Logistics Co., Ltd. ("**Hangzhou Beigang**") which will hold the Divestment Properties, subject to, among others, the completion of an internal restructuring. Further information on the internal restructuring is set out in Section 3.2 of this Letter.

In connection with the Proposed Divestment, the Purchasers will:

(i) pay (or procure the payment of) the consideration for the purchase of all the equity interests in Hangzhou Beigang of RMB1,370 million ("**Equity Consideration**") to the Vendor on completion of the Proposed Divestment ("**Completion**"), which takes into consideration *inter alia* the agreed property values ("**Agreed Property Values**" and each an "**Agreed Property Value**") of the Divestment Properties, totalling RMB2,033 million as at 30 June 2022 ("**Aggregate Agreed Property Value**");

(ii) repay (or procure such repayment of) all the outstanding onshore borrowings of Hangzhou Beigang in an amount which shall be no more than RMB266,361,216 ("**HZBG Loan Repayment Amount**") on Completion; and

(iii) pay (or procure the payment of) the net related party payable of Hangzhou Beigang in an amount which shall be no more than RMB189,901,359 ("**HZBG Net Related Party Payable**") within a specified timeframe after Completion.

After Completion, the Manager intends to make a special distribution in cash ("**Special Distribution**") to Unitholders from the proceeds of the Proposed Divestment. The Forchn Unitholders are also entitled to the Special Distribution.

In view of the Special Distribution, as part of the terms of the Proposed Divestment, FIPL may, at its option, elect to pay part of the Equity Consideration by arranging for the Forchn Unitholders to issue promissory notes ("**Promissory Notes**") to the Vendor which will be used to set off against the relevant Forchn Unitholders' entitlement to the Special Distribution ("**Promissory Notes Arrangement**"). Any remaining amount of the Equity Consideration not paid for in the form of Promissory Notes shall be paid in cash to the Vendor.

1.2 Unitholders' approval at an EGM

In view of the interest of the Sponsor in the Purchasers, the Purchasers are deemed as interested persons ("**Interested Persons**") (for the purposes of the listing manual of the SGX-ST ("**Listing Manual**")) and "interested parties" (for the purposes of Appendix 6 of the Code on

Collective Investment Schemes ("**CIS Code**") issued by the Monetary Authority of Singapore ("**Property Funds Appendix**")). Therefore, the Proposed Divestment constitutes an "interested person transaction" ("**IPT**") under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix.

The Group's net tangible assets ("**NTA**") as at 31 December 2021 was S$751.8 million, based on the latest audited financial statements of the Group for the financial year ended 31 December 2021.

The Equity Consideration of RMB1,370 million (S$274.1 million) for the IPT represents 36.5% of the last audited NTA of the Group. The net asset value ("**NAV**") of Hangzhou Beigang (after the internal restructuring) of RMB1,360 million (S$272.2 million) represents 36.2% of the last audited NTA of the Group. The Aggregate Agreed Property Value of the Divestment Properties of RMB2,033 million (S$406.8 million) represents 54.1% of the last audited NTA of the Group.

As the value of the IPT represents more than 5.0% ("**5% Threshold**") of the Group's latest audited NTA, in accordance with Rule 906(1)(a) of the Listing Manual, the Proposed Divestment as an IPT is subject to approval of the Unitholders at an extraordinary general meeting ("**EGM**"). The Interested Persons and their associates must abstain from voting on the resolution approving the IPT.

Similarly, Unitholders' approval is also required pursuant to Paragraph 5.2 of the Property Funds Appendix, except that the 5% Threshold is based on the audited NAV of the Group instead of audited NTA of the Group. As the Group does not have any intangible assets, its NTA is the same as its NAV.

The Proposed Divestment is also classified as a "major transaction" and subject to Unitholders' approval pursuant to Rule 1014(2) of the Listing Manual as the relevant figures computed under Rule 1006 of the Listing Manual exceeds 20%.

Hence, the Proposed Divestment is subject to Unitholders' approval by way of passing of an ordinary resolution at the forthcoming EGM under Chapters 9 and 10 of the Listing Manual, and under the Property Funds Appendix.

1.3 Appointment of Independent Financial Adviser ("IFA")

Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to opine on the Proposed Divestment (including the Promissory Notes Arrangement) as an IPT, as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Audit and Risk Committee, the directors of the Manager ("**Directors**") who are deemed independent of the IPT ("**Independent Directors**") and DBS Trustee Limited (in its capacity as trustee of EC World REIT) ("**Trustee**") on whether the Proposed Divestment (including the Promissory Notes Arrangement) is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders.

As at the Latest Practicable Date, the Directors are:

(i) Mr Zhang Guobiao, Chairman and Non-Executive Director;
(ii) Mr Chan Heng Wing, Independent Non-Executive Director and Lead Independent Director;
(iii) Dr David Wong See Hong, Independent Non-Executive Director;
(iv) Mr Chia Yew Boon, Independent Non-Executive Director;
(v) Mr Li Guosheng, Independent Non-Executive Director; and
(vi) Mr Goh Toh Sim, Executive Director and Chief Executive Officer.

Under Rule 919 of the Listing Manual, interested persons and their associates (as defined in the Listing Manual) must not vote on a resolution, nor accept appointments as proxies unless

specific instructions as to voting are given, in relation to a matter in respect of which such persons are interested at the EGM. Accordingly, the Sponsor will abstain, and will procure that each of its associates (as defined in the Listing Manual), including the Manager, abstains from voting on the resolution in relation to the Proposed Divestment.

Further, (i) Mr Zhang Guobiao, who is Chairman and Non-Executive Director of the Manager and owns 80% of the equity interest of the Sponsor as at the Latest Practicable Date and (ii) for the purposes of good corporate governance, Mr Goh Toh Sim, who is an Executive Director and Chief Executive Officer of the Manager, will both abstain from voting on the resolution in relation to the Proposed Divestment at the EGM.

The remaining four Directors, namely Mr Chan Heng Wing, Dr David Wong See Hong, Mr Chia Yew Boon and Mr Li Guosheng are considered as Independent Directors, and Dr David Wong See Hong, Mr Chia Yew Boon and Mr Li Guosheng are also members of the Audit and Risk Committee.

This Letter is issued pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Audit and Risk Committee, the Independent Directors and the Trustee, and sets out, *inter alia*, our evaluation and opinion on whether the Proposed Divestment (including the Promissory Notes Arrangement) is on normal commercial terms and is not prejudicial to the interests of EC World REIT and the minority Unitholders. This Letter forms part of the Circular which provides, *inter alia*, details of the Proposed Divestment, and the recommendation of the Audit and Risk Committee and the Independent Directors to the minority Unitholders. This Letter is attached as Appendix B to the Circular.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Audit and Risk Committee, the Independent Directors and the Trustee in respect of the Proposed Divestment (including the Promissory Notes Arrangement) as an IPT.

We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Divestment, nor were we involved in the deliberations leading up to the decision on the part of the Directors and the Manager to propose the Proposed Divestment, and we do not, by this Letter, warrant the merits of the Proposed Divestment, other than to express an opinion on whether the Proposed Divestment as an IPT is on normal commercial terms and is not prejudicial to the interests of EC World REIT and the minority Unitholders, as required under Rule 921(4)(a) of the Listing Manual.

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

In the course of our evaluation, we have held discussions with the Directors and management of the Group ("**Management**") and/or their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors and Management and/or the professional advisers (where applicable) of EC World REIT and the Manager, including information contained in the Circular. We have not independently verified

such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information and representations.

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

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

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

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

In connection with the Proposed Divestment, the Trustee has commissioned the independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), and the Manager has commissioned the independent valuer, Knight Frank Petty Limited ("**KF**" and together with JLL, the "**Independent Valuers**"), to respectively value the Divestment Properties as at 30 June 2022 ("**Valuation Date**") as required under Paragraph 5.1 of the Property Funds Appendix.

The summary property valuation reports by the Independent Valuers dated 30 September 2022 ("**Summary Property Valuation Reports**") are attached as Appendix A to the Circular, and their property valuation reports dated 30 September 2022 are available as documents for inspection.

We are not experts in the evaluation or appraisal of the Divestment Properties concerned, and for the purposes of evaluating and assessing the Proposed Divestment as an IPT, we have taken into account, *inter alia*, the independent valuation by the Independent Valuers for such appraisals and we have not made any independent verification of the contents thereof.

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

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

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

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

We have prepared this Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Audit and Risk Committee, the Independent Directors and the Trustee in connection with their consideration of the Proposed Divestment as an IPT. The recommendation made to the minority Unitholders in relation to the Proposed Divestment as an IPT remains the responsibility of the Audit and Risk Committee and the Independent Directors.

Our opinion in relation to the Proposed Divestment as an IPT should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors' responsibility statement in relation to the accuracy of the information given in the Circular in connection with the Proposed Divestment and the Group is set out in paragraph 14 of the Circular.

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

3. INFORMATION ON THE DIVESTMENT PROPERTIES

3.1 The Divestment Properties as at 30 June 2022

In accordance with the accounting policies of the Group for its investment properties, in the latest unaudited interim financial results of the Group for the half year ended 30 June 2022, the Divestment Properties were stated at carrying values which were based on the average of the two market values as at 30 June 2022 as determined by the independent valuations carried out by KF and JLL for financial reporting purposes.

For the purposes of the Proposed Divestment, the Trustee has engaged JLL and the Manager had engaged KF as the Independent Valuers to determine the market values of the Divestment Properties as at the Valuation Date of 30 June 2022. JLL and KF had maintained their respective market values of the Divestment Properties as at 30 June 2022.

The Independent Valuers had conducted their independent valuation of the Divestment Properties on the basis of market value ("**Market Value**").

Market Value is commonly defined as follows:

"*The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an 'arm's-length' transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently, and without compulsion*."

The Summary Property Valuation Reports are attached as Appendix A to the Circular.

Parties to the Equity Purchase Agreement have agreed for the Equity Consideration pertaining to the 100% equity interest in Hangzhou Beigang to be RMB1,370 million, after taking into consideration the Aggregate Agreed Property Value of the Divestment Properties as at 30 June 2022.

The Agreed Property Value for each of the Divestment Property was arrived at after arm's length negotiations among the parties to the Equity Purchase Agreement, on a willing-buyer willing-seller basis, after taking into account the Market Values of the Divestment Properties and the rationale for the Proposed Divestment.

A summary of the Market Values of the Divestment Properties as determined by KF and JLL, the average of the two Market Values and the Agreed Property Values of these properties, is set out in the table below:

Divestment Properties	Address	Market Value as at 30 June 2022 (RMB 'million) KF	JLL	Average of the 2 Market Values (RMB 'million)	Agreed Property Value (RMB 'million)
Beigang Logistics Stage 1	Block 1-8, No. 5-4 Yunhe Road, Linping District, Hangzhou	1,178	1,238	1,208	1,213
Chongxian Port Logistics	No. 5-2 Yunhe Road, Linping District, Hangzhou	797	833	815	820
Total		**1,975**	**2,071**	**2,023**	**2,033**

Source: *Summary Property Valuation Reports issued by the Independent Valuers and the Circular*

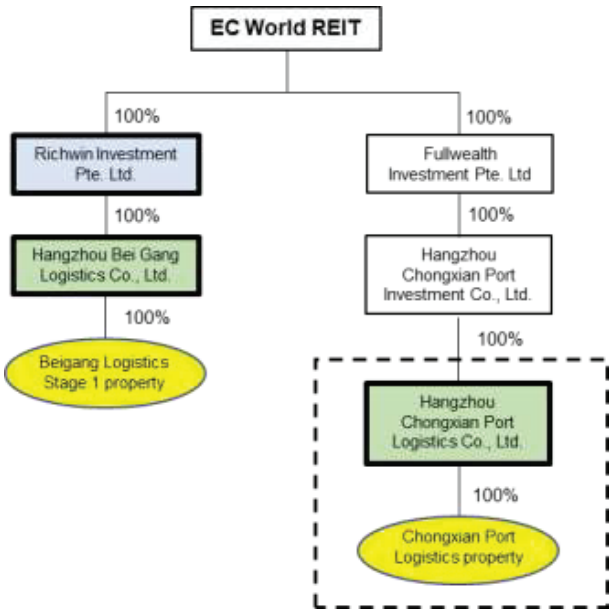
JLL had used the income capitalisation method and discounted cash flow approach, and KF had used the income approach based on the term and reversion method, and income approach based on the discounted cash flow method, to conduct the independent valuations of the Divestment Properties.

The Agreed Property Value for each of the Divestment Properties is higher than the lower of the two Market Values as determined by the Independent Valuers. Accordingly the Proposed Divestment is in compliance with Paragraph 5.1(d) of the Property Funds Appendix. Overall, the Aggregate Agreed Property Value of the Divestment Properties represents a premium of 2.9% above the aggregate of the lower Market Values of the Divestment Properties.

In addition, the Agreed Property Value of each Divestment Property is slightly higher than the average of the two Market Values for such property. Hence, overall, the Group will be divesting the Divestment Properties at a slight premium of 0.5% above their aggregate average Market Value as at 30 June 2022.

3.2 Corporate structure of the Divestment Properties

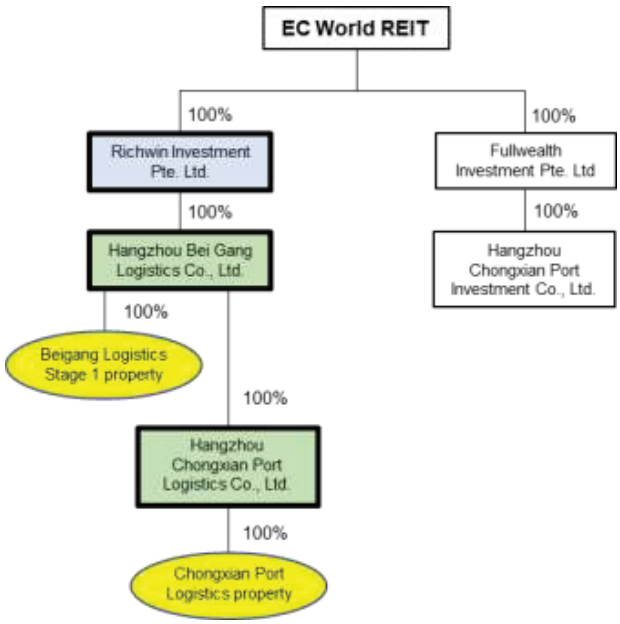
Before the Internal Restructuring (showing only the affected entities of the Group)



Presently, each of the Divestment Properties is held directly by an entity incorporated in the PRC, which is, in turn, ultimately held by a Singapore incorporated company as illustrated in the chart above.

Hangzhou Beigang holds the Beigang Logistics Stage 1 property and Hangzhou Chongxian Port Logistics Co., Ltd. ("**Chongxian Logistics**" and together with Hangzhou Beigang, are each a "**Target Company**") holds the Chongxian Port Logistics property.

After the Internal Restructuring (showing only the affected entities of the Group)



To facilitate the Proposed Divestment, it is the intention of the parties to the Equity Purchase Agreement to carry out an internal restructuring ("**Internal Restructuring**") such that immediately prior to Completion, Chongxian Logistics will be held by Hangzhou Beigang, and the Divestment Properties will ultimately be held under Hangzhou Beigang, which is in turn wholly-owned by the Vendor i.e. Richwin Investment Pte. Ltd.

Hence, under the Internal Restructuring, Chongxian Port Investment Co., Ltd. ("**Chongxian Investment**") will divest its 100% interest in Chongxian Logistics to Hangzhou Beigang ("**CXPL Sale**"), following which the Chongxian Port Logistics property will be held ultimately by Hangzhou Beigang.

The Proposed Divestment is subject to the completion of the CXPL Sale.

Under the Equity Purchase Agreement, the Vendor will then divest its interest in all the Divestment Properties to the Purchasers, by divesting its 100% equity interest in Hangzhou Beigang.

3.3 Pro forma NAV of Hangzhou Beigang (after the Internal Restructuring)

As an illustration, a summary of the unaudited consolidated pro forma balance sheet of Hangzhou Beigang as at 30 June 2022 after the Internal Restructuring is set out below:

	Unaudited pro forma as at 30 June 2022 RMB'million
Current assets	
Cash and bank balances	257.1
Trade and other receivables	117.5
Other current assets	0.7
	375.3

	Unaudited pro forma as at 30 June 2022 RMB'million
Non-current assets	
Investment properties	2,023.0
	2,023.0
Total assets	**2,398.3**
Current liabilities	
Term loans	270.7
Inter-company payable (net balance)	189.9
Other current liabilities	106.1
	566.7
Non-current liabilities	
Tenancy related deposits	109.6
Deferred tax liabilities	353.5
Deferred income	8.2
	471.3
Total liabilities	**1,038.0**
Total equity / NAV	**1,360.3**

Source: *Management of the Manager*

Assets

After the Internal Restructuring, the main assets of Hangzhou Beigang are the Divestment Properties with an aggregate carrying value of RMB2,023.0 million, representing 84.4% of total assets. The details of the Market Values and Agreed Property Values of these properties are set out in Section 3.1 above.

Hangzhou Beigang had cash balances of RMB257.1 million as at 30 June 2022, of which approximately RMB244.8 million were placed as part of the collateral for the Group's existing revolving credit facilities which are backed by standby letters of credit ("**Existing SBLC**"). The Group has in place certain offshore revolving credit facilities which are backed by the Existing SBLC issued by onshore lenders in the PRC. Such onshore lenders have in place cash deposits as collateral from certain onshore entities of the Group including Hangzhou Beigang.

In connection with the Proposed Divestment, the Group will utilise part of the proceeds from the Proposed Divestment to *inter alia* partially repay the Existing SBLC and to release the collateralised cash deposits of Hangzhou Beigang.

For purposes of clarity, the onshore entities of the Group that had provided cash deposits as collateral for the Existing SBLC pertain to Hangzhou Beigang, Chongxian Investment and Zhejiang Hengde Sangpu Logistics Co., Ltd. ("**Hengde Sangpu**"). However, Chongxian Investment and Hengde Sangpu are not part of the Proposed Divestment and will therefore continue to be part of the Group post-Completion.

Liabilities

The pro forma Hangzhou Beigang had term loans of RMB270.7 million and net balance of inter-company payable of RMB189.9 million as at 30 June 2022. The outstanding amount of these liabilities at the date of Completion are to be repaid or refinanced by the Purchasers under the terms of the Proposed Divestment as further elaborated in Section 3.4 below.

Equity

Overall, under the terms of the Proposed Divestment, the Equity Consideration of RMB1,370 million represents a slight premium of 0.7% above the pro forma NAV of Hangzhou Beigang of RMB1,360 million as at 30 June 2022.

3.4 Divestment Properties mortgaged to secure loans

The investment properties of the Group including the Divestment Properties are mortgaged to secure onshore bank loans in the PRC and offshore bank loans in Singapore. Under the terms of the Proposed Divestment, the Purchasers will pay or procure the repayment of the HZBG Loan Repayment Amount and the HZBG Net Related Party Payable.

HZBG Loan Repayment Amount

As set out in Section 3.3 above, Hangzhou Beigang had outstanding onshore loans of RMB270.7 million as at 30 June 2022, some of which have been repaid. As at 30 September 2022, the outstanding onshore loans amounted to RMB266.4 million.

Parties to the Equity Purchase Agreement have agreed for the Purchasers to repay or refinance the outstanding HZBG Loan Repayment Amount on Completion, which shall not exceed RMB266,361,216.

For the purposes of satisfying the Purchasers' payment obligations, the Purchasers may enter into certain financing arrangements, including the entry into new onshore loan financing by the Target Companies ("**Transaction Financing**"). To secure the Transaction Financing by the Purchasers, it is intended that the Target Companies will provide third ranking mortgages over the Divestment Properties in favour of the lenders ("**Third Ranking Mortgages**").

In this regard, the Sponsor has agreed to indemnify the Vendor for the costs and expenses incurred by the Vendor in connection the Transaction Financing, and any losses arising from any failure to execute the documentation in relation to the Transaction Financing and failure to complete the Transaction Financing.

Details on the Transaction Financing and the indemnity from the Sponsor to the Vendor are set out in paragraph 4.6 of the Circular.

HZBG Net Related Party Payable

Following the Internal Restructuring, the pro forma net balance of inter-company payable of Hangzhou Beigang was RMB189.9 million as at 30 June 2022.

Parties to the Equity Purchase Agreement have agreed, as a condition subsequent, for the Purchaser to pay or procure the payment of the outstanding HZBG Net Related Party Payable, which shall not exceed RMB189,901,359.

The final amount of the HZBG Net Related Party Payable shall be determined on the payment date, which is expected to take place shortly after Completion.

It is envisaged that Hangzhou Beigang may utilise its cash balances to pay the HZBG Net Related Party Payable upon the release of the encumbrances on the collateralised cash deposits pledged for the Existing SBLC. As the Existing SBLC are expected to be repaid after Completion, accordingly, the payment for the HZBG Net Related Party Payable will also take place post Completion.

The Directors are satisfied that in the event that the collateralised cash deposits pledged for the Existing SBLC are not released, it is expected that the Vendor will receive the payment of

the HZBG Net Related Party Payable from the Purchasers (or failing which, the Sponsor) pursuant to the Equity Purchase Agreement.

Details of the settlement of the HZBG Net Related Party Payable are set out in paragraph 4.4 of the Circular.

4. PROPOSED DIVESTMENT

Details on the principal terms and conditions of the Proposed Divestment are set out in paragraph 4 of the Circular. The salient terms of the Proposed Divestment are set out below for reference only.

4.1 Salient terms of the Proposed Divestment

Under the terms of the Proposed Divestment, the Group will divest the Divestment Properties through the sale of its entire shareholding interest in Hangzhou Beigang to the Purchasers (or an entity wholly owned by them), subject to the completion of the Internal Restructuring, for the Equity Consideration of RMB1,370 million.

The Equity Consideration of RMB1,370 million is fixed as at 30 September 2022, being the date of the Equity Purchase Agreement, and is not subject to any change. The breakdown of the Equity Consideration for Hangzhou Beigang is RMB600 million and for Chongxian Logistics is RMB770 million.

The respective shares of all the equity interests in Hangzhou Beigang ("**Target Equity Interests**") to be acquired by each Purchaser in accordance with the Equity Purchase Agreement shall be notified in writing to the Vendor at least 20 business days before Completion. In the event such notification is not given to the Vendor within the aforementioned time period, it will be deemed that each of HFBEM and FIPL will acquire 50.0% of the Target Equity Interests.

In addition, the Purchasers are to repay (or procure the repayment of) the HZBG Loan Repayment Amount, representing all the outstanding onshore borrowings of Hangzhou Beigang, the amount of which shall be notified to the Purchasers in writing by the Vendor on Completion, and which shall be no more than RMB266,361,216.

The Purchasers have undertaken to pay the Vendor (or procure the payment of) the HZBG Net Related Party Payable, the amount of which shall be no more than RMB189,901,359. The Vendor will notify the Purchasers in writing within ten business days from Completion of the HZBG Net Related Party Payable, and the Purchasers will pay the amount within five business days from the date of notice.

The HZBG Net Related Party Payable will be settled only after the cash deposit placed as collateral for the Existing SBLC is first released in the PRC, which may in turn take place only after Completion.

The long-stop date for the Proposed Divestment is 31 January 2023 or such other date as may be agreed among the parties ("**Long-Stop Date**"). However, each of the parties shall use its best endeavours to procure that Completion shall take place by 31 December 2022.

4.2 Transaction Financing

It is intended that the relevant Target Companies may enter into the documents for the Transaction Financing ("**Transaction Financing Documents**") in connection with the onshore tranche of financing for the purposes of repaying part of the existing banking facilities of the Vendor's group. In connection with the Transaction Financing, it is intended that the Target

Companies will provide Third Ranking Mortgages over all the Divestment Properties in favour of the lenders to secure the Transaction Financing.

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

For the avoidance of doubt, the entry into the Transaction Financing is not a condition precedent to the Proposed Divestment and the failure to enter into the Transaction Financing is also not a ground of termination for the Purchasers under the Equity Purchase Agreement. Accordingly, subject to and conditional upon satisfaction or waiver (as the case may be) of the conditions precedent as set out in Section 4.6 of this Letter and paragraph 4.1 of the Circular, the Purchasers shall be obligated to proceed with Completion, regardless of whether any Transaction Financing has been entered into by the long-stop date of 18 November 2022 for the Transaction Financing ("**Transaction Financing Long-Stop Date**"). However, the failure to enter into the Transaction Financing by the Transaction Financing Long-Stop Date may affect whether Completion of the Proposed Divestment will occur by 31 December 2022.

Safeguards

In relation to the Transaction Financing, there are safeguards for EC World REIT *inter alia* when the Vendor cooperate in good faith to procure the Target Companies to enter into the Transaction Financing Documents, and if the Transaction Financing Documents are not executed by the Transaction Financing Long-Stop Date, or if Completion does not occur within certain expected completion date or by the Long-Stop Date.

In brief, in the event that Completion has not occurred on the date scheduled for Completion, *inter alia* the Vendor (a) may terminate the Equity Purchase Agreement, and the Sponsor shall procure the lenders and the Vendor to take reasonable steps to unwind the Transaction Financing, and (b) will indemnify the Vendor and any Target Company for any and all losses which the Vendor and such Target Company (as the case may be) suffered or is reasonably expected to suffer by reason of the failure by the Purchasers to complete the Transaction Financing (including any prepayment and break funding costs).

Update announcement on 20 November 2022

On 20 November 2022, the Manager announced that the Transaction Financing Documents were not entered into although the Transaction Financing Long-Stop Date of 18 November 2022 has passed. The Manager understands from the Purchasers that the internal approval process of the lenders under the Transaction Financing was delayed due to the stringent COVID-19 controls in the PRC, the PRC national day holidays in early October 2022 as well as the 20th National Congress of the Communist Party of China held in October 2022.

Further details of the above are set out in the above announcement and in paragraphs 2.1 and 4.6 of the Circular.

4.3 Sponsor's guarantee, indemnity and undertaking, limitation of liability, and fees and taxes to be borne by the Purchasers

Sponsor's guarantee, indemnity and undertaking

In brief, in consideration of the Vendor and the Purchasers agreeing to enter into the Equity Purchase Agreement, the Sponsor has *inter alia* (a) unconditionally and irrevocably guaranteed to the Vendor the due and punctual performance by the Purchasers of their commitments,

undertakings, warranties and indemnities under the Equity Purchase Agreement; and (b) irrevocably agreed to indemnify and make whole the Vendor or at its option any Target Company for any and all losses which the Vendor or such Target Company (as the case may be) suffered or is reasonably expected to suffer by reason of any breach by the Purchasers of any of their specified obligations.

Limitation of liability

The Purchasers have agreed that with effect from the date of the Equity Purchase Agreement, the Purchasers' sole remedy and right of recovery for any warranty claims shall be against the Sponsor (and not the Vendor). Other than fraud or gross negligence on the part of the Vendor's group, the Purchasers will not be entitled to make any warranty claim against the Vendor, except only to the extent required to permit a warranty claim against the Sponsor but only on the basis that the Vendor shall have no liability for any warranty claim beyond S$1.00, irrespective of whether the claim against the Sponsor may be subject to limitations or exclusions.

Stamp duty, fees, taxes and costs

The Purchasers will bear the cost of all taxes and any notarial fees including stamp duty incurred in connection with the Proposed Divestment (including the Internal Restructuring), including any taxes arising from any gain on the sale of the Target Companies which would otherwise be payable by the Vendor to the PRC tax authorities.

Details on the above are set out in paragraphs 4.8, 4.9 and 4.11 of the Circular.

4.4 Use of divestment proceeds and the Special Distribution

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

	S$ million
Equity Consideration of RMB1,370 million (equivalent to S$274.1 million based on the exchange rate of RMB1.00:S$0.2001)	274.1
Proposed estimated amount for the use of proceeds:	
(a) settlement of the Group's existing offshore bank loans[(1)]	(172.6)
(b) Relevant Transaction Costs[(2)]	(10.0)
(c) retention for contingent expenses, claims, warranties and other potential post-Completion obligations in relation to the Proposed Divestment	(1.3)
Net balance after the use of proceeds which is available for the Special Distribution	**90.2**

Notes:

(1) Details of the settlement of the Group's existing offshore bank loans are set out in paragraph 8 of the Circular; and

(2) "**Relevant Transaction Costs**" means the estimated professional fees, loans prepayment fees, swap termination costs and other costs and expenses incurred or to be incurred by EC World REIT in connection with the Proposed Divestment.

Divestment Fee to be paid to the Manager

Pursuant to the deed of trust constituting EC World REIT dated 5 August 2015 (as amended and restated) ("**Trust Deed**"), the divestment fee ("**Divestment Fee**") payable to the Manager for the Proposed Divestment is approximately S$2.0 million (being 0.5% of the Aggregate Agreed Property Value). The Divestment Fee will be paid entirely in Units ("**Divestment Fee Units**"), which shall not be sold within one year of the date of issuance in accordance with

Paragraph 5.7 of the Property Funds Appendix. The Divestment Fee Units will be issued to the Manager only after the record date for the purpose of determining Unitholders' entitlements to the Special Distribution, and accordingly, the Divestment Fee Units will not be entitled to the Special Distribution.

The estimated total cost of the Proposed Divestment is approximately S$12.0 million comprising the Divestment Fee and the Relevant Transaction Costs. However, the Divestment Fee is at the Group level and is a non-cashflow item and would not affect the distribution per Unit of EC World REIT.

Hence, at the disposal level, after taking into account the Equity Consideration of S$274.1 million, the net book value of the Target Companies of approximately S$272.2 million as at 30 June 2022 and the Relevant Transaction Costs of S$10.0 million, the Group would incur an estimated net loss on the Proposed Divestment of approximately S$8.0 million.

Special Distribution

The amount of the Special Distribution is expected to be the S$ equivalent of an RMB amount which represents the balance of the proceeds from the Equity Consideration after the utilisation of proceeds as described in the table above, based on the exchange rate as at the Completion Date. As an illustration, based on the exchange rate of RMB1.00:S$0.2001, the Special Distribution is expected to be approximately S$90,232,271, which represents approximately S$0.1114 per Unit based on a total of 809,838,247 Units in issue as at the Latest Practicable Date.

The purpose of the Special Distribution is to enable Unitholders to enjoy the benefits from the Proposed Divestment. The Directors believe that the proposed Special Distribution is in the best interests of EC World REIT and its independent Unitholders after taking into account the relevant factors set out in paragraph 9 of the Circular.

The Manager intends to make the Special Distribution to Unitholders within 40 business days of Completion (which is about 8 calendar weeks).

The Special Distribution is not subject to the approval from Unitholders but will not take place if Unitholders' approval is not obtained for the Proposed Divestment and/or the Proposed Divestment is not completed.

The Manager will make further announcement on the Special Distribution, the applicable record date for the purpose of determining Unitholders' entitlements to the Special Distribution and the date of payment of the Special Distribution in due course.

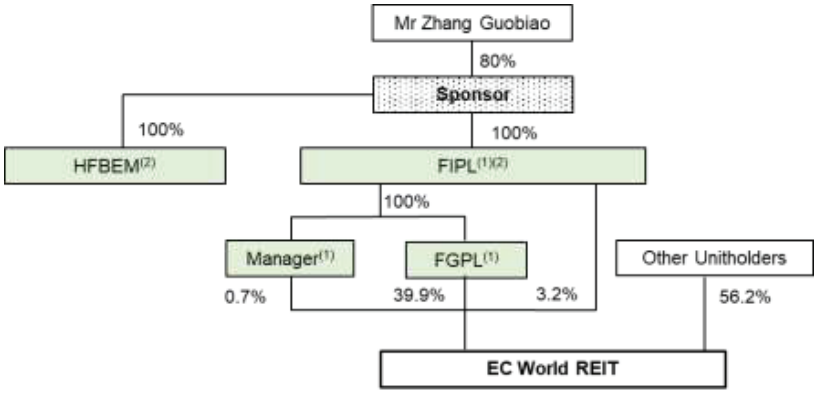
Further details on the Special Distribution are set out in paragraph 9 of the Circular.

4.5 Promissory Notes Arrangement

As at the Latest Practicable Date, the Forchn Unitholders hold in aggregate, approximately 354.7 million Units, representing 43.793% interest in approximately 809.8 million outstanding Units. Based on the estimated Special Distribution of S$90.2 million, the Forchn Unitholders' entitlement to the Special Distribution would amount to approximately S$39.5 million. The Forchn Unitholders are FIPL, and its two wholly-owned subsidiaries, the Manager and FGPL.

The Purchasers under the Proposed Divestment are HFBEM and FIPL, which are wholly owned by the Sponsor.

The relationship between the Forchn Unitholders and the Purchasers are illustrated in the chart below:



Notes:

(1) FIPL, FGPL and the Manager are the Forchn Unitholders; and

(2) HFBEM and FIPL are the Purchasers.

The issuers of the Promissory Notes are intended to be the Forchn Unitholders and the Promissory Notes Arrangement is for the purpose of managing efficiency of money flows in view of the Special Distribution.

As part of the terms of the Proposed Divestment, under the Promissory Notes Arrangement, FIPL may, at its option, elect to pay part of the Equity Consideration by arranging for the Forchn Unitholders to issue the Promissory Notes to the Vendor. These Promissory Notes will then be used to set off against the relevant Forchn Unitholders' entitlements to the Special Distribution. Any remaining amount not paid for in the form of Promissory Notes shall be paid in cash to the Vendor.

For the purpose of the Promissory Notes Arrangement, parties have agreed that the aggregate principal amount of the Promissory Notes shall not exceed an amount in Singapore dollar equivalent of RMB197,000,000 computed based on the prevailing S$: RMB exchange rate as at Completion. For illustrative purposes, based on the exchange rate of RMB1.00:S$0.2001, RMB197 million is equivalent to S$39.4 million.

Parties have agreed for the Promissory Notes to bear an interest rate of 4.2% per annum ("**PN Interest Rate**"), being the Singapore Standing Facility Deposit Rate ("**SSFD Rate**") published by the Monetary Authority of Singapore ("**MAS**") as at the date of the Equity Purchase Agreement.

The Promissory Notes will be issued at Completion, and deemed discharged and settled upon the date of payment of the Special Distribution to the Forchn Unitholders, which is expected to be approximately 8 weeks after Completion.

Based on the estimated principal amount of the Promissory Notes of approximately S$39.4 million, the accrued interest on the Promissory Notes at the PN Interest Rate for a period of 8 weeks is approximately S$254,712.

Under the terms of the settlement agreement to be entered into for the Promissory Notes Arrangement, the Forchn Unitholders will undertake not to dispose or transfer their Units, from Completion until the date of the Special Distribution.

The Promissory Notes Arrangement forms part of the terms of the Proposed Divestment and is hence part of an IPT with the Group. It is therefore subject to the approval of Unitholders as part of the ordinary resolution in relation to the Proposed Divestment, and the opinion of the IFA.

It is the current intention of the Manager to make the expected estimated Special Distribution as set out in Section 4.4 above. However, the Manager will need to re-assess the financial situation of the Group including the refinancing of its outstanding loans, post-Completion, to determine the final amount of the Special Distribution, if any. However, the Purchasers may have elected for the full amount of the Promissory Notes to be issued at Completion.

In the event that due to unforeseen circumstances, the Manager determines a lower quantum of the Special Distribution than what is currently expected, the Forchn Unitholders will be required to repay the balance of the Promissory Notes which is not set off by the relevant Forchn Unitholders' entitlement to the Special Distribution, in cash, by the date of payment of the Special Distribution. In the case where the Manager decides not to make the Special Distribution, the Manager will procure the Vendor to issue the payment notice to the Forchn Unitholders as soon as reasonably practicable, for the Forchn Unitholders to make full settlement of the Promissory Notes in cash.

Details of the Promissory Notes Arrangement are set out in paragraph 4.2.2 of the Circular.

4.6 Conditions precedent

Completion of the Proposed Divestment is conditional upon the satisfaction or waiver of various conditions precedent as set out in paragraph 4.1 of the Circular, including *inter alia*:

(a) the delivery of our IFA opinion on the Proposed Divestment (including the Promissory Notes Arrangement) as set out in this Letter;

(b) the approval by Unitholders for the Proposed Divestment at the EGM;

(c) the receipt of all consents, waivers, confirmations and approvals as may be necessary by the Vendor's group for the transactions contemplated by the Equity Purchase Agreement under the existing banking facilities of the Vendor's group from the existing lenders of the Vendor's group;

(d) the completion of the Internal Restructuring;

(e) there being no objection from the SGX-ST and/or the MAS in relation to the Proposed Divestment (including the Transaction Financing and the Promissory Notes Arrangement);

(f) there being no material adverse change between the date of the Equity Purchase Agreement and date of Completion; and

(g) the fundamental warranties remaining true and accurate and not misleading on the date of Completion.

In approving the Proposed Divestment, Unitholders will be deemed to have approved, among others, all documents required to be executed by the relevant parties to give effect to the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing).

5. EVALUATION OF THE PROPOSED DIVESTMENT (INCLUDING THE PROMISSORY NOTES ARRANGEMENT)

In evaluating and assessing the financial terms of the Proposed Divestment (including the Promissory Notes Arrangement), we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(i) rationale for the Proposed Divestment;

(ii) assessment of the key terms of the Proposed Divestment;

(iii) assessment of the Promissory Notes Arrangement; and

(iv) other relevant considerations.

5.1 Rationale for the Proposed Divestment

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Divestment or the prospects of the Group after the Proposed Divestment. The full text of the rationale for the Proposed Divestment is set out in paragraph 3 of the Circular.

We note the following:

"*Having carried out extensive engagements with the lending banks and having evaluated the Proposed Divestment, the Manager is of the view that there is a real risk that the Vendor's Group may not be able to meet its repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans if the Proposed Divestment is not carried out. In this regard, the Manager is of the view that the Proposed Divestment should be carried out for the following reasons, which are elaborated in the sections that follow:*

(i) Enabling debt financing and refinancing in order to meet EC World REIT's repayment obligations under the Existing Onshore Bank Loans and the Existing Offshore Bank Loans;

(ii) Opportunity to realise value of the Divestment Properties; and

(iii) Preservation of long-term value for Unitholders."

5.2 Assessment of the key terms of the Proposed Divestment

5.2.1 Internal Restructuring

The Proposed Divestment is conditional upon the completion of the Internal Restructuring i,e. the CXPL Sale, as set out in Section 3.2 of this Letter.

Following the Internal Restructuring, Hangzhou Beigang will own the entire interests in the Divestment Properties. Pursuant to the Equity Purchase Agreement, the Vendor will then divest its 100% interest in Hangzhou Beigang to the Purchasers.

After the Internal Restructuring, the pro forma NAV of Hangzhou Beigang was RMB1,360 million as at 30 June 2022.

The Equity Consideration of RMB1,370 million is at a slight premium of 0.7% above Hangzhou Beigang's pro forma NAV as at 30 June 2022 after the Internal Restructuring.

5.2.2 Agreed Property Values for the Divestment Properties

As set out in Section 3.1 of this Letter, the Agreed Property Value of each of the Divestment Properties is higher than the lower of the two Market Values as determined by the Independent Valuers as at the valuation date of 30 June 2022, and hence the Proposed Divestment is in compliance with Paragraph 5.1(d) of the Property Funds Appendix.

Overall, the Aggregate Agreed Property Value of the Divestment Properties represents a premium of 2.9% above the aggregate of the lower Market Values of these properties.

The Agreed Property Value of each of the Divestment Properties is also slightly higher than its respective carrying values, which is based on the average of the two Market Values as at 30 June 2022. The Aggregate Agreed Property Value of the Divestment Properties of RMB2,033 million is 0.5% higher than their aggregate carrying values of RMB2,023 million as at 30 June 2022.

5.2.3 Repayment of loans and releasing the encumbrances on the assets of Hangzhou Beigang

As set out in Section 3.4 of this Letter, the Divestment Properties are mortgaged to secure loans.

Pursuant to the Equity Purchase Agreement, the Purchasers have agreed to *inter alia* repay or refinance the HZBG Loan Repayment Amount and pay the HZBG Net Related Party Payable, totalling not more than RMB456.3 million on repayment.

These repayment of loans and payables are part of the Group's effort to reduce its total borrowings as required by its lenders.

The encumbrance on the cash deposit of Hangzhou Beigang will also be released upon the Group utilising part of the proceeds from the Proposed Divestment to repay the Existing SBLC.

Overall, the sale of Hangzhou Beigang (after the Internal Restructuring) to the Purchasers will be on the basis where the assets held by Hangzhou Beigang will be free from existing mortgage or encumbrances by the Group's lenders.

5.2.4 Transaction Financing

As set out in Section 4.2 of this Letter, the relevant Target Companies may enter into the Transaction Financing as part of the Purchasers' payment obligations under the Equity Purchase Agreement.

This Transaction Financing is necessary to facilitate the Purchasers to repay the existing onshore loans of Hangzhou Beigang with a new financing facility from its lenders and to release the existing mortgages of the Divestment Properties.

To safeguard the Vendor in relation to the Transaction Financing, parties to the Equity Purchase Agreement have agreed for the Sponsor to indemnify the Vendor for the costs and expenses incurred by the Vendor in connection the Transaction Financing, and any losses arising from any failure to execute the documentation in relation to the Transaction Financing and failure to complete the Transaction Financing.

Based on the above, the Transaction Financing is not prejudicial to the interests of EC World REIT and its minority Unitholders.

As an update, on 20 November 2022, the Manager announced that the Transaction Financing Documents were not entered into by the Transaction Financing Long-Stop Date, and this may affect whether the Completion of the Proposed Divestment will occur by 31 December 2022. As set out in Section 4.1 of this Letter, the Long-Stop Date for the Proposed Divestment is 31 January 2023 or such other date as may be agreed among the parties, and each of the parties has agreed to use its best endeavours to procure that Completion take place by 31 December 2022.

5.3 Assessment of the Promissory Notes Arrangement

As set out in Section 4.5 of this Letter, the Promissory Notes Arrangement was contemplated as part of the terms of the Proposed Divestment as the Purchasers (which are entities controlled or managed by the Sponsor) would be making significant cash payment as consideration for the Proposed Divestment, and the Forchn Unitholders (which are also entities controlled or managed by the Sponsor) would be receiving the Special Distribution in cash for their entitlements as Unitholders when the Special Distribution is declared, and such Special Distribution is intended to be paid within 8 weeks following Completion of the Proposed Divestment. The purpose of the Promissory Notes Arrangement is to manage efficiency of money flows during this interim period.

The Forchn Unitholders' entitlement to the Special Distribution is estimated to be approximately S$39.5 million. The principal amount of the Promissory Notes which is not more than the Singapore dollar equivalent of RMB197 million (i.e. S$39.4 million as illustrated in Section 4.5 of this Letter), is not more than the above entitlement of the Forchn Unitholders to the Special Distribution. Under the terms of the settlement agreement to be entered into for the Promissory Notes Arrangement, the Forchn Unitholders will undertake not to dispose or transfer their Units, from Completion until the date of the Special Distribution.

In the event FIPL elects to pay part of the Equity Consideration by way of the Promissory Notes Arrangement, the Promissory Notes will be used to set off against the relevant Forchn Unitholders' entitlement to the Special Distribution. Any remaining amount of the Equity Consideration not paid for in the form of Promissory Notes will be paid in cash to the Vendor.

In the event that the Manager decides on a lower quantum of Special Distribution, and the Forchn Unitholders' entitlements to the Special Distribution are insufficient to set off against the principal amount of the Promissory Notes, the Forchn Unitholders will be required to pay the outstanding balance of the Promissory Notes to the Vendor in cash. In the case where the Manager decides not to make the Special Distribution, the Manager will procure the Vendor to issue the payment notice to the Forchn Unitholders as soon as reasonably practicable, for the Forchn Unitholders to make full settlement of the Promissory Notes in cash.

Parties to the Promissory Notes Arrangement have agreed for the Promissory Notes to bear the PN Interest Rate of 4.2% per annum. This interest rate was based on the SSFD Rate for S$ overnight deposit on 29 September 2022 as published by the MAS. Under the CIS Code, EC World REIT is restricted from engaging in the business of lending money. Hence, the interest rate for the Promissory Notes was benchmarked against the S$ deposit interest rates instead of the lending rate.

In view of the duration for the Promissory Notes to be within 8 weeks, we have therefore compared the PN Interest Rate with published fixed deposit rates of the three local commercial banks and three foreign commercial banks in Singapore for similar tenures.

As at 30 September 2022, the published fixed deposit rates of the above banks had ranged from 0.05% to 0.15% for one to three months tenure. In comparison, the PN Interest Rate is higher than these fixed deposit rates by the above six commercial banks in Singapore.

In view of the short tenure of 8 weeks, the total interest payable on the Promissory Notes of approximately S$254,712 is not substantial.

Pursuant to the Equity Purchase Agreement, the Purchasers will indemnity the Vendor against any costs, charges, expenses and any other losses which the Group would sustain, incur or suffer as a result of the Promissory Notes Arrangement.

Based on the above, the Promissory Notes Arrangement as an IPT is therefore on normal commercial terms and not prejudicial to the interests of EC World REIT and its minority Unitholders.

5.4 Other relevant considerations

5.4.1 Safeguards for EC World REIT, indemnity from the Sponsor, and fees and taxes to be borne by the Purchasers

As briefly set out in Sections 4.2 and 4.3 of this Letter, there are safeguards in favour of EC World REIT in relation to the Transaction Financing and indemnity for the Vendor or the Target Companies from the Sponsor against any losses which may be incurred or suffered by reason of any breach by the Purchasers of any of their specified obligations under the Equity Purchase Agreement.

The Purchasers will bear the cost of all taxes and any notarial fees including stamp duty incurred in connection with the Proposed Divestment (including the Internal Restructuring), including any taxes arising from any gain on the sale of the Target Companies which would otherwise be payable by the Vendor to the PRC tax authorities.

The above is beneficial to EC World REIT and is therefore not prejudicial to the interest of minority Unitholders.

5.4.2 The Proposed Divestment is the only definitive proposal received by the Manager

As set out in Section 5.1 of this Letter and paragraph 3 of the Circular, the lenders had called on EC World REIT to repay at least 25% of its outstanding loans by the end of 2022 and refinance the balance of the loans, and the Sponsor had given its undertaking to the lenders on the above. In this regard, the Manager had explored various fund-raising options, including potential divestments of non-core assets, before proposing the Proposed Divestment.

The Manager, with the assistance of Merrill Lynch (Singapore) Pte. Ltd. as Financial Adviser, had conducted a market testing process to solicit interest in the Divestment Properties and also conducted direct outreach to several potential bidders which did not yield any indications of interest for the Divestment Properties.

As at the Latest Practicable Date, the Audit and Risk Committee had not received any unsolicited offers from third parties and the Proposed Divestment is the only definitive proposal received by the Manager, which will enable the Group to meet its repayment obligations to the lenders and to proceed with the refinancing of the balance of the loans.

The Audit and Risk Committee had confirmed that it had undertaken due process to ensure that the terms of the Proposed Divestment (including the Promissory Notes Arrangement and the Transaction Financing) are generally in line with that which have been obtained had the Divestment Properties been sold to a non-interested party.

Details of the evaluation process undertaken by the Audit and Risk Committee are set out in paragraph 5 of the Circular.

5.4.3 The Group after the Proposed Divestment and Special Distribution

The Proposed Divestment together with the Special Distribution will reduce the NAV of the Group and its portfolio of income producing properties from seven to five.

Based on the disclosure in the Circular, the Proposed Divestment would result in the reduction of the Group's NAV as at 31 December 2021 by approximately 13.7% due mainly to the Special Distribution and the Relevant Transactions Costs.

In addition, the distributable income and net property income of the Group would reduce by approximately 28.6% as a result of the Proposed Divestment.

The pro forma financial effects of the Proposed Divestment are set out in paragraph 6 of the Circular.

6. OUR OPINION

In arriving at our opinion in respect of the Proposed Divestment as an IPT, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(i) rationale for the Proposed Divestment;

(ii) assessment of the key terms of the Proposed Divestment;

(iii) assessment of the Promissory Notes Arrangement; and

(iv) other relevant considerations.

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Divestment as an IPT is on normal commercial terms and is not prejudicial to the interests of EC World REIT and its minority Unitholders. Accordingly, we advise the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders VOTE IN FAVOUR of the resolution in relation to the Proposed Divestment.

Our opinion in relation to the Proposed Divestment as an IPT should be considered in the context of the entirety of this Letter and the Circular.

Our opinion, as disclosed in this Letter, is based on publicly available information and information provided by the Directors and the Manager, and does not reflect any projections of future performance of EC World REIT and/or the Group after the completion of the Proposed Divestment. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Divestment as an IPT.

Our opinion is required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Audit and Risk Committee, the Independent Directors and the Trustee for their benefit and for the purpose of their consideration of the Proposed Divestment as an IPT. The recommendation to be made by the Audit and Risk Committee and the Independent Directors to the minority Unitholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither EC World REIT, the Directors, the Trustee nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the Proposed Divestment as an IPT and the EGM, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

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

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

Wong Bee Eng
Chief Executive Officer

APPENDIX C
SALIENT TERMS OF THE FORM OF THE PROMISSORY NOTES

The Promissory Notes shall be in the form set out in the Equity Purchase Agreement, and the salient terms of such form are as follows:

1. Effective date. The Promissory Note shall take effect as from the date on which it is dated and signed, sealed and delivered by the promissor to the payee.

2. Interest. Interest shall accrue on the principal amount of the Promissory Note (the "**Principal Amount**") at 4.2% from the date of the completion under the Equity Purchase Agreement.

3. Payment. The payee may require payment of the Principal Amount by giving a payment notice to the promissor which complies with the requirements set out in the Promissory Note (a "**Payment Notice**"). The promissor shall pay (or cause to be paid) the Principal Amount on the date for payment specified in the notice provided that such date is not less than five Business Days after the date of receipt of the Payment Notice.

4. Priority of Promissory Note. The Promissory Note is unsecured and will rank *pari passu* in all respects to all the other existing or future unsecured indebtedness owed by promissor.

5. Governing Law. The Promissory Note shall be governed by, and construed and interpreted in accordance with, Singapore law. The promissor irrevocably agrees that the courts of Singapore are to have non-exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Promissory Note.

This page has been intentionally left blank.

APPENDIX D
SALIENT TERMS OF THE AGREED FINANCING PRINCIPLES

1. There will be no commingling of liability between the Vendor's Group on the one hand and the Purchasers' Group[1] on the other. For instance, the borrowers and (if any) guarantors under the Transaction Financing should consist of only the members of the Vendor's Group prior to Completion, and not include any member of the Purchasers' Group prior to Completion.

2. The Transaction Financing shall be cancelled if Completion does not occur by the Long-Stop Date or the Transaction is otherwise terminated. In such event, any security which has been provided in respect of the Transaction Financing (including any third ranking mortgage) shall be discharged in full within 15 Business Days of such cancellation of the Transaction Financing.

3. Any utilisation of the Transaction Financing will take place on or after Completion.

4. Any events affecting the Purchasers' Group will not trigger any prepayment obligations and/or payment obligations under the Transaction Financing prior to Completion. There will not be any cross-default between onshore and offshore financings prior to Completion, if there is any offshore financing.

5. The only security to be provided by the Target Companies prior to Completion is the third-ranking mortgage(s). For the avoidance of doubt, except for the foregoing, no account receivables pledge and no other security shall be provided by the Target Companies or the Vendor's Group prior to Completion. Any other security to be provided by the Target Companies may be provided only on or after Completion.

6. Other than representations/undertakings relating to capacity, authority, title to the Divestment Properties and other representations/undertakings as may be agreed by the Vendor (acting reasonably) to enter into the Transaction Financing Documents and the third-ranking mortgage(s), all other representations and undertakings (such as financial covenants) may apply only on or after Completion, and not before Completion, provided that in no event shall the Vendor or its subsidiaries (including the Target Companies) be required to represent, warrant or undertake on behalf of the Purchasers or any of their subsidiaries (including the Target Companies after Completion).

---

1 "**Purchasers' Group**" refers to the Purchasers and their subsidiaries from time to time.

This page has been intentionally left blank.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of EC World Real Estate Investment Trust ("**EC World REIT**") will be convened and held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on **Friday, 16 December 2022 at 10.00 a.m. (Singapore time)** for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular to unitholders of EC World REIT ("**Unitholders**") dated 24 November 2022 (the "**Circular**")):

THE PROPOSED DIVESTMENT (ORDINARY RESOLUTION)

That:

(i) approval be and is hereby given for the Proposed Divestment, on the terms and conditions set out in the Equity Purchase Agreement, and the entry into of the Equity Purchase Agreement be and is hereby approved and ratified; and

(ii) the Manager, any Director and/or the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of EC World REIT to give effect to the Proposed Divestment and all transactions in connection therewith (including, but not limited to the Promissory Notes Arrangement, the Transaction Financing and all transactions contemplated under the Equity Purchase Agreement).

Details of the Proposed Divestment and other related matters are set out in the Circular.

BY ORDER OF THE BOARD
EC World Asset Management Pte. Ltd.
(as Manager of EC World Real Estate Investment Trust)
(Company Registration No. 201523015N)

Josephine Toh
Company Secretary

Singapore
24 November 2022

Important Notice:

1. A Unitholder who is not a relevant intermediary (as defined in paragraph 2 below) and entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary and entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

   "**Relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

(iii) (if applicable) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The EGM will be held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539. **There will be no option for Unitholders to participate virtually.** Printed copies of this Notice of EGM will be sent to Unitholders. This Notice of EGM will also be made available on EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html and on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

4. Arrangements for conduct of the EGM

Arrangements relating to the conduct of the EGM, including:

(a) attending the EGM in person;

(b) submitting questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM or at the EGM itself; and/or

(c) voting at the EGM by the Unitholder (a) in person or (b) by his/her/its duly appointed proxy(ies),

are set out in the Circular. Any reference to a time of day is made by reference to Singapore time. The Circular may be accessed at EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

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

5. Question and answer and EGM minutes

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

Unitholders, including CPF and SRS investors, may also submit questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM. To do so, all questions must be submitted in the following manner by **10.00 a.m. (Singapore time) on Tuesday, 6 December 2022**:

(a) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, via email to the Manager at ir@ecwreit.com.

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

(1) the Unitholder's full name;

(2) the Unitholder's address; and

(3) the manner in which the Unitholder holds Units in EC World REIT (e.g., via CDP, CPF or SRS).

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit their questions via email.

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

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

6. Voting, or appointing proxy(ies) to vote, at the EGM

A Unitholder who wishes to exercise his/her/its voting rights at the EGM may: (a) vote at the EGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the EGM.

A Unitholder who wishes to submit an instrument appointing proxy(ies) must complete the accompanying proxy form ("**Proxy Form**"), before submitting it in the manner set out below. Printed copies of the Proxy Form will be sent to Unitholders. The Proxy Form may also be accessed at EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

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

7. The Proxy Form must be submitted to the Manager c/o EC World REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

(a) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at srs.teamc@boardroomlimited.com,

in either case, by **10.00 a.m. (Singapore time) on Tuesday, 13 December 2022**, being 72 hours before the time fixed for holding the EGM.

8. Relevant intermediaries

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

In addition, CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Tuesday, 6 December 2022**, being at least seven working days before the date of the EGM, to ensure their votes are submitted.

9. The Circular has been uploaded on SGXNET on 24 November 2022 at the URL https://www.sgx.com/securities/company-announcements and may be accessed at EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html. Printed copies of the Circular will **not** be sent to Unitholders unless requested for by a Unitholder completing and returning the Request Form accompanying this Notice of EGM and the Proxy Form in the following manner:

(a) by completing and returning the Request Form to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) by completing and signing the Request Form, and attaching and sending a clear PDF copy of the same via email to the Manager c/o the Unit Registrar at srs.teamc@boardroomlimited.com,

which should reach the Unit Registrar by **5.00 p.m. (Singapore time) on Thursday, 1 December 2022**.

A printed copy of the Circular will then be sent to the address specified by the Unitholder at his/her/its own risk.

10. **Important reminder:**

Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check EC World REIT's website at the URL https://www.ecwreit.com and SGXNET at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

Additionally, the Manager encourages Unitholders and/or their proxy(ies) who are feeling unwell on the date of the EGM to exercise personal and social responsibility and to stay home and not attend the EGM.

Personal Data Privacy:

By either (a) attending the EGM or (b) submitting an instrument appointing proxy(ies) to attend, speak and vote at the EGM and/or any adjournment thereof; and/or (c) submitting any question in advance of, or at, the EGM, a Unitholder:

(i) consents to the collection, use and disclosure of the Unitholder's personal data by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for the following purposes:

(1) the processing, administration and analysis by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) of instruments appointing proxy(ies) for the EGM (including any adjournment thereof);

(2) the addressing of questions received from Unitholders in advance of or at the EGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

(3) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and

(4) in order for EC World REIT, the Manager and the Trustee (or their respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,

(collectively, the "**Purposes**");

(ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to EC World REIT, the Manager and the Trustee (or their respective agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) agrees to provide the Manager and the Trustee with written evidence of such prior consent upon reasonable request;

(iv) agrees that the Unitholder will indemnify EC World REIT, the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty; and

(v) agrees and consents to such photographic, sound and/or video recordings of the EGM as may be made by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of the Unitholder (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she may propose/second) may be recorded by EC World REIT, the Manager and the Trustee (or their respective agents or service providers) for such purpose.

EC WORLD REAL ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 5 August 2015 under the laws of the Republic of Singapore)

EC WORLD ASSET MANAGEMENT PTE. LTD.
(as Manager of EC World Real Estate Investment Trust)
(Company Registration No. 201523015N)
(Incorporated in the Republic of Singapore)

PROXY FORM
EXTRAORDINARY GENERAL MEETING ("EGM")

NOTE

This instrument appointing proxy(ies) ("**Proxy Form**") has been made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements and may be accessed at EC World Real Estate Investment Trust's ("**EC World REIT**") website at the URL https://ecwreit.listedcompany.com/egm2022.html.

Personal Data Privacy

By submitting an instrument appointing proxy(ies), the unitholder of EC World REIT ("**Unitholder**") accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 24 November 2022.

IMPORTANT:

1. The EGM will be held in a wholly physical format. **There will be no option for Unitholders to participate virtually.** Printed copies of the Circular will not be sent to Unitholders. Any Unitholder who wishes to receive a printed copy of the Circular should submit his/her/its completed Request Form to the Unit Registrar. Printed copies of the Notice of EGM, this Proxy Form and the Request Form will be sent to Unitholders. Please refer to the Notice of EGM for details of the arrangements relating to the conduct of the EGM. The Circular, the Notice of EGM, this Proxy Form and the Request Form are also available on EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and on SGXNET at the URL https://www.sgx.com/securities/company-announcements.
2. Arrangements relating to (a) attendance at the EGM; (b) submission of questions related to the resolution to be tabled for approval at the EGM, in advance of the EGM, or at the EGM itself, and addressing of substantial and relevant questions in advance of, or at the EGM itself; and (c) voting at the EGM by the Unitholder in person or by his/her/its duly appointed proxy(ies), are set out in the Notice of EGM.
3. A Unitholder who wishes to exercise his/her/its voting rights at the EGM may: (a) vote at the EGM in person or (b) appoint proxy(ies) to vote on his/her/its behalf at the EGM.
4. For investors holding units in EC World REIT ("**Units**") through relevant intermediaries (including CPF or SRS), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Investors holding Units through relevant intermediaries who wish to participate/vote in the EGM should contact their respective relevant intermediary as soon as possible. CPF and SRS investors may (a) vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to / arrange for their votes to be submitted with their respective CPF Agent Banks or SRS Operators, and should approach their respective CPF Agent Banks or SRS Operators by **10.00 a.m. (Singapore time) on Tuesday, 6 December 2022**, being at least seven working days before the date of the EGM, to ensure their votes are submitted.
5. Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall have the same meanings ascribed to them in the circular dated 24 November 2022 issued by the Manager to the Unitholders (the "**Circular**").
6. **Please read the notes overleaf which contain instructions on, *inter alia,* the appointment of a proxy(ies) to attend, speak and vote on a Unitholder's behalf at the EGM.**

*I/We _____ (Name), _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a *Unitholder/Unitholders of **EC World REIT**, hereby appoint:

Name:	**NRIC/Passport No.:**	**Proportion of Unitholdings**	
		No. of Units	**%**
Email Address:			

*and/or

Name:	**NRIC/Passport No.:**	**Proportion of Unitholdings**	
		No. of Units	**%**
Email Address:			

or, both of whom failing, the Chairman of the EGM as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the EGM to be held in a wholly physical format at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on **Friday, 16 December 2022 at 10.00 a.m. (Singapore time)**, and at any adjournment thereof.

I/We direct my/our proxy(ies) to vote for, against or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our proxy(ies) will vote or abstain from voting at his/her/their discretion.

	No. of Votes For**	**No. of Votes Against****	**No. of Votes Abstain****
Ordinary Resolution To approve the Proposed Divestment			

* Delete where applicable.

** Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes "For" or "Against" the resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish your proxy(ies) to abstain from voting on the resolution, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of Units that your proxy(ies) is directed to vote "For" or "Against" or to abstain from voting.

Dated this _____ day of _____ 2022

Total number of Units held

_____

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

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

1st fold here

NOTES TO PROXY FORM:

1. A Unitholder who is not a relevant intermediary (as defined in Note 2 below) and entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary and entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to different Unit(s) held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

   (c) (if applicable) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The Proxy Form may be accessed at EC World REIT's website at the URL https://ecwreit.listedcompany.com/egm2022.html, and will also be made available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a Unitholder appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

   Persons who have an interest in the approval of the resolution in the Proxy Form must decline to accept appointments as proxies unless the Unitholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.
4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of EC World REIT, the Unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder's name in the said Depository Register and Units registered in the Unitholder's name in the Register of Unitholders of EC World REIT, the Unitholder should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.

2nd fold here

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09570

EC WORLD ASSET MANAGEMENT PTE. LTD.
(AS MANAGER OF EC WORLD REAL ESTATE INVESTMENT TRUST)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

3rd fold here

5. The Proxy Form must be submitted to the Manager c/o EC World REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
   (a) if submitted by post, by completing and signing the Proxy Form, and lodging the same at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, by completing and signing the Proxy Form, and attaching and sending a clear PDF copy of the same via email to the Unit Registrar at srs.teamc@boardroomlimited.com,

   in either case, not later than **10.00 a.m. (Singapore time) on Tuesday, 13 December 2022**, being not less than 72 hours before the time fixed for the EGM.

   In view of the COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the EGM. Any appointment of proxy(ies) shall be deemed to be revoked if a Unitholder attends the EGM in person, and in such event, the Manager reserves the right to refuse to admit any person(s) appointed under the Proxy Form to the EGM.
9. Any reference to a time of day is made by reference to Singapore time.
10. The Manager shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on 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/her/its proxy(ies) (if any) are able to cast on poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.
11. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

This page has been intentionally left blank.

This page has been intentionally left blank.