



EC World
运通网城 REIT

EC World REIT FY2016 AGM Presentation

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Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that unitholders of EC World REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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Agenda

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Section B

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Section C

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Section A: Key Highlights



Value Proposition of EC World REIT

Objective

ECW aims to be the **premier e-commerce and specialised logistics REIT** in Asia and strives to create **long term value** for all of our stakeholders by capturing **sustainable growth** opportunities driven by the fast expanding **e-commerce and specialised logistics** sectors.

Deliverables

Deliver **stable, sustainable** and **growing** distributions to our unitholders

Offer a **differentiated** and **high quality** asset portfolio

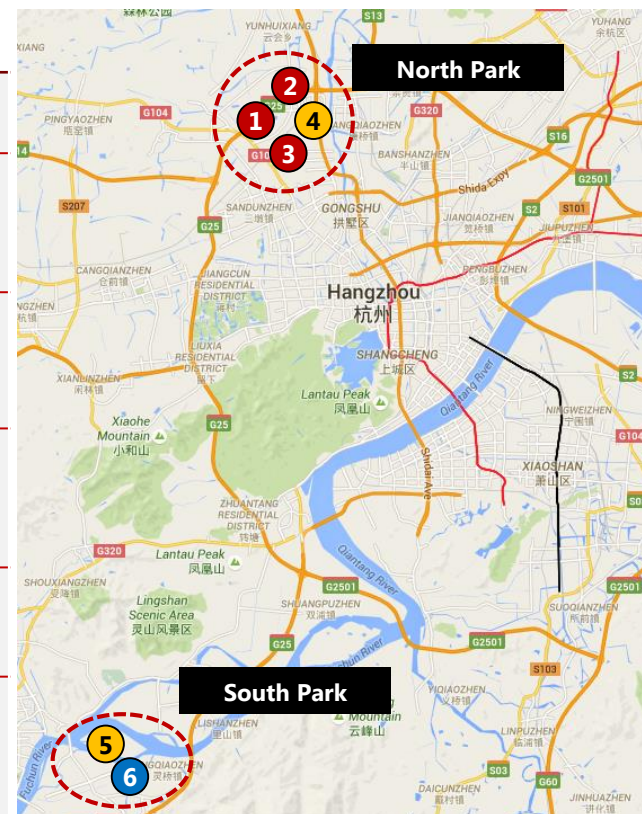
Grow and diversify our portfolio through yield accretive acquisitions

Adopt **active asset Management** strategies to enhance performance and value of our properties

Portfolio Overview

Balanced and well-structured portfolio offering both income stability and growth potential

Property	Type	NLA (sq m)	Type of Lease / No. of Tenants ⁽¹⁾	Remaining Land Lease Tenure (years) ⁽¹⁾	Independent Valuation (RMB m) ⁽²⁾
1 Chongxian Port Investment	Port Logistics	112,726	Master leased ⁽³⁾	39	2,124.0
2 Chongxian Port Logistics	Port Logistics	125,856	Multi-tenanted / 30 tenants	Complex 1 & 2: 39 & 44	871.0
3 Fu Zhuo Industrial	Port Logistics	7,128	Multi-tenanted / 2 tenants	39	110.0
4 Stage 1 Properties of Bei Gang Logistics	E-commerce Logistics	120,449	Master leased ⁽⁴⁾	35	1,295.0
5 Fu Heng Warehouse	E-commerce Logistics	94,287	Master leased ⁽³⁾	42	551.0
6 Hengde Logistics	Specialised Logistics	238,032	Multi-tenanted / 2 tenants	Complex 1 & 2: 37 & 43	1,456.0
Total / Average		698,478		40	6,407.0
Total (SGD m)					1,333.3⁽⁵⁾



- Port Logistics
- Specialised Logistics
- E-Commerce Logistics

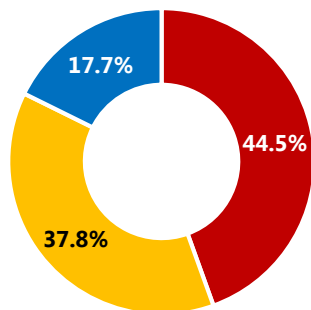
(1) Based on underlying end-tenants as at 31 December 2016
 (2) As at 31 December 2016 appraised by Colliers
 (3) Master leases with Sponsor commenced on 1 January 2016

(4) Master lease with Sponsor commenced on 1 November 2015
 (5) Based on an exchange rate of S\$1.00 : RMB4.81

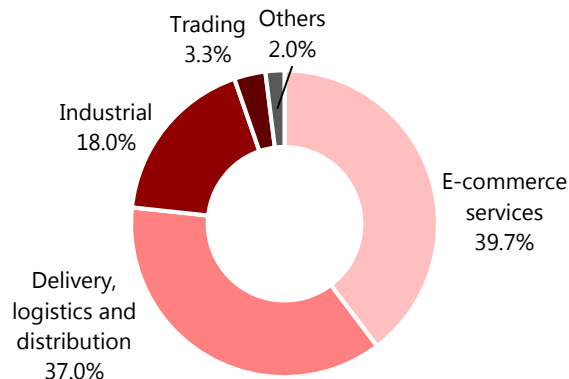
High Quality and Diversified Asset Portfolio

Breakdown by Gross Rental Income

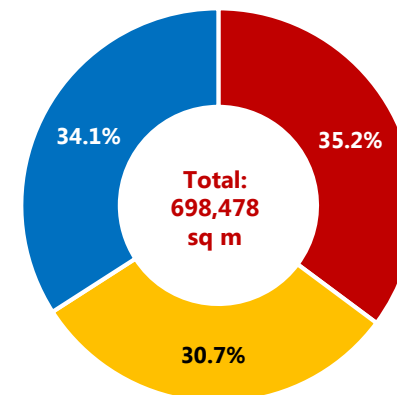
Diversification by asset type⁽¹⁾



Diversification by trade sector⁽¹⁾



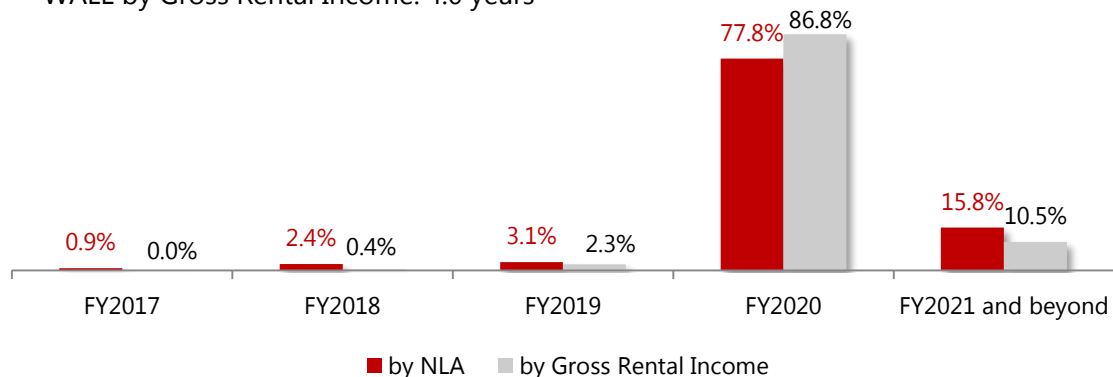
Breakdown by NLA



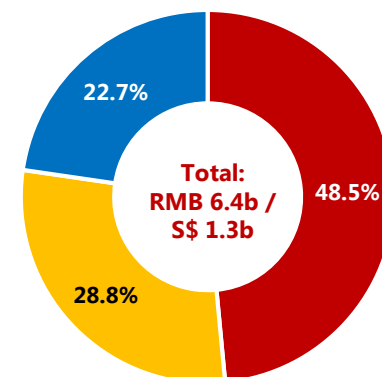
Lease Expiry Profile ⁽²⁾

WALE by NLA: 3.9 years

WALE by Gross Rental Income: 4.0 years



Breakdown by valuation



(1) For 2H2016
 (2) By Gross Rental Income and committed NLA as at 31 December 2016



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Section B: Performance Review



FY2016 Portfolio Highlights

1

Strong financial results outperforming IPO forecasts

Gross Revenue ⁽¹⁾ of S\$41.8 million



4.8% higher than IPO forecast

Net Property Income ⁽¹⁾ of S\$36.8 million



2.9% higher than IPO forecast

Distribution Per Unit ⁽¹⁾ of 2.454 cents



0.2% higher than IPO forecast

Annualized distribution yield of 7.5% ⁽²⁾

2

Unique and specialized asset portfolio offering

- ✓ Unique exposure to the fast growing e-commerce logistics sector
- ✓ Approx. 65% of the portfolio ⁽³⁾ in the e-commerce and specialized logistics sectors
- ✓ Resilient leases with c.4 year of lease expiry and built-in escalations

3

Significant opportunities for growth

- ✓ Chinese retail e-commerce market expected to continue to experience strong growth (19% CAGR from 2015 to 2020F ⁽⁴⁾)
- ✓ Multi-channel growth strategies in both China and Southeast Asia
- ✓ Relatively low gearing of 27.6% provides debt headroom for acquisitions

(1) For the period from Listing Date to 31 December 2016

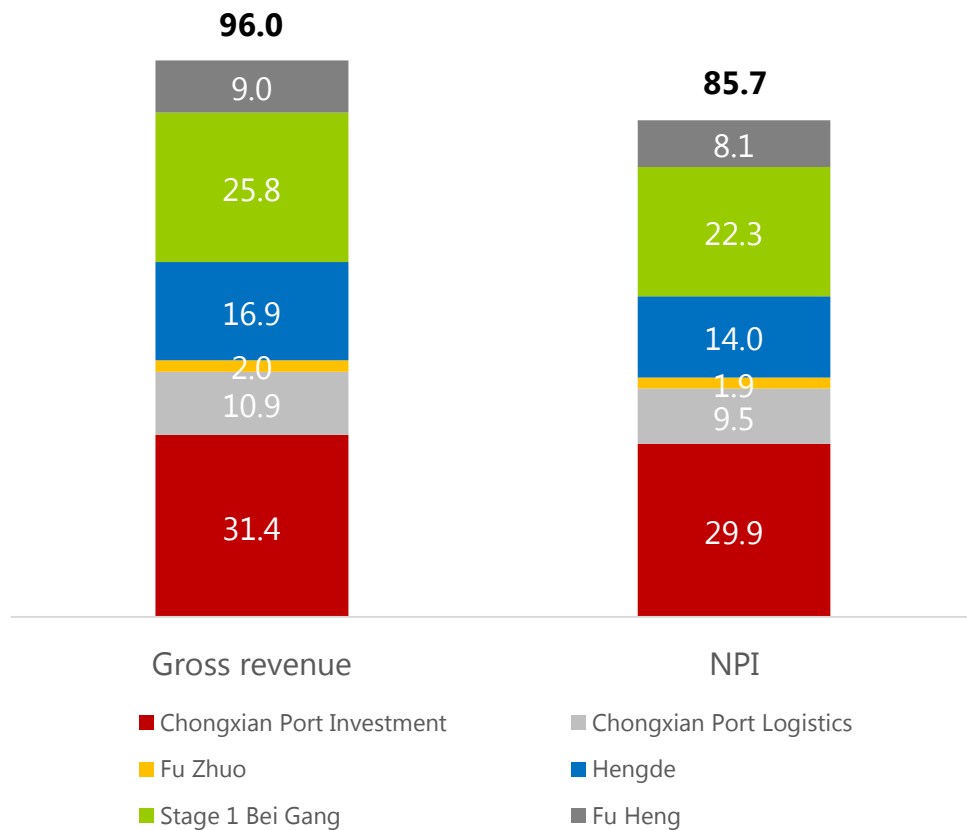
(2) Based on the closing price of S\$0.76 on 30 December 2016

(3) By net lettable area

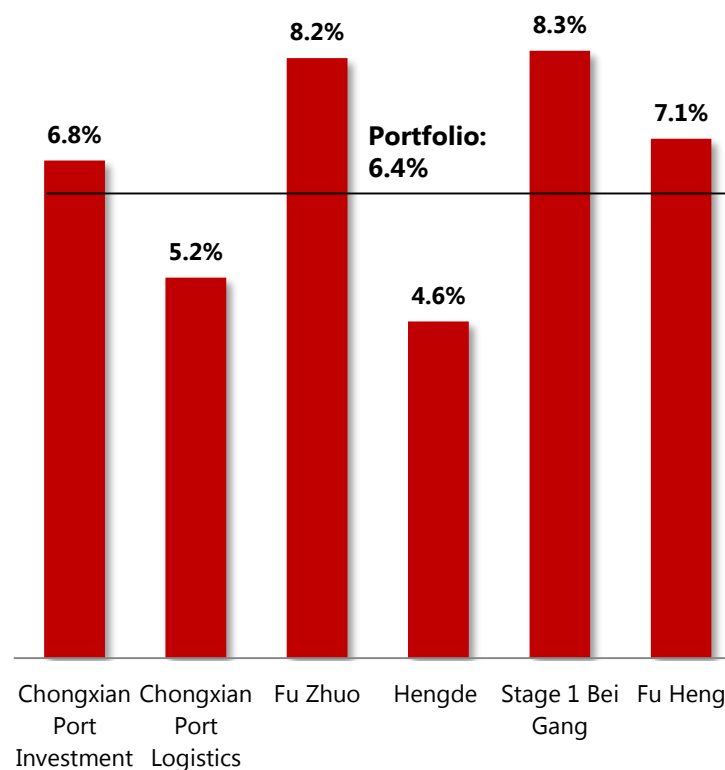
(4) Source: Analysys

Summary Assets Performance

Breakdown by Annualized Gross Revenue and NPI (SGD m) ⁽¹⁾



Annualized NPI Yield ⁽¹⁾



(1) Annualized based on results for the period from Listing Date to 31 December 2016

Healthy Balance Sheet

S\$'000	As at 31 Dec 2016	As at Listing Date
Cash and cash equivalents⁽¹⁾	103,665	91,417
Investment Properties⁽²⁾	1,333,297	1,303,443
Total Assets	1,482,343	1,404,934
Borrowings	398,830	393,254
Total Liabilities	756,224	722,910
Net Assets attributable to Unitholders	726,119	682,024
NAV per unit (S\$)	0.93	0.88

(1) Includes RMB301.7 million (S\$62.8 million) security deposits received from the Master Lease tenants.

(2) Investment Properties are based on independent valuations performed by Colliers as at 31 December 2016. Investment properties are pledged as security for the Group's borrowings.

Prudent Capital Management

- ✓ Diversified sources of funding (12 banks in the syndicate)
- ✓ Annualised all-in interest rate of 5.4%
- ✓ Improved aggregate leverage to 27.6% as at 31 Dec 2016, from 28.9% at IPO, offering significant debt headroom for acquisitions

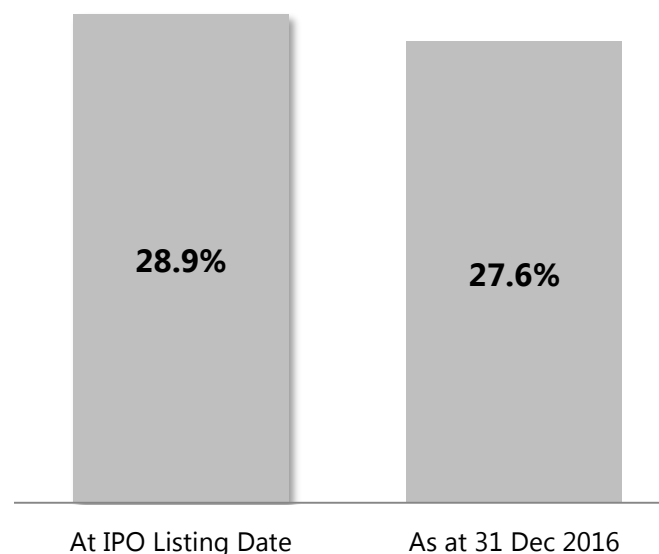
Key Debt Figures

Total Debt Drawdown as at 31 Dec 2016	<ul style="list-style-type: none">• RMB 1,004.2 million onshore• S\$ 200.0 million offshore
Tenure	3 years
Interest Rate ⁽¹⁾	<ul style="list-style-type: none">• Onshore⁽²⁾ – 6.1% p.a.• Offshore⁽³⁾ – 4.7% p.a.

Forex (SGD/RMB)

FY2016	4.95 (Hedged)
FY2017	5.03 (Assumption)

Aggregate Leverage Ratio



(1) Ongoing interest payment. Includes facility margin. Annualised for 4Q2016
(2) Onshore loan is pegged to PBOC rate.
(3) Offshore fixed component at 1.485%, variable component is pegged to 3 month SOR.



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Section C: Outlook



E-Commerce Sector in China Poised for Growth

Rapid growth of the industry is driving strong demand for e-commerce facilities in China

China's e-commerce market is expected to grow to 3 times the size of the U.S. market by 2017

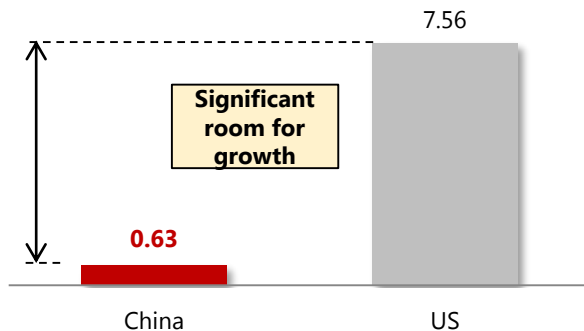


Market size of Chinese retail e-commerce is expected to exceed RMB 9.4 trillion in 2020



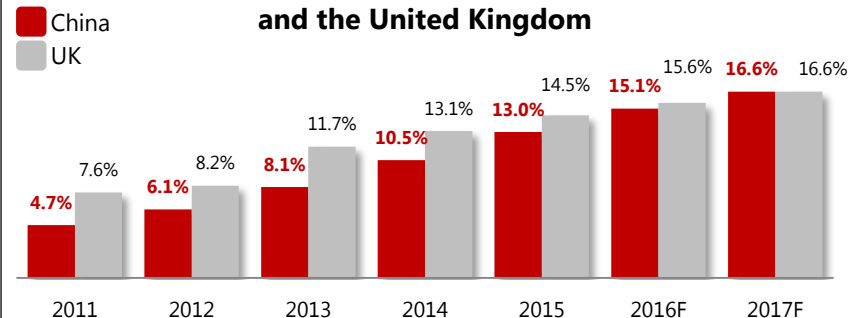
Highly favourable supply-demand dynamics for E-Commerce focused logistics assets

Per-capita Warehouse Area in China and USA (sq m)



China is expected to overtake the current leader UK in terms of proportion of retail sales done online

Proportion of Online Retail Sales in China and the United Kingdom



Synergy between EC World REIT and 'RuyiCang' Enhances Competitiveness



Strategic benefits

- ✓ **Full integration** of physical warehousing and logistics facilities, advanced IT management system and data analytics
- ✓ **Extensive supply chain network** across key markets in China
- ✓ Provide **"one-stop"** integrated intelligent logistics services to domestic and international customers

Extensive national network



Significant Strategic Growth Opportunities Across Multiple Channels

✓ EC World REIT is well-positioned for growth through acquisitions and asset enhancement initiatives

A

Organic Growth

- Positive rental reversions due to the quality of assets
- Built-in escalations in existing lease contracts
- Improving assets valuation

B

Asset Enhancement Initiatives

- Convert traditional warehouses to e-commerce logistics centres
- Proactive retrofitting and refurbishment works including upgrading of existing facilities
- Pay "cost" to enjoy future cash flows

C

Acquisition via Sponsor ROFR⁽¹⁾

- 2 Sponsor ROFR properties with GFA over 300,000 sq m
- Leverage on Sponsor's business networks and relationships to identify and pursue acquisition opportunities

D

Acquisition via Third Party Assets

- Acquire yield-accretive properties and convert them into e-commerce logistics properties
- Seek opportunities beyond China, including Singapore and Southeast Asia to further diversify its e-commerce portfolio

(1) The Sponsor is required to offer these properties to EC World REIT under the right of first refusal which it has granted to EC World REIT ("Sponsor ROFR") if it wishes to divest its interest in such properties. EC World REIT is not obliged to acquire any of the properties under the Sponsor ROFR.



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Section D: AGM Resolutions



AGM Resolutions

Ordinary Business

Resolution One (Ordinary Resolution)

To receive and adopt the Report of DBS Trustee Limited, as trustee of EC World REIT (the "Trustee"), the Statement by EC World Asset Management Pte. Ltd., as manager of EC World REIT (the "Manager") and the Audited Financial Statements of EC World REIT for the financial year ended 31 December 2016 together with the Auditors' Report thereon

Resolution Two (Ordinary Resolution)

To re-appoint PricewaterhouseCoopers LLP as Auditors of EC World REIT and to hold office until the conclusion of the next AGM and to authorise the Manager to fix their remuneration.

AGM Resolutions (cont'd)

Special Business

Resolution Three (Ordinary Resolution)

GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES

That authority be given to the Manager to

- (a) (i) issue units in EC World REIT ("Units") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Units, at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

AGM Resolutions (cont'd)

Special Business

Resolution Three (Ordinary Resolution)

(2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

(a) any new Units arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time of the passing of this Resolution; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed constituting EC World REIT (as amended) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting of EC World REIT, the authority conferred by this Resolution shall continue in force (i) until (a) the conclusion of the next AGM of EC World REIT or (b) the date by which the next AGM of EC World REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;

AGM Resolutions (cont'd)

Special Business

Resolution Three (Ordinary Resolution)

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of EC World REIT to give effect to the authority conferred by this Resolution.



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Thank You



Listing Structure



Sponsor	Forchn Holdings Group
Sponsor's Stake	41.6% (through a wholly-owned subsidiary of Forchn Holdings Group and the Manager)
Investment Mandate	<ul style="list-style-type: none"> To invest in a portfolio of income-producing real estate used primarily for e-commerce, supply-chain management and logistics purposes
Asset Portfolio	<ul style="list-style-type: none"> Initial geographic focus on the People's Republic of China ("PRC") 6 properties located in Hangzhou, PRC Independent valuation: RMB 6.4b / S\$ 1.3b⁽¹⁾⁽²⁾
Aggregate Leverage as at 31 Dec 2016	27.6%
Cornerstone Investors at IPO	<ol style="list-style-type: none"> China Cinda Asset Management (12.2% of total units) Fosun International Holdings Ltd (10.6% of total units) BOCOM International Global Investment Limited (7.9% of total units)
Listing Exchange / Listing Date	SGX-ST Mainboard / 28 July 2016

(1) Based on the valuation as at 31 December 2016 appraised by Colliers
 (2) Based on an indicative exchange rate of S\$1.00 : RMB4.81