



EC World
运通网城 REIT (BWCU.SI)

Investors Presentation

May 2019



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CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



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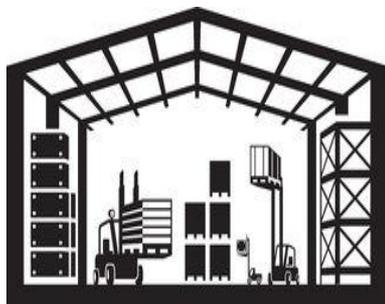
Section A: Overview of EC World REIT



About EC World REIT

A Unique Specialised and E-Commerce Logistics Platform

- Sponsor:** Forchn Holdings Group, a leading real estate, e-commerce logistics, port operation services provider based in China
- Investment Mandate:** To invest in a portfolio of income-producing real estate used primarily for e-commerce, supply-chain management and logistics purposes
- Portfolio:** 7 quality income-producing properties comprising **specialized, e-commerce** and **port logistics assets providing a good mix of stable income and growth potential**



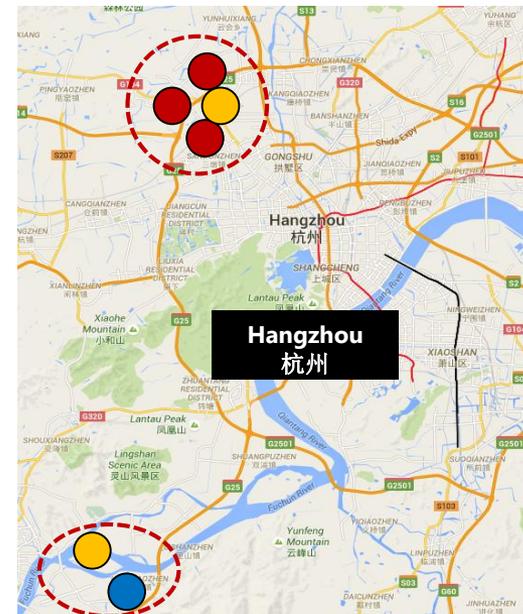
6 in Hangzhou, 1 in Wuhan, PRC

Cities with **strong economic growth** and **rapidly expanding e-commerce sector**. Situated within **integrated e-commerce cluster fulfilment clusters** in the vicinity of **key transportation networks**.

Total Assets
S\$1,540 million

 **Gearing 31.3%⁽¹⁾**
providing significant debt headroom for future acquisitions

 **Annualised DPU Yield of 8.0%⁽²⁾**



-  E-Commerce Logistics
-  Specialised Logistics
-  Port Logistics

(1) As at 31 March 2019

(2) Based on annualised 1QFY19 DPU of 6.087 Singapore cents and the closing price of S\$0.76 per Unit on 31 March 2019

About the Sponsor: Forchn Holding Group

Overview of the Sponsor

- Established in 1992 and headquartered in Shanghai, the Sponsor is a diversified enterprise group specializing in ecommerce logistics services, real estate, consumer goods, industrials, and health & wellness
- The Sponsor has an operating presence in Hangzhou, China, Singapore and most recently established in Hong Kong
- The Sponsor boasts ownerships of some of the leading brands in China in their respective categories – Ruyicang (Ecommerce Logistics Services), Zhang Xiao Quan (Consumer Goods), Est Mall (Real Estate) and Fuchun Resort (Health & Wellness)



Sponsor Leadership Profile



Zhang Guobiao, *Chairman and Founder*

Established the Sponsor in 1992, and has been at the forefront of its growth and transformation into a leading real estate, ecommerce and consumer focused business



Zhang Xincheng, *Executive Director and CFO*

Leading capital market and internationalisation efforts for the Sponsor since November 2013. Previously worked as an Investment Manager for Fosun Capital



Wang Ren, *Group Vice President and CIO*

Leads investments and corporate development for the Sponsor; focus on overseas business. Previously, Asia President of Jefferies and Head of FIG at UBS

Corporate Timeline

1992: Founded Forchn Trading for traditional building materials trading business; since diversified into production

2004: Acquired Hangjia, a Hangzhou based SOE to establish its venture into new building materials

2010: Invested in Fuyang Est Mall together with Fosun Group
2012: Opened Hangzhou New World Centre

2016: Acquired Fuchun Resort to begin its foray into Health & Wellness

2018: Opening of HK office and formed strategic alliance with YCH Group

1993: Operated a 5,000 ton port in Shanghai Sanlin on Huangpu river
2003: Developed and owned Chongxian Hangzhou Port

2007: Entered consumer hardware with the acquisition of Hangzhou Zhang Xiao Quan (a well-known 390 year old cutlery brand)

2013: Founding shareholder of Cainiao and established Ruyicang, integrated logistics platform serving e-commerce market

2016: EC World REIT IPO on the SGX



The Sponsor is a Leading Diversified Enterprise Group in China



Building Materials
 Forchn Group started in construction materials and is a leading PHC supplier

Real Estate Investments
 Invested and developed logistics assets and commercial properties; manages 4 private real estate funds with targeted AUM ~US\$1.2b and owner of the REIT manager

Port Logistics
 A port operators since 1993, Forchn Group currently owns and operates one of the largest inland river ports in China

The Sponsor's current business interests spans across real estate related and consumer focused segments; **essential know-how for a ecommerce focused supply chain logistics asset owner and operator**

Supply Chain Logistics Services
 Initiated in 2013, as one of the founding shareholders of Cainiao Network; launched smart warehousing and logistics platforms



Health & Wellness
 Integrated healthcare resorts and high-end health services brands

Household Goods
 Owner of legacy Chinese time-honored scissors and knife brand, Zhang Xiao Quan



Portfolio Summary

Resilient Portfolio Providing Organic Growth

Valuation:
RMB6.7 bn⁽¹⁾
(\$\$1.4 bn)

Portfolio NPI Yield:
6.4%⁽²⁾

Total NLA:
746,177 sqm

Occupancy Rate:
99.97%⁽²⁾

1

Fu Heng Warehouse



2

Stage 1 Properties of Beigang Logistics



3

Wuhan Meilute



4

Hengde Logistics



5

Chongxian Port Investment



6

Chongxian Port Logistics



7

Fuzhuo Industrial



7 High Quality Logistics Assets in 3 Sub-Segments in the cities of Hangzhou and Wuhan

● E-Commerce Logistics

● Specialised Logistics

● Port Logistics

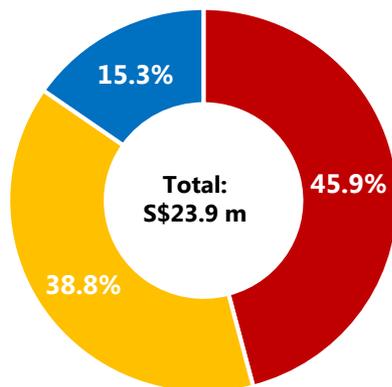
(1) Based on valuation as at 31 Dec 2018, appraised by JLL and exchange rate of S\$1.00 to RMB4.96 as at 31 March 2019

(2) As at 31 Mar 2019

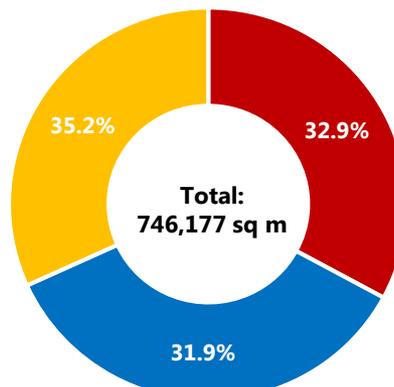
High Quality and Differentiated Asset Portfolio

Portfolio Diversification

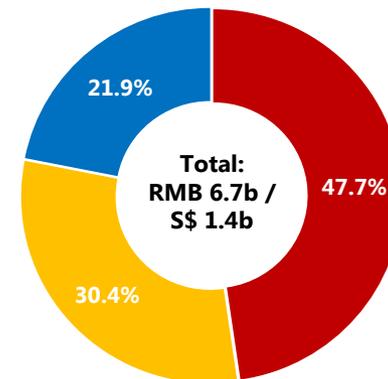
By Gross Rental Income Contribution⁽¹⁾



By Net Lettable Area



By Valuation

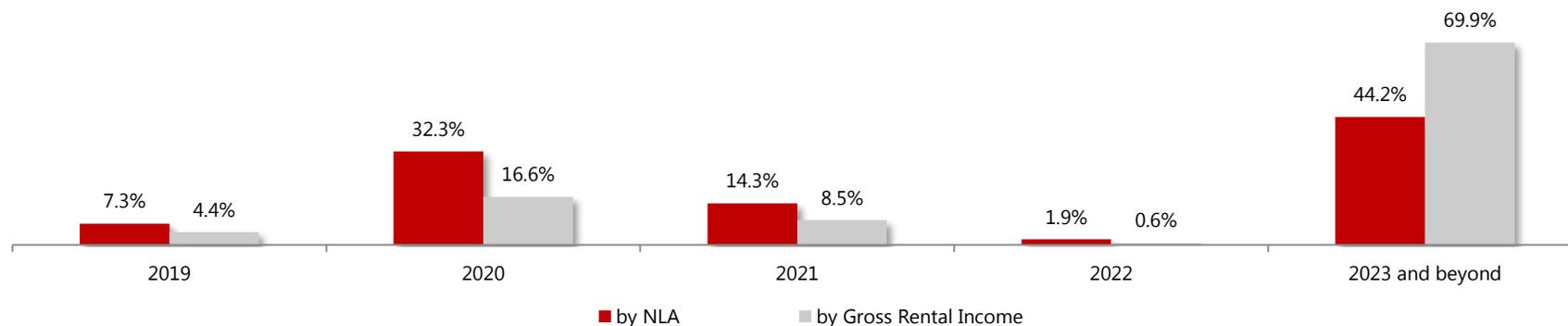


● E-Commerce Logistics ● Specialised Logistics ● Port Logistics

Lease Expiry Profile of Portfolio ⁽²⁾

WALE by NLA: 3.4 years

WALE by Gross Rental Income: 4.7 years



(1) For three months ended 31 March 2019

(2) As at 31 March 2019. Including Entry into New Master Lease Agreements

Prudent Capital Management

- ✓ Annualized running interest rate: 4.1% ⁽¹⁾
- ✓ 100% of offshore SGD facilities on fixed rate ⁽²⁾
- ✓ Entered into FX option contract to lock in SGDRMB for our RMB income source for 1QFY19 distributions. Continues to maintain a rolling 6 month FX hedging strategy

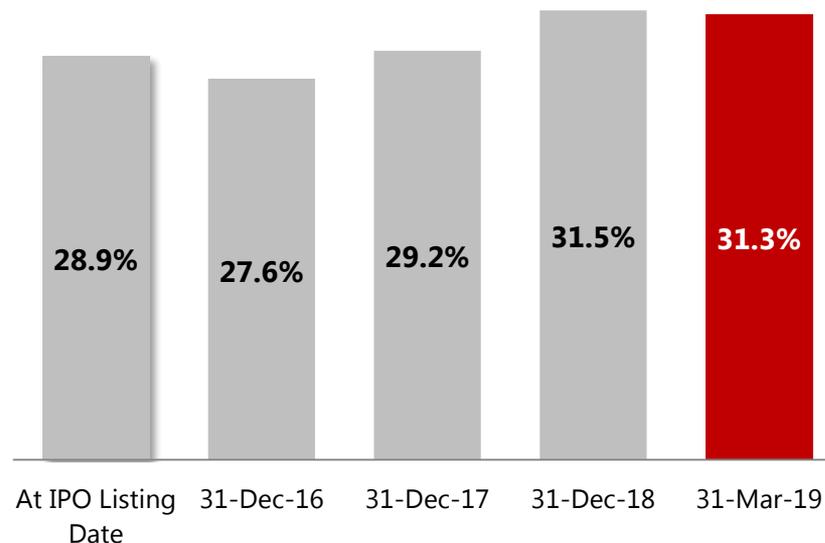
Key Debt Figures

Total Debt Drawdown as at 31 Mar 2019	<ul style="list-style-type: none"> • RMB 977.7 million onshore • S\$ 200.0 million offshore • S\$ 84.2 million RCF ⁽³⁾
Tenure	Matures in Jul 2019
1QFY19 Running Interest Rate	<ul style="list-style-type: none"> • Onshore – 5.3% p.a. • Offshore – 4.1% p.a. • RCF – 1.1% p.a.

Forex (SGD/RMB)

4Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 5.020 • Sell CNH put at 5.050
1Q 2019	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 5.050 • Sell CNH put at 5.080
2Q 2019	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 4.960 • Sell CNH put at 4.990

Healthy Aggregate Leverage



- (1) Including amortized upfront fee, the all-in interest rate is 4.9%
- (2) Excluding RCF
- (3) \$84.2 million drawn down from the S\$90.0 million revolving credit facility



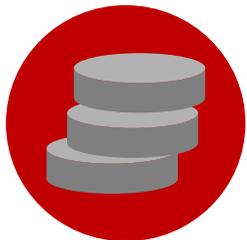
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Section B: Latest Business Updates



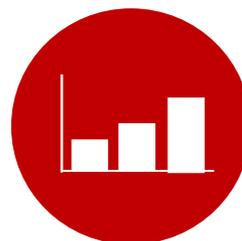
1QFY19 Key Highlights

Resilient Financials and Stable Operational Performance



1QFY19 DPU of 1.501 cents translating to an annualized **DPU yield of 8.0%**¹

Distribution to Unitholders increased 3.1% compared to 1QFY18



Continued growth in Gross Revenue and NPI by 3.0% and 1.9% in RMB terms primarily due to (i) contracted rental escalation (ii) contribution from Wuhan Meiluote acquired in April 2018

Committed occupancy of 99.97%



Entry into New Master Lease Agreements **Extending WALE and enhancing income stability**

- ✓ Obtained unitholders' Approval for the Proposed Entry into New Master Lease Agreements
- ✓ **Significantly extends weighted average lease to expiry ("WALE")** from 1.8 years to 4.7 years (by gross revenue) as at 31 March 2019

Proposed **Acquisition of Fuzhou E-Commerce**

- ✓ Acquisition of a **rare sizable integrated e-commerce logistics asset** for RMB1,112.5 million
- ✓ **Yield accretive transaction, increasing exposure to the fast growing e-commerce sector**



(1) Based on annualised 1QFY19 DPU of 6.087 Singapore cents and the closing price of S\$0.76 per Unit on 31 March 2019
(2) By Gross Revenue

Proposed Acquisition of Fuzhou E-Commerce

A Rare Sizable Integrated E-Commerce Logistics Asset

Asset Overview

Location	No. 9, Mingxing Road, Dongzhou Sub-District, Fuyang District, Hangzhou, PRC
Year of completion	June 2017
The Property	<ul style="list-style-type: none"> One 3-storey warehouse building with a single storey basement for warehouse use Two 14-storey office buildings with a single storey basement for car park use
GFA	<ul style="list-style-type: none"> Warehouse: 171,795 sq m Office and Support Buildings: 42,489 sq m Total: 214,284 sq m
Land area	88,000 sq m
Land tenure	Expiry on 3 May 2059
Master Leases	<ul style="list-style-type: none"> Two master leases for warehouse and office components Tenure: 5 + 5 years Escalation: 2.25% per annum
Committed Occupancy	100%
End-tenant Occupancy	100%

Warehouse Block



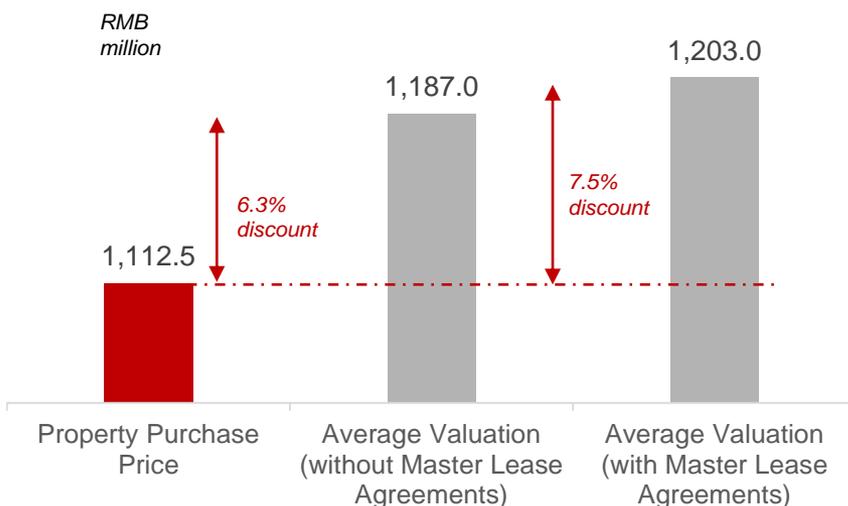
Office and Support Buildings



Details of the Proposed Acquisition

Pricing Considerations

Property Purchase Price		RMB million	S\$ million ¹
			1,112.5
Valuation with Master Lease Agreements	Colliers	1,147.0	230.5
	Knight Frank	1,259.0	253.1
Valuation without Master Lease Agreements	Colliers	1,128.0	226.7
	Knight Frank	1,246.0	250.4



Summary

Vendors	<ul style="list-style-type: none"> Flutric Investments Limited - 34.02% Hangzhou Unilogix - 65.98%
Purchase consideration	<ul style="list-style-type: none"> Property Purchase Price: RMB1,112.5 million (S\$223.6 million¹) comprising <ul style="list-style-type: none"> BVI Purchase Consideration: RMB 206.2 million Estimated BVI Borrowings²: RMB 563.3 million PRC Purchase Consideration: RMB 343.0 million Total Purchase Consideration: RMB549.2 million (S\$110.4 million)
Acquisition expenses	<ul style="list-style-type: none"> Acquisition fee of RMB8.3 million (S\$1.7 million) payable to the REIT Manager in units Estimated professional and other expenses (including upfront finance costs): RMB38.6 million (S\$7.8 million)
Proposed funding structure	<ul style="list-style-type: none"> Combination of secured debt financing facilities from banks and/or cash
Approvals required	<ul style="list-style-type: none"> Unitholders' approval at an Extraordinary General Meeting (Timing to be advised at a later date) Relevant regulatory approvals

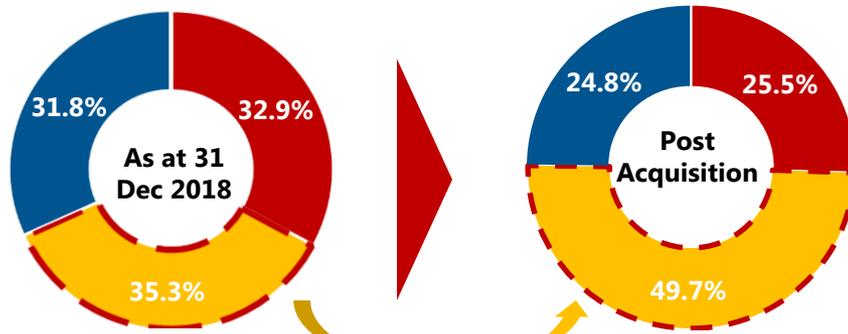
¹ Based on an illustrative renminbi exchange rate of S\$1.00 to RMB 4.9751 as at 8 May 2019

² The estimated borrowings of the BVI Holdco of approximately RMB563.3 million is subject to further adjustments based on the actual amount of net liabilities (excluding the value of the Property) of the BVI Holdco at completion of the BVI Acquisition

Enlarged Portfolio Focused On E-Commerce Logistics Providing Yield Uplift

Larger Portfolio | Strategically Important and Financially Accretive Acquisition

Breakdown by NLA



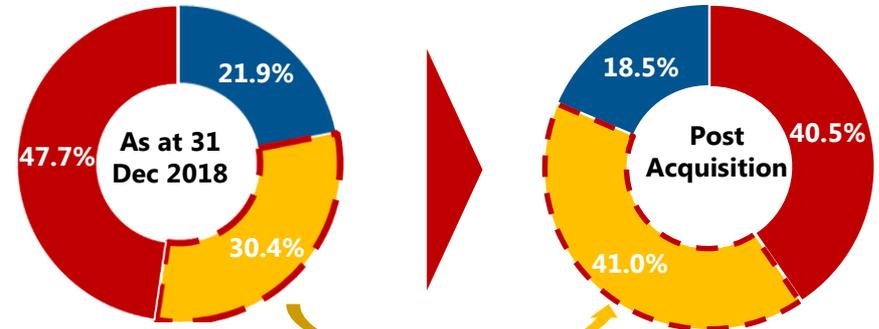
Total: 746,177 sq m

↑ 28.7%

Total: 960,461 sq m

● E-commerce Logistics ● Specialised Logistics ● Port Logistics

Breakdown by Valuation (in RMB)



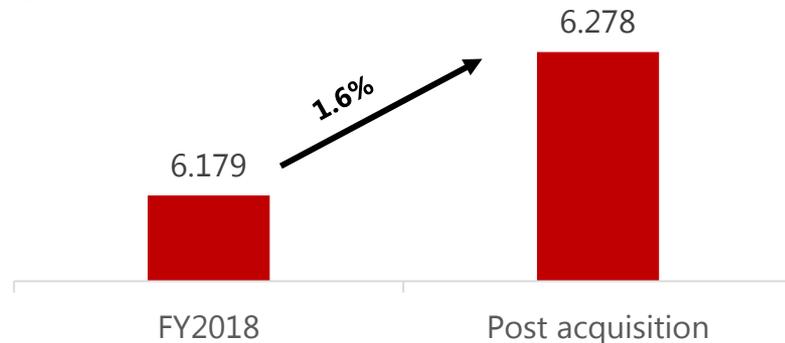
Total: RMB 6.7 billion

↑ 17.9%

Total: RMB 7.9 billion¹

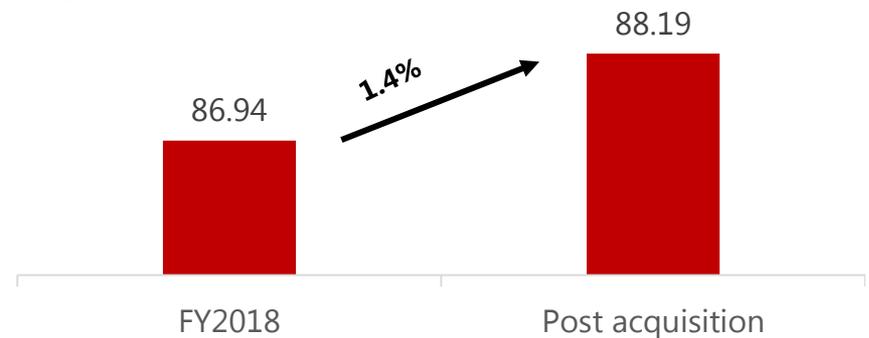
DPU²

Singapore cents



NAV per unit²

Singapore cents



(1) Based on Valuation (with Master Leases) of RMB1,203 million

(2) The pro forma financial effects for FY2018 assuming EC World REIT had purchased the Fuzhou E-Commerce on 1 January 2018, and held and operated the Fuzhou E-Commerce through to 31 December 2018

Proactive Investor Relations Initiatives

Support from the Research Community

DBS

- ✓ Initiation report with “Buy” Call on 21 Feb 2019
- ✓ “Proposed acquisition of Fuzhou E-commerce enhances yield”. Target Price of \$S0.86 in May 2019

RHB

- ✓ “Buy” initiation in January 2019. Maintained “Buy” rating with a higher target price of \$S0.85 in May 2019

Soochow Securities

- ✓ Maintained “Buy” with a higher target price of \$S0.93 in May 2019

Philips Securities

- ✓ Maintained “Buy” with a higher target price of \$S0.872 in May 2019

Singapore Flash Note
Refer to important disclosures at the end of this report

DBS Group Research · Equity 12 May 2019

EC World REIT (ECWREIT SP) : **BUY**
Mkt. Cap: US\$453m | 3m Avg. Daily Val: US\$0.24m
Last Traded Price (10 May 2019): S\$0.78
Price Target 12-mth: S\$0.86 (10% upside) (Prev S\$0.86)

Analyst
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Derek TAN +65 6682 3716; derektan@dbsg.com

Proposed acquisition of Fuzhou E-commerce enhances yield

Company Guide
Summary of our point of view, and highlights the relevant data points, which are actively tracked.
EC World REIT - Banking Login
EC World REIT - Institution Login

RHB

14 May 2019

EC World REIT (ECWREIT SP) **Buy** (Maintained)

Accretive Acquisition Of FEC; Keep BUY

Target Price (Return) SGD0.85(+8%)
Price: SGD0.79
Market Cap: USD459m
Avg Daily Turnover (SGD/USD) 0.2m/0.1m

Analyst
Vijay Natarajan
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vijay.natarajan@rhbgroup.com

Share Performance (%)

- Maintain BUY with new TP of SGD0.85 from SGD0.84, 8% upside plus 8% yield. 1Q results met expectations. The proposed accretive acquisition of FEC logistic asset should further enhance the REIT's positioning to the favourable Chinese e-commerce sector. This, combined with the recent master lease extensions (for four years), provides strong income visibility. Valuations are still attractive with the stock trading at 0.9x P/BV (sector: 1.1x P/BV).
- Minimal impact from trade tensions as assets cater mainly for domestic consumption. About 80% of tenants operate in the delivery, logistics & distribution, and e-commerce service spaces, which have been seeing strong growth. With assets catering largely to the domestic market, we see minimal impact from rising US-China trade tensions, and on the other hand, could



EC World REIT

An accretive acquisition and longer WALE

SINGAPORE | REAL ESTATE (REIT) | 1Q19 RESULTS

- 1Q19 NPI and DPU were in line with our forecast.
- WALE by GRI extended from 1.8 to 4.7 years due to the extension of master leases.
- Proposed yield accretive acquisition of ROFR asset with 5+5 year master leases expected to increase FY19/FY20e DPU by 0.64% and 6.17% respectively.
- 100% of debt maturing in July 2019; refinanced debt maturity profile will be lumpy.
- Maintain Buy with higher TP of S\$0.87 (prev. S\$0.85) to factor in the proposed acquisition.

Results at a glance



14 May 2019

BUY (Maintained)

LAST CLOSE PRICE	SGD 0.790
FORECAST DIV	SGD 0.063
TARGET PRICE	SGD 0.872
TOTAL RETURN	18.3%

COMPANY DATA

BLOOMBERG CODE:	EREIT SP
OS SHARES (MN):	794

东吴中新资本
SCCM SOOCHOW CIBSD CAPITAL MARKETS

BUY
TP: SGD 0.93
▲ 17.7%

EC World REIT
ECWREIT.SP

ROFR acq boosting growth and portfolio quality

ECWREIT (ECW) announced the long-awaited acquisition of the Fuzhou ROFR asset, with DPU accretion of 1.6% (funded by debt & cash) with a 5+5 yr master lease (2.25% pa escalation) and a significant increase in e-commerce exposure from 36.7% to 45.6% by NPI, improving overall portfolio quality. We expect the upside to offset the ongoing pressures from unfavourable FX and interest rates. Maintain BUY, w/ revised TP S\$0.93/unit.

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Section C: Key Investment Highlights



EC World REIT's Competitive Advantages



1 Stable Portfolio with Augmented Growth Potential

High Income Visibility | Built-in Escalations | Exposure to E-Commerce Logistics Sector

E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Fu Heng	Master Lease: 1 Nov 2015 to 31 Oct 2024 Rental escalation of 4.0% and 3.0% on 1st Jan 2019 and 2020 respectively, 2.0% annually from 1st Jan 2021.	100%	Coveted property; entire suite of facilities supporting ecommerce fulfilment
Stage 1 Prop. of Bei Gang	Master lease: 1 Nov 2015 to 31 Oct 2024 Rental escalation of 1% on 1st Jan 2019 and 2020. 1% from Nov 2020 to Oct 2024	100%	One of the largest e-commerce developments in the region
Wuhan Meiluote	Multi Tenanted; Between 4.5% to 5% per annum	88.7%	First acquisition in 2018; marquee tenants - JD.com and Dang Dang

Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted: 2 main leases. Up to 10% upon renewal	100%	Customised environment control warehouse space for major SOE tenant China Tobacco

Port Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Chongxian Port Investment	Master lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 4.0% and 3.0% on 1st Jan 2019 and 2020 respectively, 2.0% annually from 1st Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian Port Logistics	Multi Tenanted	100%	Integrated operations , storage processing and logistics distribution for steel products
Fu Zhuo Industrial	Two main tenancies: (1) 10% annually in first 3 years, 15% from Year 4 from Oct 2015 to Oct 2020 and (2) 7.5% every 3 years from May 2016 to May 2021	100%	Adjacent to port ; for cement related products

1 Successful Entry into New Master Lease Agreements

Provide Stable Income Stream with Organic Growth



Healthy WALE of 4.7 years

(by Gross Revenue)



Predictable and stable income stream



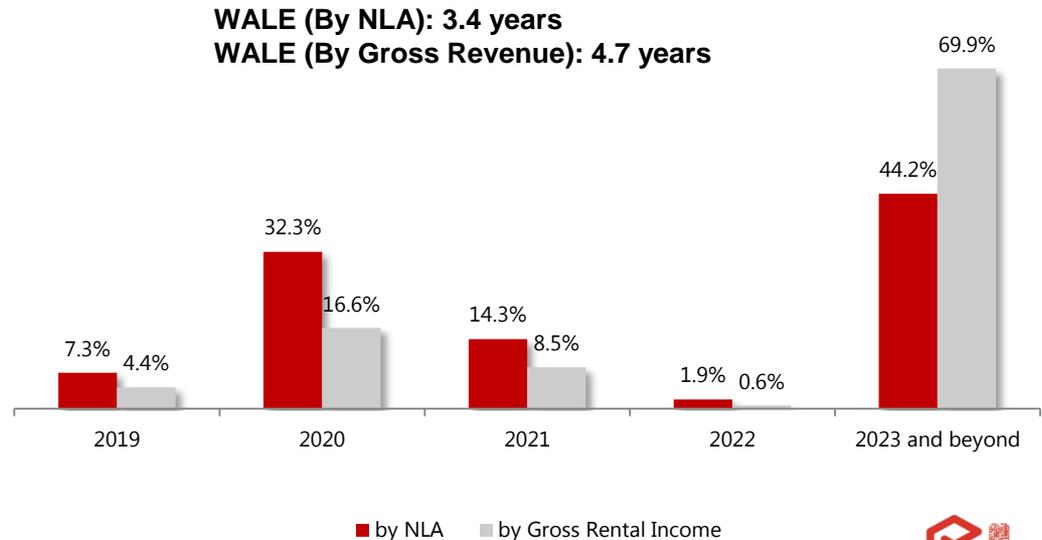
Organic Growth with built-in rental escalation of between 1% to 2% p.a



Strong Support from Sponsor + Alignment of Interest

- ✓ Enhances **cash flow and income viability**, ensuring **stable and sustainable returns** to Unitholders
- ✓ **Limit downside risks** and provide predictability in returns
- ✓ **Built-in escalation** provides **organic growth**
- ✓ Demonstrates **strong support from Sponsor** and **alignment of interest** between Sponsor and Unitholders

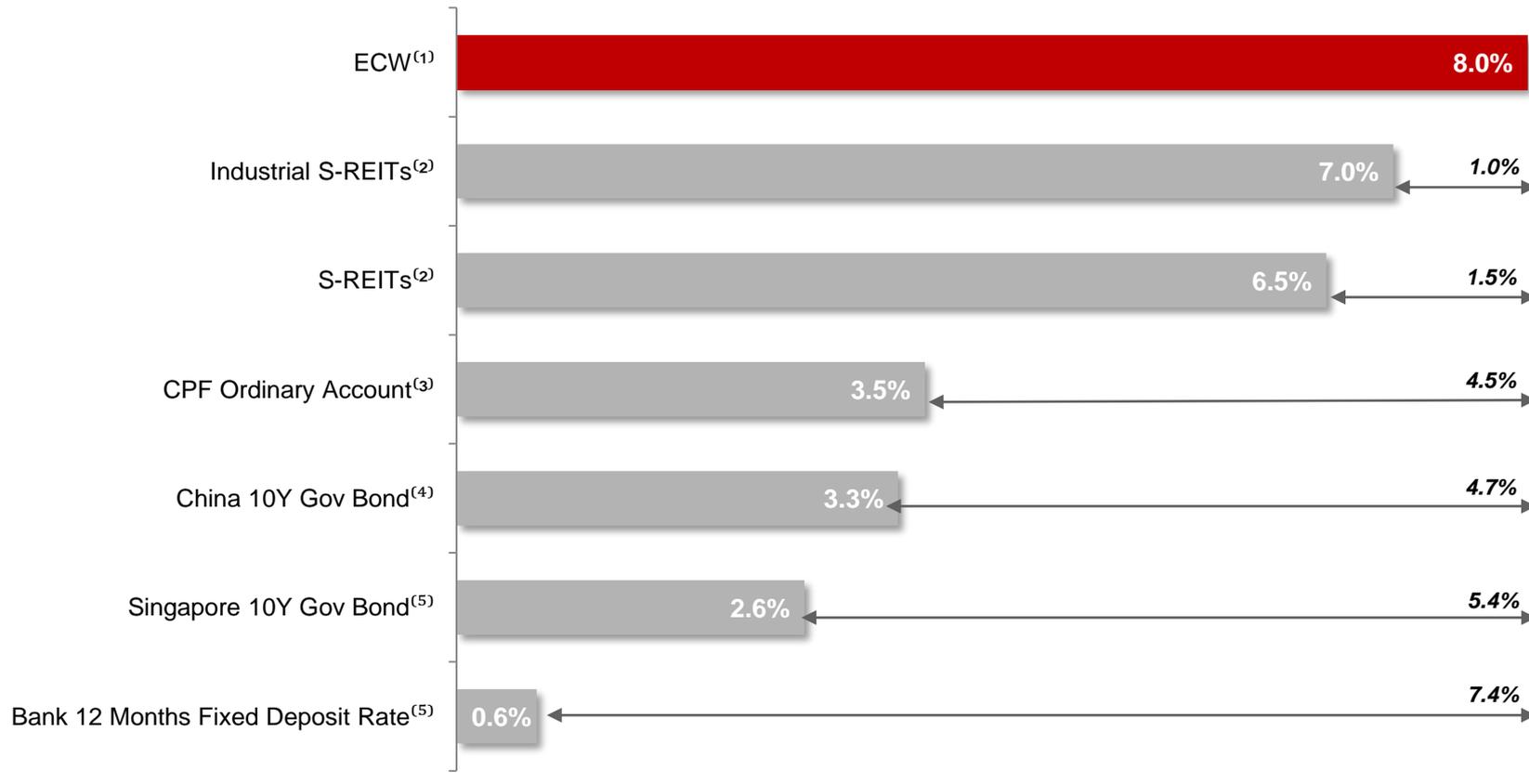
**Lease Expiry Profile as at 31 March 2019
(Including Entry into New Master Lease Agreements)**



2 Attractive Yield with Consistent Return

Attractive Yield Compared to Peers

Trading Yield (%)



(1) Based on annualised 1QFY19 DPU of 6.087 Singapore cents and the closing price of S\$0.76 per Unit on 31 March 2019

(2) Based on Broker Research

(3) Source: CPF Board

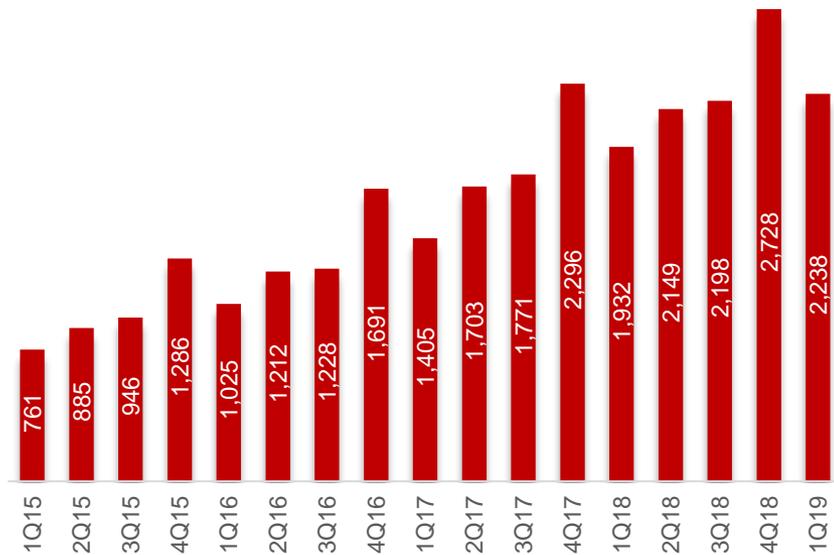
(4) Source: Bloomberg

(5) Source: Monetary Authority of Singapore

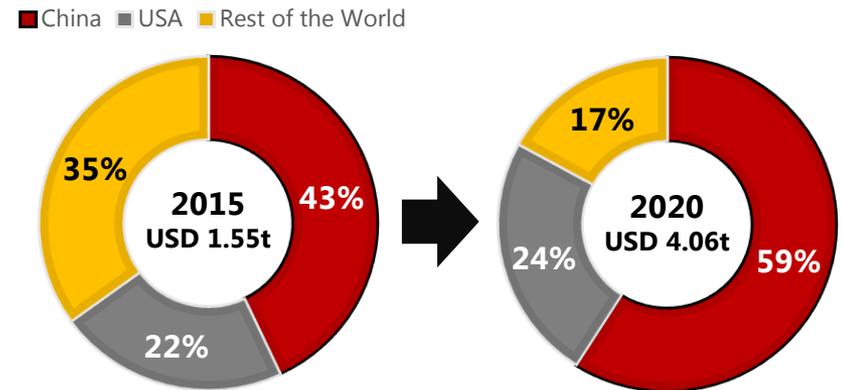
3 Capitalise on Fast Growing E-Commerce Industry...

Riding the Wave of the Fast and Rapidly Expanding PRC E-commerce Sector

China Online Retail Sales (RMB Billion)⁷



Global E-commerce Landscape

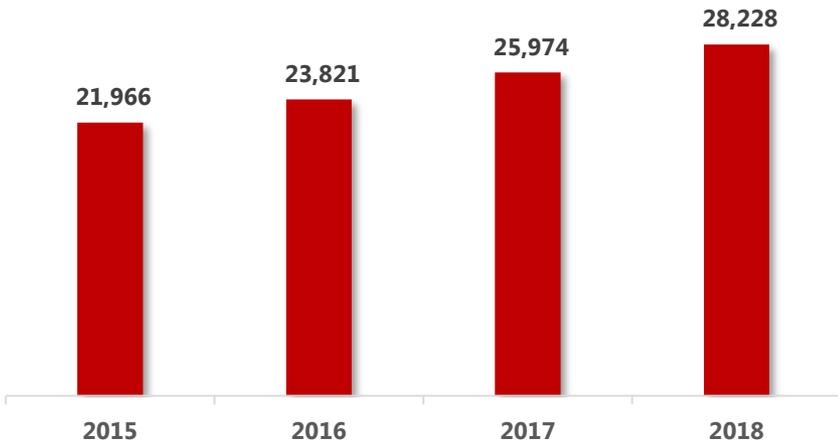


China is expected to continue to **dominate global e-commerce sales**

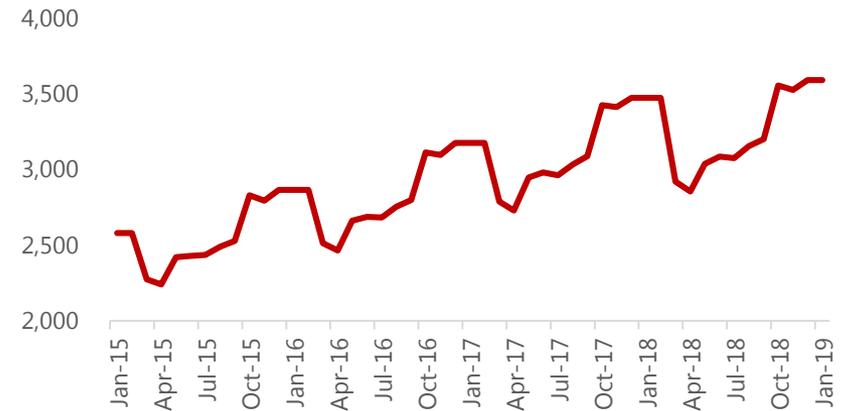
3 ... And the Attractive China Logistics Market

Sustained Growth in Domestic Consumption and Favorable Supply Demand Dynamics

China Disposable Household Income (RMB)

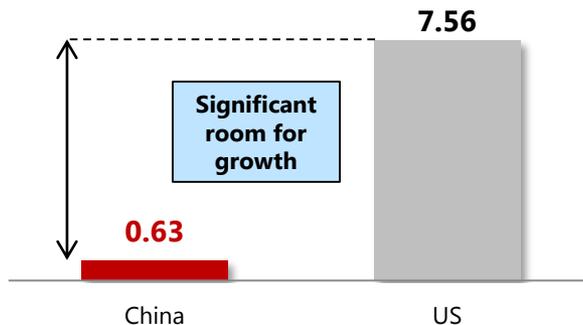


China Retail Sales (RMB Billions)

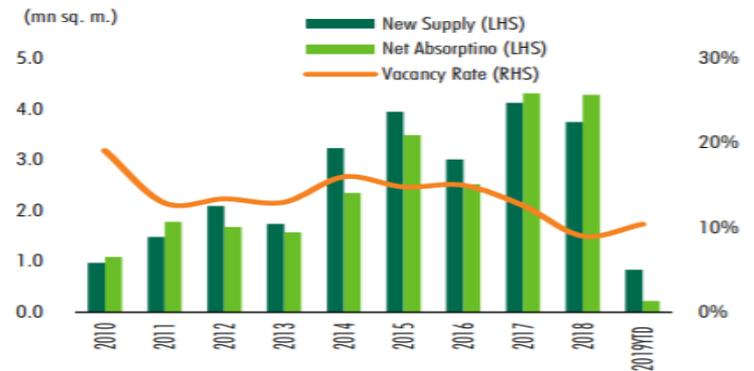


Favorable Supply-demand Dynamics

Per-Capita Warehouse Area (Sq.m)



Warehouse Net Absorption



Source: Bloomberg, Euromonitor, Analysis, CBRE Market View

4

Symbiotic Relationship between REIT and Sponsor

Complete Ecosystem of Asset Acquisition and Management, Operating expertise and Securitization

Fund Management for Pipeline Assets

The Sponsor manages **four** private funds with targeted **AUM of c. US\$1.2 billion** with blue chip partners including Cinda Asset Management and YCH Group



Sponsor's funds and logistics operations shall provide the backbone for growth for the REIT



Sponsor's
Logistics PE
Funds

Sponsor's
Ecommerce
Logistics
Operations

REIT's
Acquisitions
and Asset
Holding
Platform

Asset Operations

Owns omni-channel logistics services platform providing the operations and management of the e-commerce eco-system

Shareholder of Cainiao Network, along with Alibaba Group, Fosun Group - credible support factor for the long term sustainability of their assets



Capitalising on Sponsor's capabilities and network, EC World REIT benefits from:

- ☑ Stable revenue streams and visible cash flows
- ☑ Robust pipeline of acquisition assets
- ☑ Assured occupancy for further acquisitions

4

Symbiotic Relationship between REIT and Sponsor

Unique Asset Owner + Operator Synergies

- ✓ **Ruyicang**, a wholly owned subsidiary of Sponsor, provides **intelligent supply chain logistics services** for domestic and foreign enterprises in China by integrating warehousing, logistics and information systems
- ✓ **Full integration** of physical warehousing and logistics facilities, advanced IT management system and data analytics



Asset Owner

- Provides the **hardware** of the business
- **Lease out** warehouse space and **collect rental**



Asset Operator

- **Software** of the logistics business
- Manage the **fulfillment** portion of e-commerce through interpretation of **big data**
- Earns operating revenue for handling, processing and packing
- **Pays rental** for space rented to asset owner

- ✓ Ruyicang clients include ecommerce players, other logistics service provider and/or directly to e-commerce vendors/brands, **such as the following:**

E-Commerce Players	Logistics Services	Brands

Ruyicang not only offers EC World a **sticky and ready made master tenant** for their e-commerce logistics assets, but also offers a potential **pipeline of acquisition assets** from their relationships with other landlords

- ✓ As of Dec 2018, Ruyicang operates in **over 30 warehouses** in **25 cities** occupying over warehouse space of over 1 million sqm. Ruyicang counts Cainiao as one of its clients.



5 Executing on a Multi-Pronged Growth Strategy

Three Key Pillars of Potential Growth



Organic Growth

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

Acquisitions

- **Sector Focus:** Logistics, with particular emphasis on e-commerce industry
- **Geographical Focus:** Core China and potentially diversify into high growth markets in Southeast Asia
- **Leverage Sponsor's business networks and PE funds** for pipeline assets
- Potential 3rd party **collaboration**

Asset Enhancement Initiatives

- **Convert** traditional warehouses to e-commerce logistics centres
- **Proactive retrofitting** and refurbishment works including **upgrading** of existing facilities
- **Examples:** partially converted a open air storage yard into a sheltered warehouse; building roof over open air atrium space to increase storage space

Growth Drivers

5 Sponsor's Fund Management Capabilities

Leveraging Sponsor's Network and Pipeline

- ✓ **网营物联 (Hangzhou Unilogix)** – a collaboration with 浙商银行产融基金 (Bank of Zhejiang Fund Management Branch) with **registered capital of RMB 5 billion** to **invest in logistics assets** across **key gateway cities in China**

Hangzhou Unilogix's 5 Year Expansion Plan Forms Potential Pipeline in China for the REIT



Map of Zhejiang



2019 to 2023



50 Projects



8 million sq m



Logistics Nodes



Operating and Development Assets

- ✓ Aims to establish **supply chain network** to enhance efficiency
- ✓ Promote **social and economic development** within Zhejiang
- ✓ **Enhance efficiency** through development of **strategically located logistics assets** covering major consumers cities to **serve the logistics nodes**
- ✓ **Target to support 40 to 50 industrial clusters** through usage of **big data analysis**

6

Distinguished and Highly Credible Board of Directors

Majority independent Board comprising accomplished members from public and private sectors



Mr Zhang Guobiao

Non-Executive Chairman

- Chairman and Founder of Sponsor
- Executive Vice Chairman of Zhejiang Chamber of Commerce
- Member of National People's Congress of Pudong, Shanghai



Mr Chan Heng Wing

Lead Independent Director

- Non-resident Ambassador to the Republic of Austria
- Independent Director of Fraser and Neave, Banyan Tree
- Former chief China rep for Temasek



Dr David Wong See Hong

Independent Director

- Former Deputy CEO of Bank of China (Hong Kong)
- Former Country Executive for ABN AMRO Southeast Asia
- Former Board member of Energy Market Authority and Civil Service College



Mr Chia Yew Boon

Independent Director

- Founding Managing Director of Catalyst Advisors – a Private Equity and Venture Capital Consultancy
- Independent Director at Technovator International Limited
- Previously worked at Boustead and GIC



Mr Li Guosheng

Independent Director

- Managing Director of Horizonline Pte Ltd
- Formerly a technical manager with China Enersave Limited



Mr Goh Toh Sim

Executive Director and CEO

- Refer to Management Bio



Audit and Risk Committee (ARC): David Wang See Hong, Chia Yew Boon and Li Guosheng

Nominating and Remuneration Committee (NRC): Li Guosheng, Zhang Goubiao, Chan Heng Wing, Chia Yew Boon



6

Experienced Management Team with Proven Track Record

- ✓ The management of EC World REIT has collectively over 80 years of experience in the real estate and financial services sectors
- ✓ Well-diversified and deep functional expertise in cross border trust management, real estate management and development, capital markets and M&A as well as reporting / compliance



Goh Toh Sim

Executive Director and CEO

- Extensive C-Level experience in China and Singapore
- Former Chief China Rep for Keppel Corp
- Former CEO of Ascendas China
- Former CEO of Evergro Properties



Johnnie Tng

CFO

- 25 year of financial experience in cross border trust management and financial management
- Former CFO of Keppel REIT, Ascendas India Trust and Ying Li International



Jinbo Li

Head of Investment, Asset Management and Investor Relations

- Wide-ranging track record in executing capital markets and M&A transactions (US\$8bn+ worth of deals)
- Previously worked in Deutsche Bank, Standard Chartered and Citi



Wang Feng

Senior Manager, Compliance and Risk Management

- Over 10 years experience in real estate development and 5 years in audit, compliance and risk management
- Former audit manager with KPMG



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Section D: Proposed Acquisition of Fuzhou E-Commerce



Overview of Fuzhou E-Commerce

A Rare Sizable Integrated E-Commerce Logistics Asset

Asset Overview

Location	No. 9, Mingxing Road, Dongzhou Sub-District, Fuyang District, Hangzhou, PRC
Year of completion	June 2017
The Property	<ul style="list-style-type: none"> One 3-storey warehouse building with a single storey basement for warehouse use Two 14-storey office buildings with a single storey basement for car park use
GFA	<ul style="list-style-type: none"> Warehouse: 171,795 sq m Office and Support Buildings: 42,489 sq m Total: 214,284 sq m
Land area	88,000 sq m
Land tenure	Expiry on 3 May 2059
Master Leases	<ul style="list-style-type: none"> Two master leases for warehouse and office components Tenure: 5 + 5 years Escalation: 2.25% per annum
Committed Occupancy	100%
End-tenant Occupancy	100%

Warehouse Block



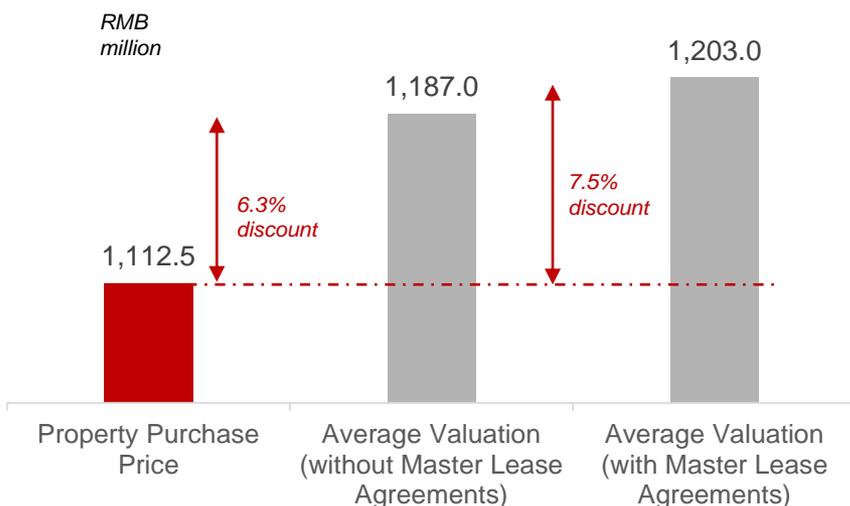
Office and Support Buildings



Details of the Proposed Acquisition

Pricing Considerations

Property Purchase Price		RMB million	S\$ million ¹
			1,112.5
Valuation with Master Lease Agreements	Colliers	1,147.0	230.5
	Knight Frank	1,259.0	253.1
Valuation without Master Lease Agreements	Colliers	1,128.0	226.7
	Knight Frank	1,246.0	250.4



Summary

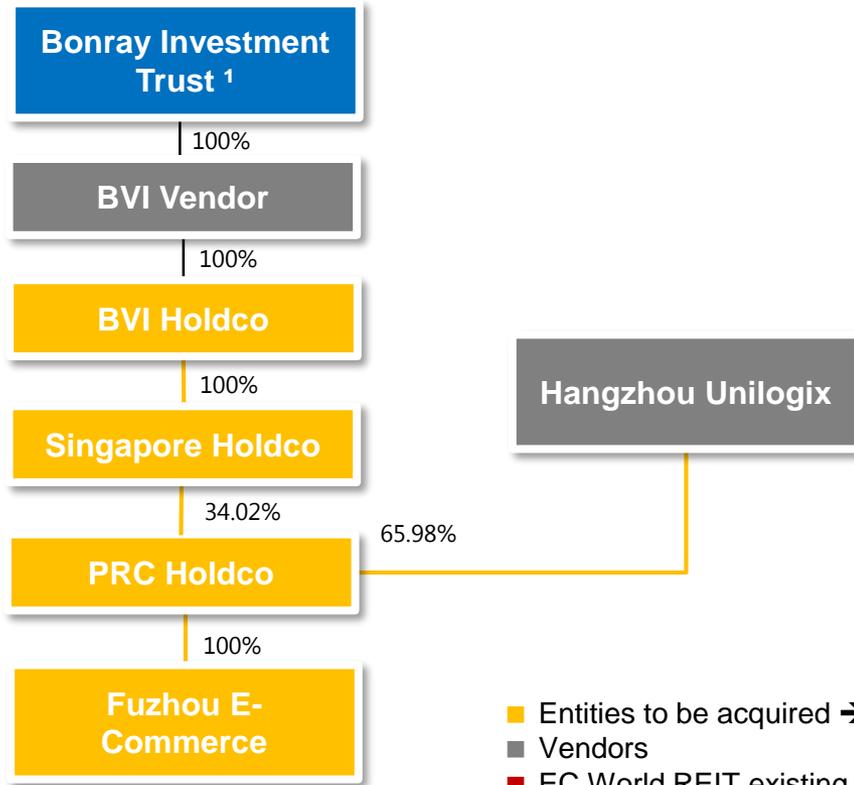
Vendors	<ul style="list-style-type: none"> Flutric Investments Limited - 34.02% Hangzhou Unilogix - 65.98%
Purchase consideration	<ul style="list-style-type: none"> Property Purchase Price: RMB1,112.5 million (S\$223.6 million¹) comprising <ul style="list-style-type: none"> BVI Purchase Consideration: RMB 206.2 million Estimated BVI Borrowings²: RMB 563.3 million PRC Purchase Consideration: RMB 343.0 million Total Purchase Consideration: RMB549.2 million (S\$110.4 million)
Acquisition expenses	<ul style="list-style-type: none"> Acquisition fee of RMB8.3 million (S\$1.7 million) payable to the REIT Manager in units Estimated professional and other expenses (including upfront finance costs): RMB38.6 million (S\$7.8 million)
Proposed funding structure	<ul style="list-style-type: none"> Combination of secured debt financing facilities from banks and/or cash
Approvals required	<ul style="list-style-type: none"> Unitholders' approval at an Extraordinary General Meeting (Timing to be advised at a later date) Relevant regulatory approvals

¹ Based on an illustrative renminbi exchange rate of S\$1.00 to RMB 4.9751 as at 8 May 2019

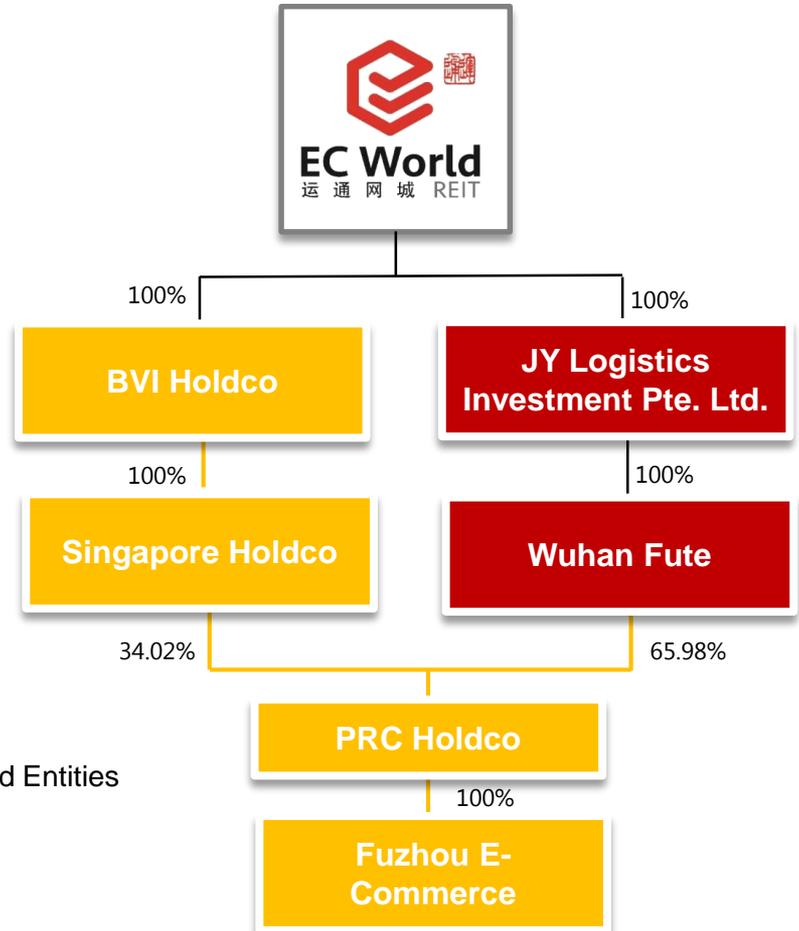
² The estimated borrowings of the BVI Holdco of approximately RMB563.3 million is subject to further adjustments based on the actual amount of net liabilities (excluding the value of the Property) of the BVI Holdco at completion of the BVI Acquisition

Proposed Transaction Structure

Existing Holding Structure (Vendors)



Post Acquisition Holding Structure



- Entities to be acquired → Acquired Entities
- Vendors
- EC World REIT existing entities

(1) A private trust whose sole beneficiary is Wang Guoli. Wang Guoli is the spouse of Zhang Guobiao who is a controlling unitholder of EC World REIT through his 80.0% equity interest in the Sponsor

Transaction Rationale and Highlights

- 1 Attractive investment in Hangzhou and PRC e-commerce sector
- 2 Ownership of a specialized and integrated e-logistics asset
- 3 Strategic Collaboration with Cainiao Network and Alibaba's Ling Shou Tong ("LST")
- 4 Enlarged portfolio with enhanced focus on the specialised e-commerce logistics sector
- 5 Improves portfolio WALE profile providing greater income visibility
- 6 Yield-Accretive Transaction

1 Attractive Investment in Hangzhou, PRC...

Rising Consumption | Continued Economic Growth



Population (1)
9.5 million

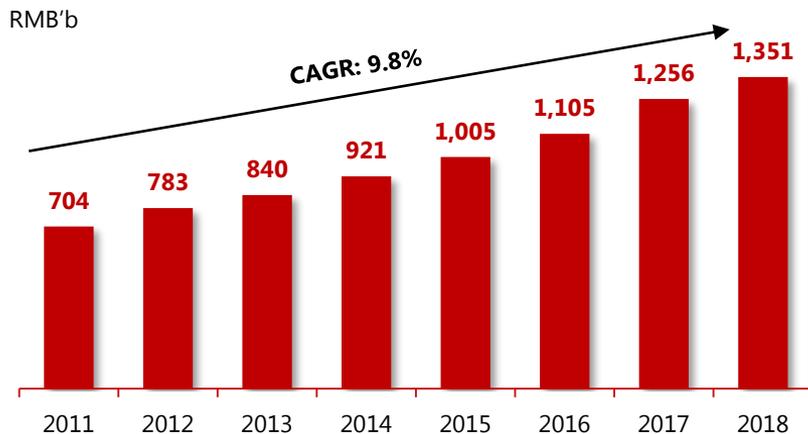
GDP (1)
RMB 1.4 trillion

Capital of
Zhejiang
Province

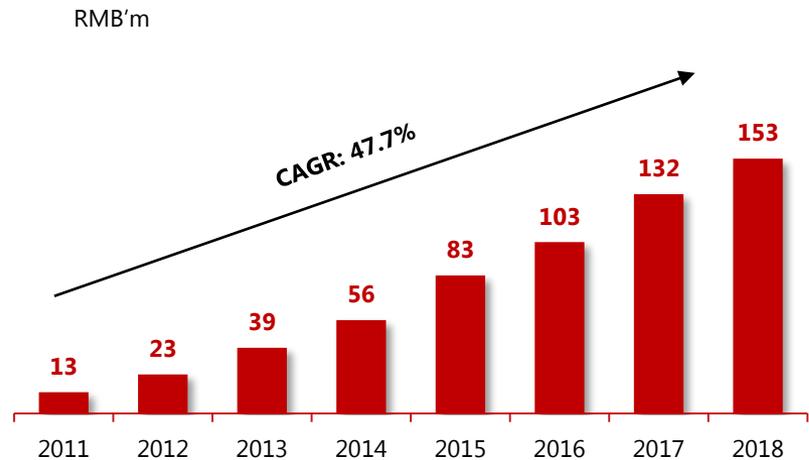
Chinese Capital
of E-Commerce

- ✓ One of the **core cities** in the Yangtze River Delta Economic Zone, Hangzhou is positioned as an economic, cultural, science and education centre and a transport hub
- ✓ **Strong economic growth** with GDP growth rates outstripping national average
- ✓ Total **retail sales of consumer goods** in 1Q19 increased **9.0% to RMB138.2 billion** while **online retail sales increased 48.4% in 1Q19**, a 16.1% year-on-year increase

Strong Economic Growth – GDP (1)



Hangzhou E-Commerce Sector Growth (1)

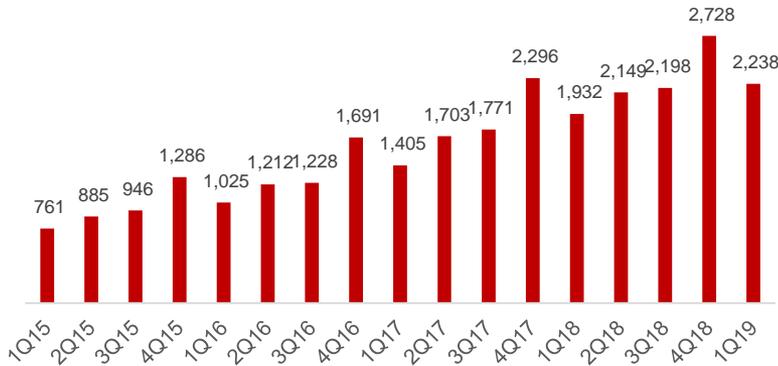


(1) Hangzhou Bureau of Statistics: <http://tjj.hangzhou.gov.cn>

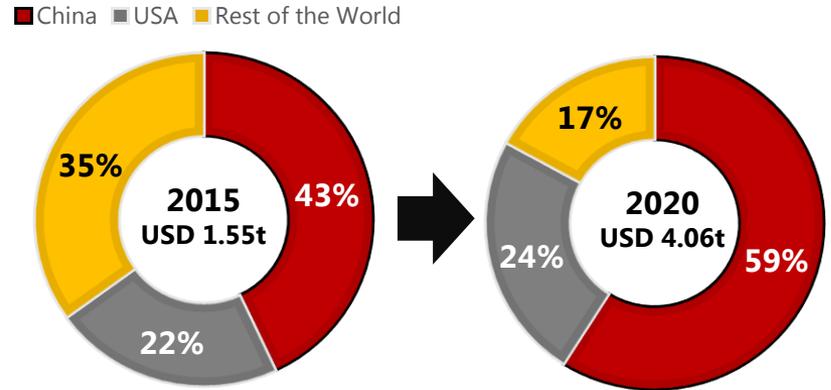
1 ... With Exposure to the Fast Growing PRC E-Commerce Logistics Sector

Continued growth in E-Commerce Sector Driving Demand for Logistics Asset

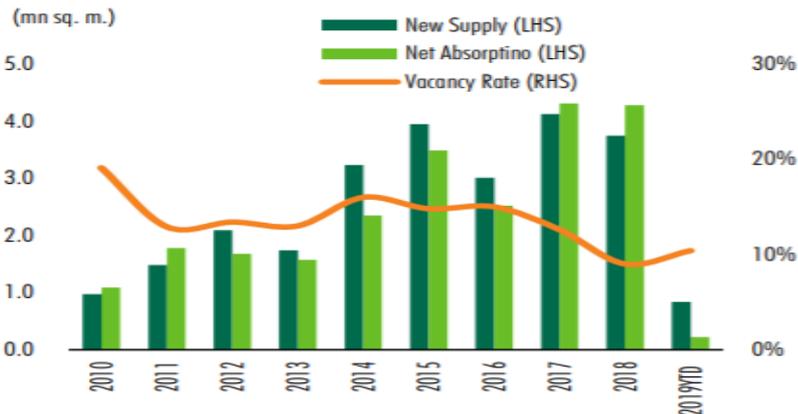
Growing China E-Commerce Sales (RMB Billions)¹



Global E-commerce Landscape³

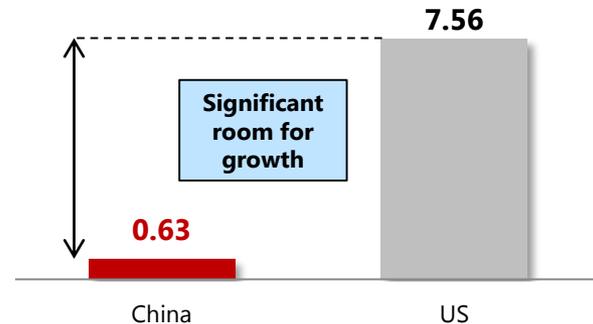


Logistics Supply and Demand in China²



Favorable Supply-demand Dynamics³

Per-Capita Warehouse Area (Sq.m)



(1) China National Bureau of Statistics
 (2) CBRE China Marketview Q12019
 (3) Euromonitor

2

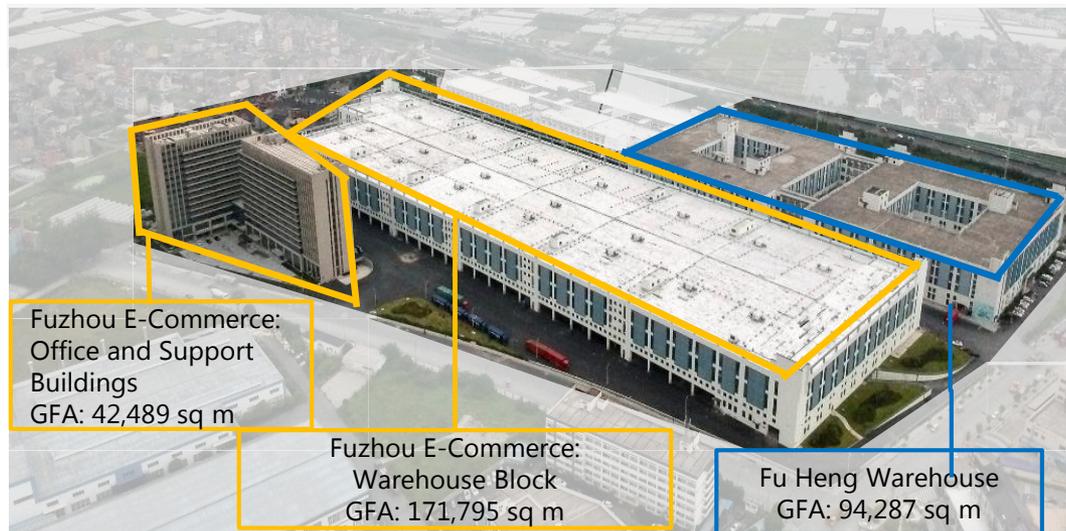
Ownership of a Rare Sizable Integrated E-Commerce Logistics Asset

Strategically Located E-Commerce Logistics and Fulfillment Centre

- ✓ **Adjacent to** one of EC World REIT's existing assets, **Fu Heng Warehouse**, which is also focused on e-commerce related fulfilment activities → enhancing **operational efficiency**
- ✓ Creation of a **combined 308,571 sq m logistics hub** catering to the fulfilment of the rapidly expanding e-commerce demand in Hangzhou and China
- ✓ **Convenient access and transportation:** located within Dongzhou Industrial Zone which is **connected to downtown Hangzhou via Highway G25** and enjoys **convenient water transportation** provided by Fuchun rivers



- ✓ **Well supported** by industry participants such as online market places, brand manufacturers, last mile delivery companies as well as office space and other auxiliary facilities



Total GFA: 308,571 sq m

3

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

Warehouse Operated by Leading Omni-Channel Logistic Service Provider

- ✓ The Warehouse is operated by Ruyicang (wholly owned subsidiary of the sponsor), a leading E-Commerce logistic services provider in China
- ✓ One of the earliest key partners and service providers of Cainiao network (Alibaba's logistic arm), Ruyicang has warehouse network and sophisticated operational expertise which enables itself to provide topnotch logistics service for not only E-Commerce platforms like Alibaba, JD and VIP.com, but also brands like Coca-Cola, MARS and Unilever.
- ✓ Ruyicang operates more than 30 warehouses in 25 cities¹. It currently manages more than 1 million sqm warehouses and processes more than 1.5 million orders every day

Partnership



Capabilities

Ruyicang LST business operates **132,000 sqm** warehouses, annually processes **7.83 million orders**, **30 million parcels** and **370 million pcs.**



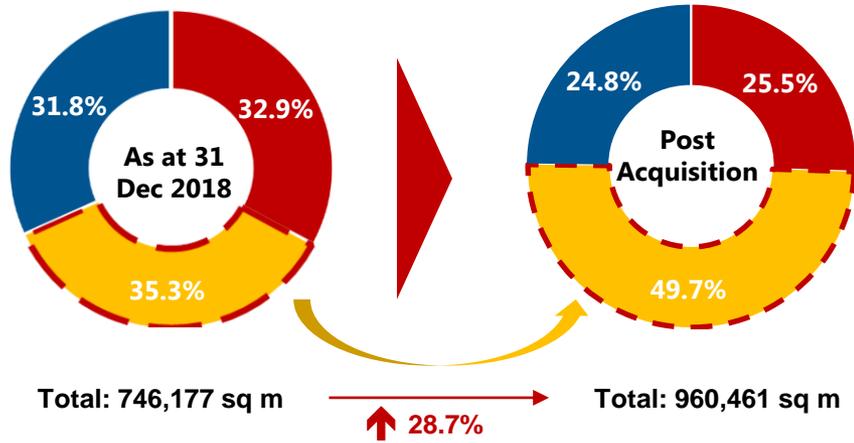
Ruyicang is **1 of 12** designated **logistics service providers** of the Cainiao Network and one of the **top Cainiao Partners**

(1) As of December 2018

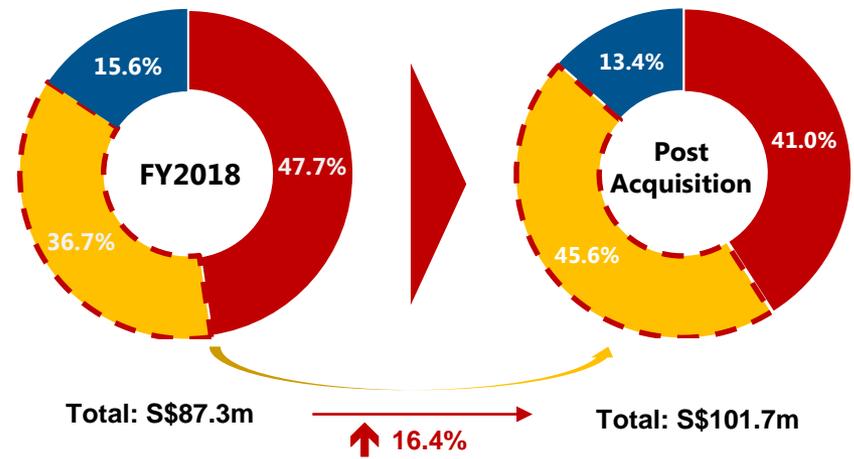
4 Enlarged Portfolio with Enhanced Focus on the E-Commerce Logistics Sector

Larger Portfolio with Increased Exposure to E-Commerce Logistics

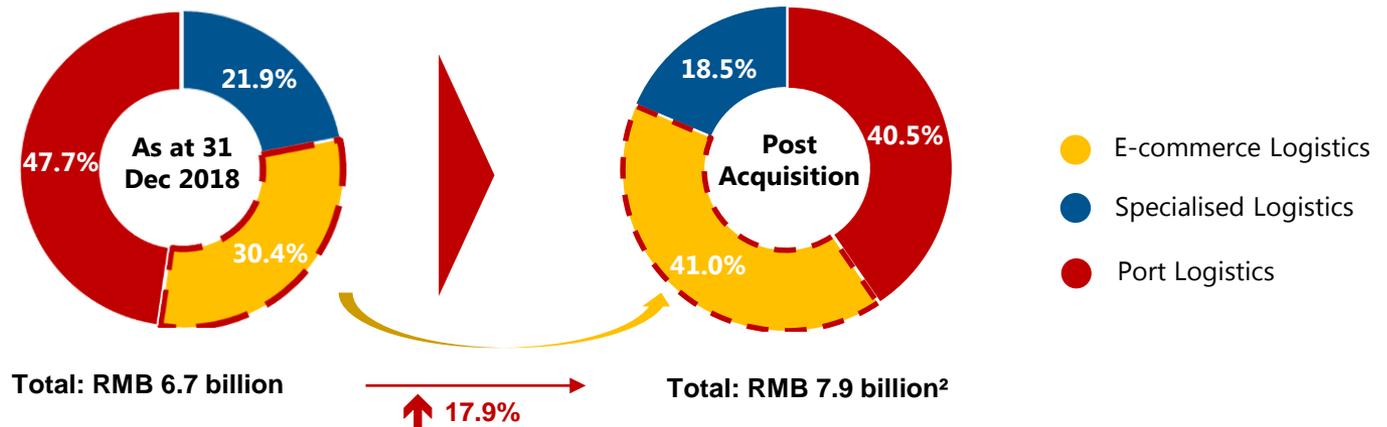
Breakdown by NLA



Breakdown by Net Property Income¹



Valuation (in RMB)



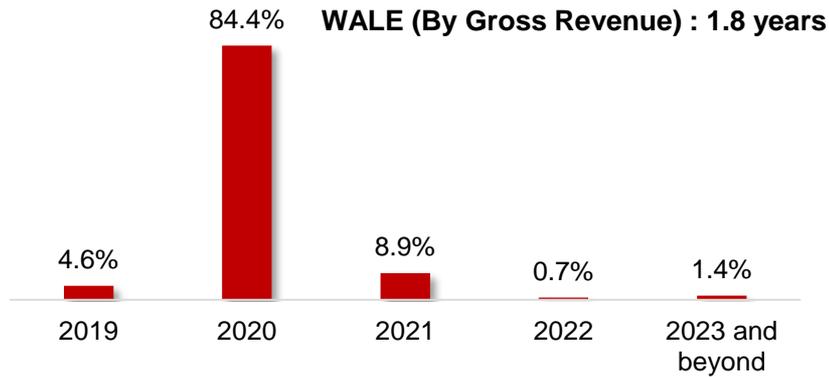
(1) The pro forma financial effects for FY2018 assuming EC World REIT had purchased the Fuzhou E-Commerce on 1 January 2018, and held and operated the Fuzhou E-Commerce through to 31 December 2018

(2) Based on Valuation (with Master Leases) of RMB1,203 million

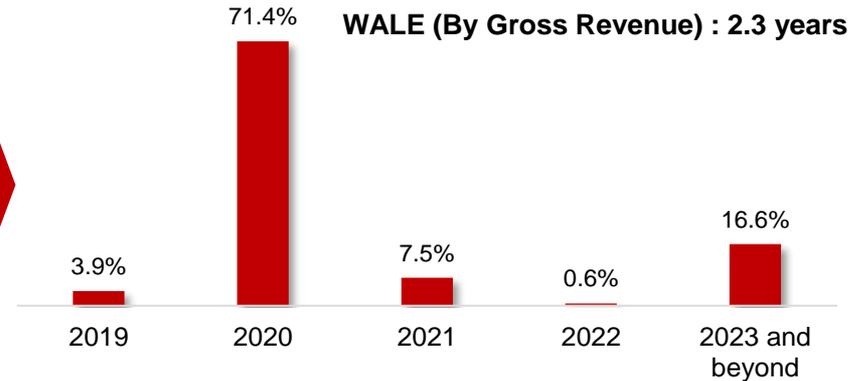
5 Improves portfolio WALE profile providing greater income visibility

Increase WALE with Embedded Organic Growth

As at 31 March 2019



As at 31 March 2019 (Post-Transaction)

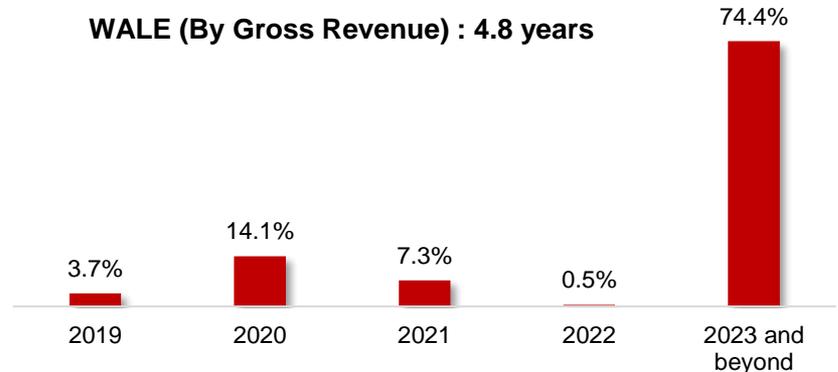


✓ **Improve WALE** (by Gross Revenue) **from 1.8 years** as at 31 March 2019 **to 4.8 years** (post transaction and taking into account the New Approved Master Lease Agreements)

✓ Embedded organic growth with **annual rental escalation of 2.25%**

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

As at 31 March 2019 (Post-Transaction and taking into account the New Approved Master Lease Agreements)

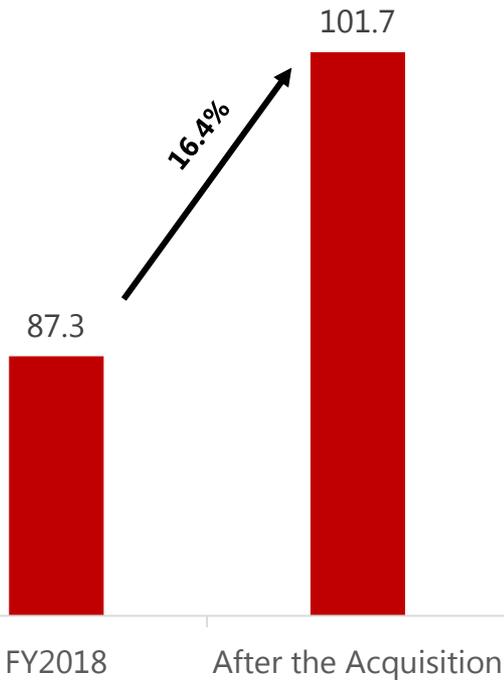


6 Yield Accretive Transaction

Financial Accretive Transaction on a Historical Proforma Basis

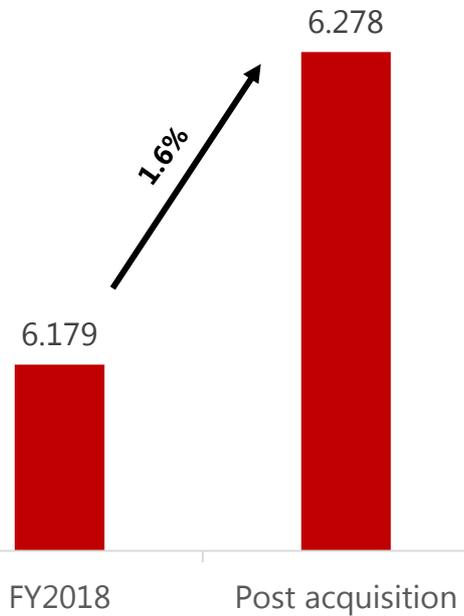
Net Property Income ⁽¹⁾

SGD million



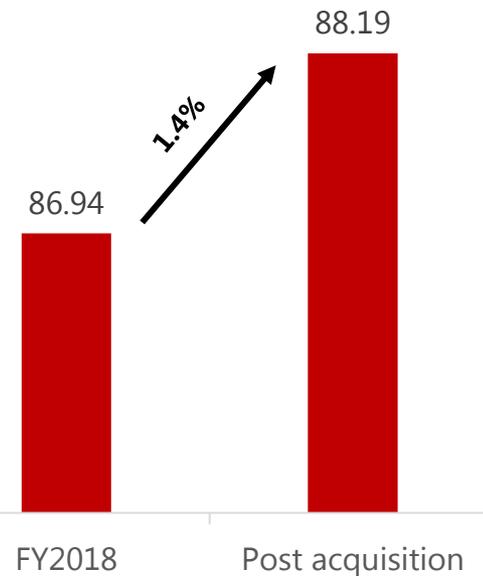
DPU ⁽¹⁾

Singapore cents



NAV per unit ⁽¹⁾

Singapore cents



(1) The historical pro forma financial effects for FY2018 assuming EC World REIT had purchased the Fuzhou E-Commerce on 1 January 2018, and held and operated the Fuzhou E-Commerce through to 31 December 2018



EC World
运通网城 REIT

Section E: Appendices



Portfolio Overview

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

Property	Type	NLA (sq m)	Remaining Land Lease Tenure (years) ⁽¹⁾	Independent Valuation (RMB m) ⁽²⁾
1 Fu Heng	E-commerce Logistics	94,287	40	580
2 Stage 1 Properties of Bei Gang Logistics	E-commerce Logistics	120,449	33	1,297
3 Wuhan Mei Luo Te	E-commerce Logistics	48,695	46	171
4 Hengde Logistics	Specialised Logistics	237,066	Complex 1 & 2: 34 & 40	1,470
5 Chongxian Port Investment	Port Logistics	112,726	37	2,235
6 Chongxian Port Logistics	Port Logistics	125,826	Complex 1 & 2: 37 & 41	862
7 Fu Zhuo Industrial	Port Logistics	7,128	37	114
Total / Average		746,177	38	6,729
Total (SGD m)				1,356⁽⁵⁾



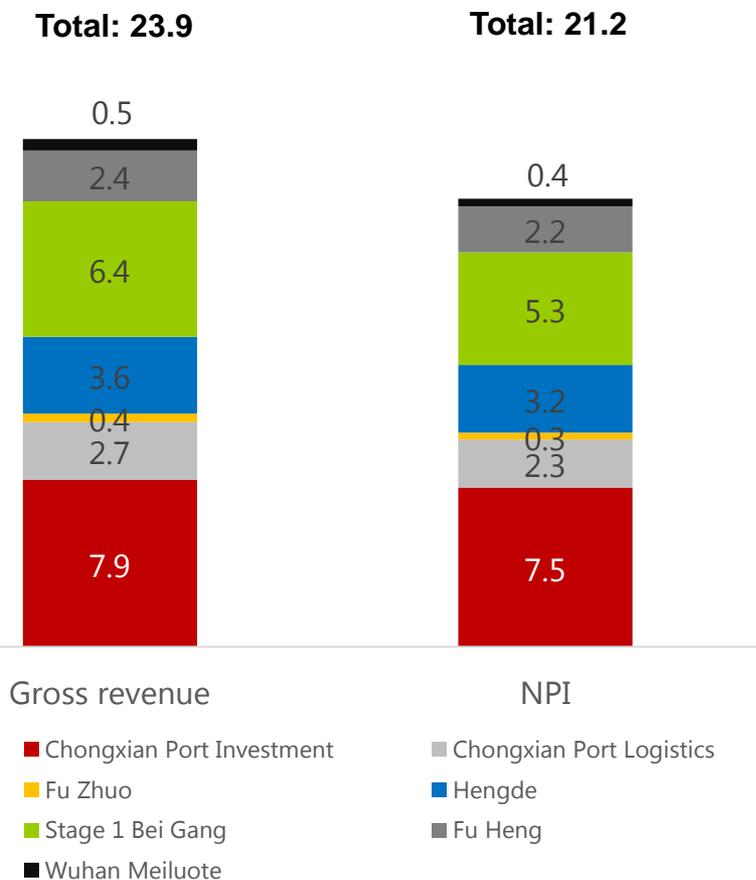
(1) Based on land leases as at 31 Mar 2019

(2) As at 31 Dec 2018 as appraised by JLL

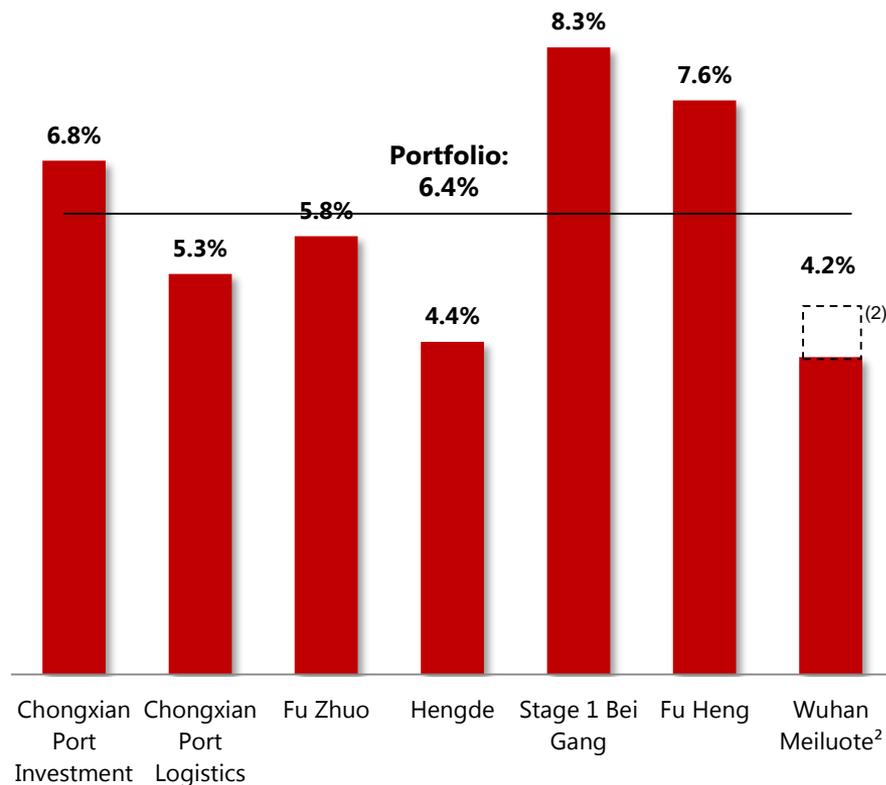
(3) Based on exchange rate of of S\$1.00 to RMB4.96 as at 31 March 2019

Summary Assets Performance

1QFY19 Breakdown by Gross Revenue and NPI (SGD m)



1QFY19 NPI Yield ⁽¹⁾



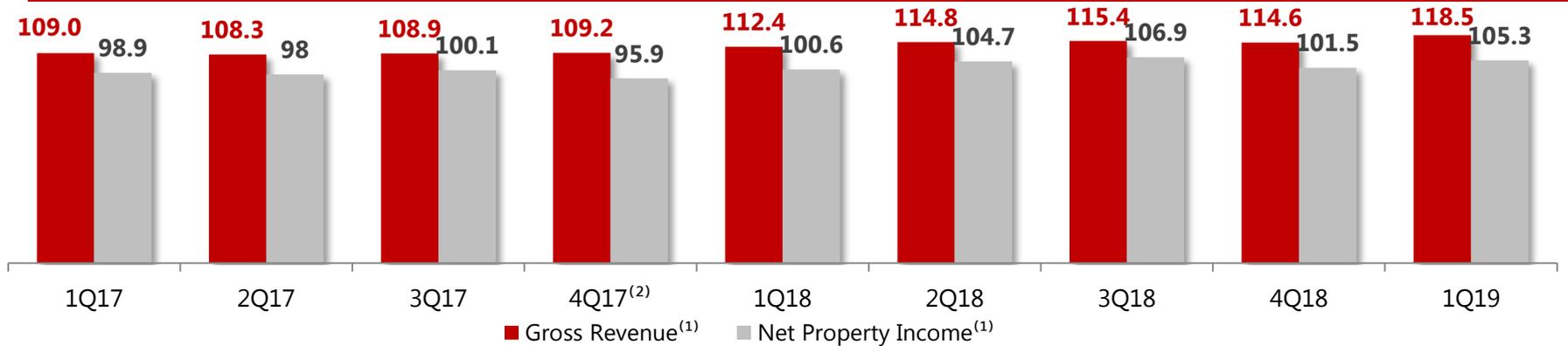
(1) In RMB terms

(2) Using acquisition price of RMB145 million, 1QFY19NPI yield would be 4.9%

Attractive Yield with Consistent Return

Stable Portfolio Performance with Consistent Returns to Unitholders

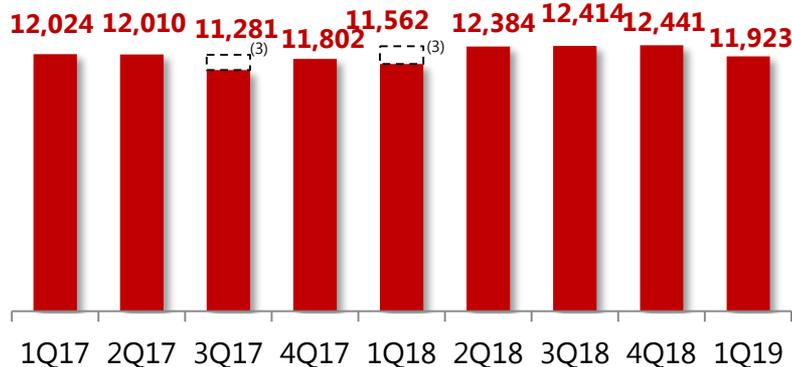
Operating Performance (RMB'm)



(1) Excluding straight-line and security deposit accretion accounting adjustments

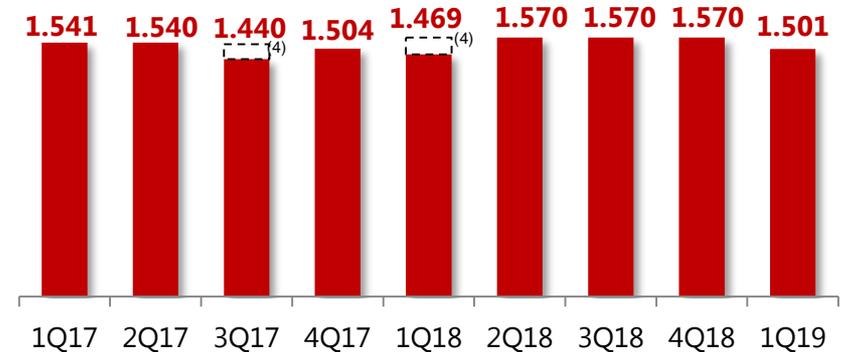
(2) Including a provision of impairment (RMB5.2m) of receivables at Fu Zhuo in 4QFY17. There was no impact to DPU for FY2017

Distribution to Unitholders (S\$'000)



(3) There is a 5% withholding tax expenses incurred during the cash repatriation process for Distribution to Unitholders. Adjusted distributable income gross of withholding tax expenses would be about S\$12.0 million and S\$12.4 million for 3Q17 and 1Q18 respectively.

DPU (Singapore Cents)



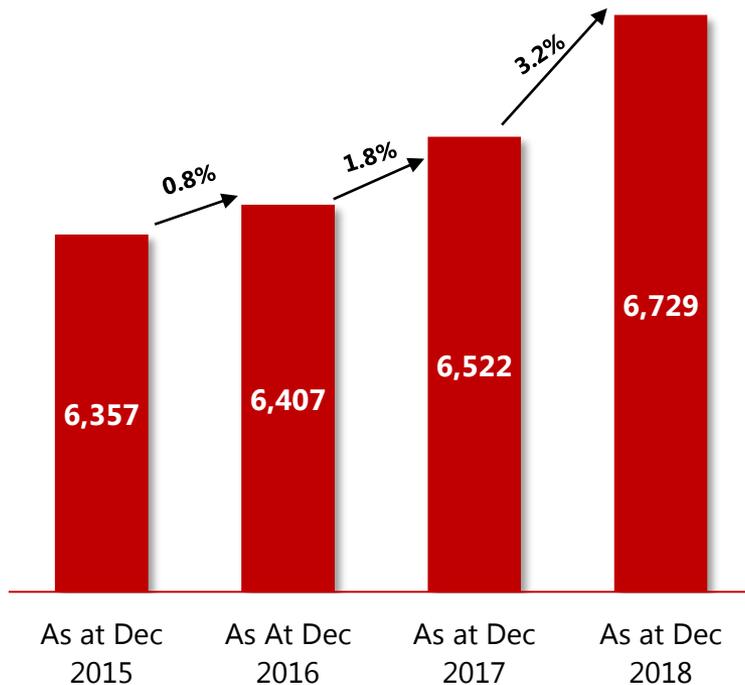
(4) Adjusted DPU gross of withholding tax expenses for 3Q17 and 1Q18 would be 1.530 and 1.570 Singapore cents respectively



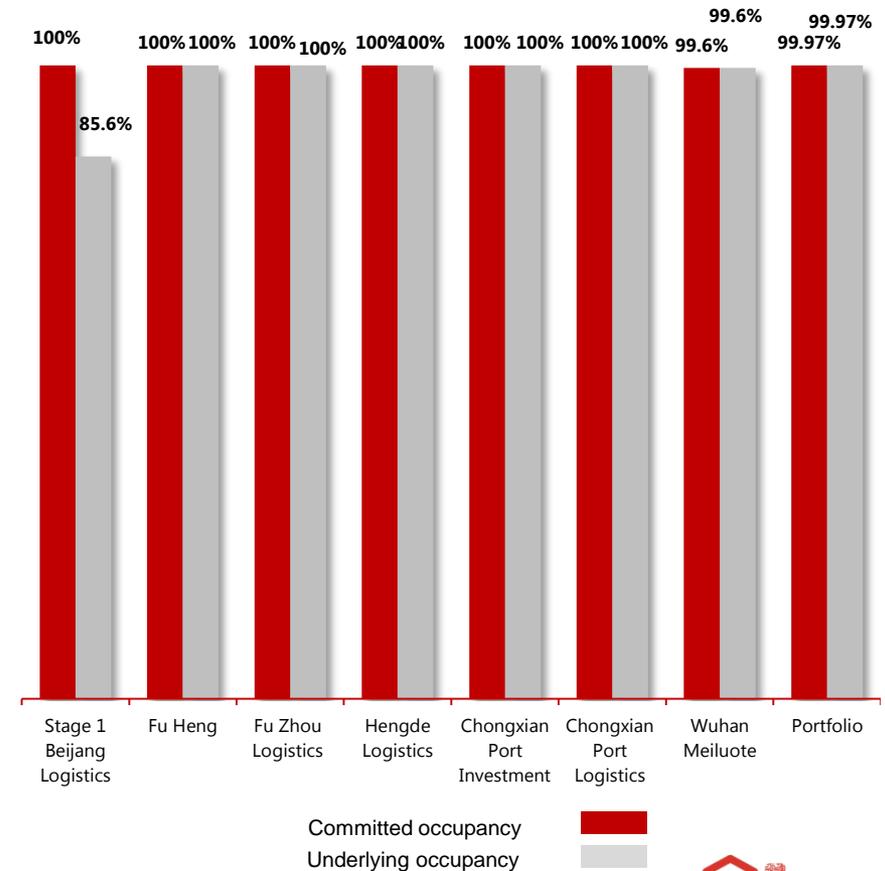
Resilient and Balanced Portfolio with Growth Potential

Valuation has Increased for 3 Consecutive Years with Strong Occupancy

Asset under Management (RMB m)



Occupancy Rate (as at 31 Mar 2019)



FY1Q19 Summary Results

Financial Performance

Year on Year Comparison	1QFY19	1QFY18	Variance (%)	Quarter on Quarter Comparison	1QFY19	4QFY18	Variance (%)
Gross revenue (S\$'000)	23,857	23,939	(0.3)	Gross revenue (S\$'000)	23,857	23,473	1.6%
Net property income (S\$'000)	21,185	21,490	(1.4)	Net property income (S\$'000)	21,185	20,840	1.7%
Distribution to Unitholders (S\$'000)	11,923	11,562	3.1	Distribution to Unitholders (S\$'000)	11,923	12,441	(4.2)
Distribution per unit (Singapore cents)	1.501	1.469	2.2	Distribution per unit (Singapore cents)	1.501	1.570	(4.4)

Healthy Balance Sheet

S\$'000	As at 31 Mar 2019	As at 31 Dec 2018
Cash and cash equivalents⁽¹⁾	143,432	142,127
Investment Properties	1,356,023	1,335,034
Total Assets	1,539,677	1,515,824
Borrowings	480,018	474,705
Total Liabilities	837,642	827,272
Net Assets attributable to Unitholders	702,035	688,552
NAV per unit (S\$)	0.88	0.87

(1) Includes RMB151.7 million (S\$30.6 million) cash security deposits received from the master leases and cash deposits of RMB468.0 million (S\$94.3 million) placed as collateral for standby letter of credit ("SBLC") issuance.

Investors' Friendly Management Fee Structure

100% of Management Fees tied to Distributable Income | Fully aligned with Unitholders' Interest

EC World REIT

Traditional Structure

Base Fee

- ✓ Tied to Distributable Income
- ✓ 10% per annum of Distributable Income (calculated before accounting for Base Fee and Performance Fee in each Financial Year)

- Tied to Deposited Property / Asset Under Asset Under Management
- Ranges from 0.25%- 0.5% of Deposited Property / Asset Under Management

Performance Fee

- ✓ Tied to DPU Growth
- ✓ 25% of DPU growth year-on-year multiplied by weighted average number of Units in issue for each financial year

- Tied to Gross Income / Net Property Income
- Ranges from 2.85% of Gross Income / 3% to 3.6% of Net Property Income

Impact

- ✓ Manager only gets paid when Unitholders' get paid
- ✓ Any increase in fees has to be accompanied by increased distributions to Unitholders

- Manager gets paid based on size of portfolio irregardless of distribution to unitholders
- Possibility of getting higher fees even if distributions to Unitholders do not grow

Differentiated E-Commerce Logistics Assets

Stage 1 Bei Gang Logistics (北港物流一期)



Commencement of Operations	Jun 2015
Net Lettable Area (sqm)	120,449
Type of Lease	Master lease
Occupancy⁽¹⁾ (2)	100%
WALE⁽³⁾ (years)	5.6
Independent Valuation (RMB'm)⁽⁴⁾	1,297

Fu Heng (富恒仓储)



Commencement of Operations	Feb 2015
Net Lettable Area (sqm)	94,287
Type of Lease	Master lease
Occupancy⁽¹⁾	100.0%
WALE⁽³⁾ (years)	5.8
Independent Valuation (RMB'm)⁽⁴⁾	580

Mei Luo Te (梅洛特)



Commencement of Operations	May 2017
Net Lettable Area (sqm)	48,695
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	99.6%
WALE⁽³⁾ (years)	1.3
Independent Valuation (RMB'm)⁽⁴⁾	171

Key Highlights

- ✓ **Integrated, one stop** e-commerce platform comprising office and retail properties
- ✓ **One of the largest** e-commerce developments in the Yangtze River Delta region
- ✓ Awarded the “**2015 National Key Logistics Project**” (国家2015重大物流工程) accreditation by the National Development and Reform Commission
- ✓ Highly coveted property in the area due to a **lack of comparable projects**
- ✓ Property offer the **entire suite of physical facilities** supporting e-commerce logistics/fulfilment
- ✓ Well-positioned to **benefit from the local government's efforts** to attract renowned e-commerce companies to the Fuyang District
- ✓ Property is in the vicinity of major transport networks with **top tier ecommerce tenants**.
- ✓ Property offers **new and high quality facilities** to fulfil the demands of the ecommerce tenants
- ✓ Exposure to favourable macroeconomic fundamentals as Wuhan is a **critical transport and logistics hub in Central China**

(1) As 31 March 2019
 (2) End tenant occupancy as at 31 March 2019 is 85.6%
 (3) By committed NLA as at 31 March 2019.
 (4) As at 31 Dec 2018 appraised by JLL

Specialised Logistics Asset with Limited Competition in the Region

Hengde Logistics (恒德物流)



Commencement of Operations	1 st complex – Nov 2010 2 nd complex – Apr 2013
Net Lettable Area (sqm)	237,066
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	100.0%
WALE⁽²⁾ (years)	1.7
Independent Valuation (RMB'm)⁽³⁾	1,470

Key Highlights

- ✓ Built to **meet specific requirement** of high value consumer goods such as tobacco, wine and cosmetics
- ✓ Currently leased to major tenant **China Tobacco Zhejiang Industrial Co., Ltd.** for storing tobacco, accounting for a significant portion of total tobacco leaves storage area in the Zhejiang Province
- ✓ Equipped with **advanced and comprehensive facilities** including temperature and humidity control systems, dust-free configurations, and automatic sprinkler and fire alarm systems etc.
- ✓ **High standard of quality and safety control** with strict internal policies and procedures
- ✓ Enjoys **limited competition** in the region due to its specialised equipment and facilities, well-suited to cater to fast-growing imported consumer goods in Hangzhou and the Zhejiang Province

(1) End tenant occupancy as at 31 March 2019

(2) By committed NLA as at 31 March 2019

(3) As at 31 Dec 2018 appraised by JLL

Strategic River Port and Ancillary Port Logistics Assets

Chongxian Port Investment (崇贤港投资)



Chongxian Port Logistics (崇贤港物流)



Fu Zhuo Industrial (富卓实业)



Commencement of Operations	Aug 2008
Net Lettable Area (sqm)	112,726
Type of Lease	Master lease
Occupancy⁽¹⁾	100.0%
WALE⁽²⁾ (years)	5.8
Independent Valuation (RMB'm)⁽³⁾	2,235

Commencement of Operations	Jan 2010
Net Lettable Area (sqm)	125,826
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	100.0%
WALE⁽²⁾ (years)	1.4
Independent Valuation (RMB'm)⁽³⁾	862

Commencement of Operations	Oct 2014
Net Lettable Area (sqm)	7,128
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	100.0%
WALE⁽²⁾ (years)	4.1
Independent Valuation (RMB'm)⁽³⁾	114

Key Highlights

- ✓ One of the key inland ports in PRC and **largest in Hangzhou** in terms of annual throughput and number of berths
- ✓ **Strategic location** next to Beijing-Hangzhou Canal offering easy access to waterway and road network
- ✓ Bargaining power in setting rents due to the **lack of similar projects** of comparable scale and quantity in the area
- ✓ **Comprehensive logistics complex** integrating port operations, storage processing and logistics distribution for steel products with a **dominant market share** (over 50%)
- ✓ **Significant growth in throughput** and **continued growth momentum** in throughput and rental
 - Closure of local steel mills to increase demand for port operations
 - Increasing government restrictions on land supply for port use post
- ✓ **Easy access** by major expressways and Jing-Hang Grand Canal

(1) As 31 March 2019
 (2) By committed NLA as at 31 March 2019.
 (3) As at 31 Dec 2018 appraised by JLL

Connectivity in the Product Fulfillment Cycle

EC World REIT's asset portfolio caters to a critical portion of the product fulfillment cycle and supply chain

- Key inland port with **comprehensive logistics complex**
- Strategically located** next to Beijing-Hangzhou Canal offering easy access to waterway and road network

EC World REIT's port logistics assets has the capability to handle products from shipping to the warehouse, storage, handling and processing before handing it to the delivery agent



Transportation



Warehousing

Specialised logistics assets are high-specification warehouse built to meet specific requirements of the tenant to store high value consumer goods

EC World REIT's e-commerce logistics asset serves as a full capability e-commerce distribution centre with multiple functions including warehousing, third party logistics, parcel producing and sorting, e-commerce business showrooms and exhibition

Handling and Processing

- Unloading
- Storage
- Picking
- Packaging & Labelling
- Sorting



Merchants

Delivery to End Consumers

Typical Product Fulfillment Cycle

Port Logistics			Specialised Logistics	E-commerce Logistics		
Chongxian Port Investment	Chongxian Port Logistics	Fu Zhou Industrial	Hengde Logistics	Fu Heng	Stage 1 Bei Gang	Wuhan Meiluote

Strategic Importance of Physical Support Infrastructure to the E-Commerce Ecosystem

E-Commerce logistics assets play a crucial role in connecting the industry ecosystem

Traditional retailing & logistics

Physical retail / shopping spaces

- Constrained by location and capacity
- Capital intensive to build and maintain



Storage and transportation

- Traditional warehouses and transportation network



Customers

- Physically shop at individual brands / stores in the shopping malls



E-commerce ecosphere

天网 (1) (Sky Net)

- Online platforms** where buyers and sellers connect and transact
- "Big data"** – aggregation and analysis of consumer data
- Dominated by Alibaba and JD.Com

地网 (1) (Earth Net)

- Physical infrastructure** (specialized warehouses etc.)
- On-the-ground delivery network**
- Key connecting point** between online and offline activities
- EC World is a **leading operator**
 - ✓ Excellent location in high e-commerce activity areas
 - ✓ Comprehensive service capability

人网 (1) (People Net)

- Online shoppers**
- Individual e-shops** on the online platforms that sells to customers directly
- Neighborhood **collection points, service stations and shops**

Sellers / Suppliers



Flow of goods



Flow of information



Buyers

(1) “天网, 地网, 人网” was coined by Alibaba and Cainiao Network to describe Alibaba’s business ecosystem



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EC World
运通网城 REIT

Thank You

