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the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

1Q2018 Results Presentation

10 May 2018



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Agenda

Section A	1Q2018 Key Highlights
Section B	Financial Review
Section C	Portfolio Update
Section D	Acquisition Update



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Section A: 1Q2018 Key Highlights



1Q2018 Key Highlights

1

EC World REIT continues to deliver robust financial performance in 1Q2018

Gross Revenue

S\$23.9 million

Net Prop Income

S\$21.5 million

DPU (cents)

1.469

DPU Yield ⁽¹⁾

8.1%

2

Stable portfolio with consistent returns and high income visibility

- ✓ Committed occupancy remains at **100%**, with the underlying end-tenant occupancy of **97.5%**
- ✓ Resilient leases with weighted average lease expiry ("WALE") of **2.8 years** ⁽²⁾ and built-in escalations

3

Executing on growth strategy on the back of a positive outlook

- ✓ Completed **maiden acquisition** of an **e-commerce logistics asset** in Wuhan, China
- ✓ China and Hangzhou's GDP expanded by **6.8%** ⁽³⁾ and **7.4%** ⁽⁴⁾ respectively while the e-commerce sector in Hangzhou grew by **20.6%** ⁽⁴⁾ in 1Q2018
- ✓ Relatively low gearing of **28.9%** provides **ample debt headroom** for acquisitions

(1) Annualized based on the closing price of S\$0.74 on 31 March 2018

(2) By gross rental and as at 31 March 2018

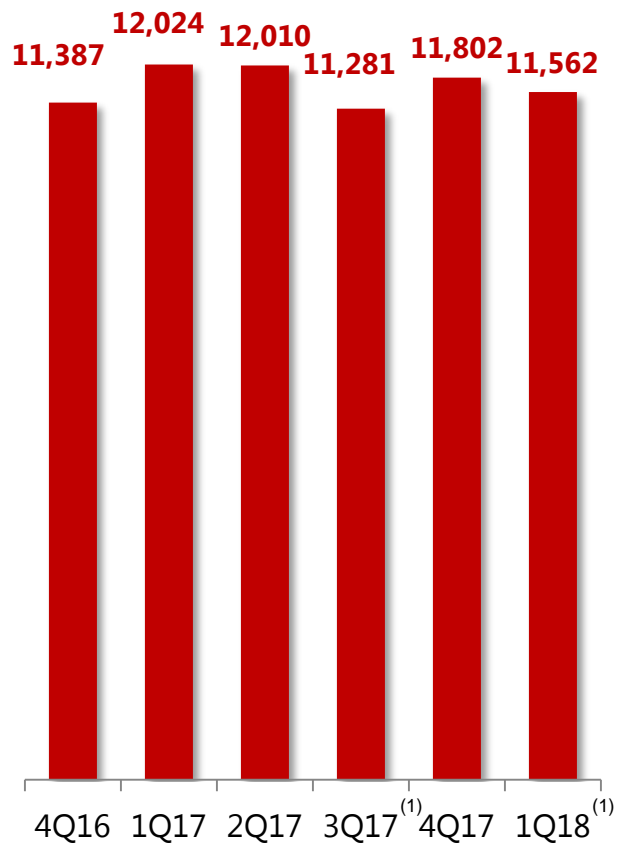
(3) National Bureau of Statistics

(4) Hangzhou Bureau of Statistics

Consistent Returns to Unitholders

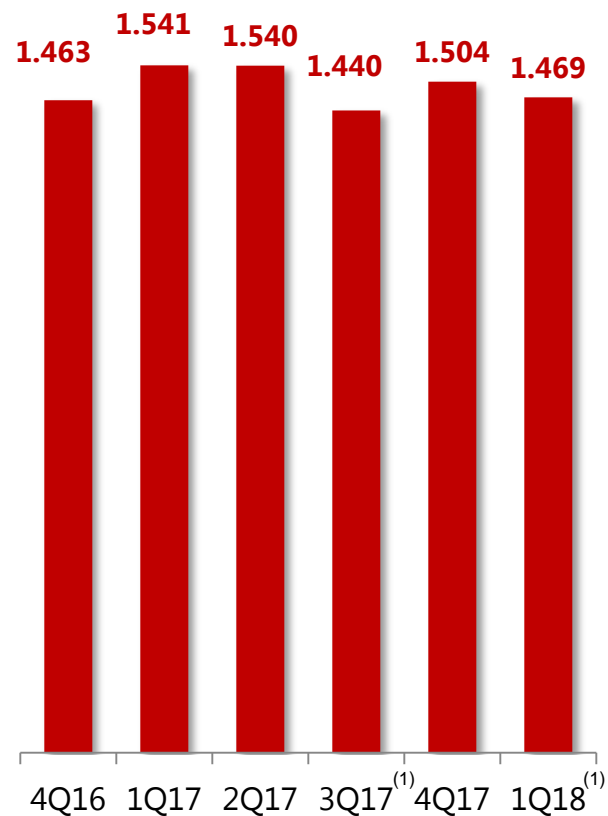
Distributable Income

SGD'000



DPU

Singapore cents

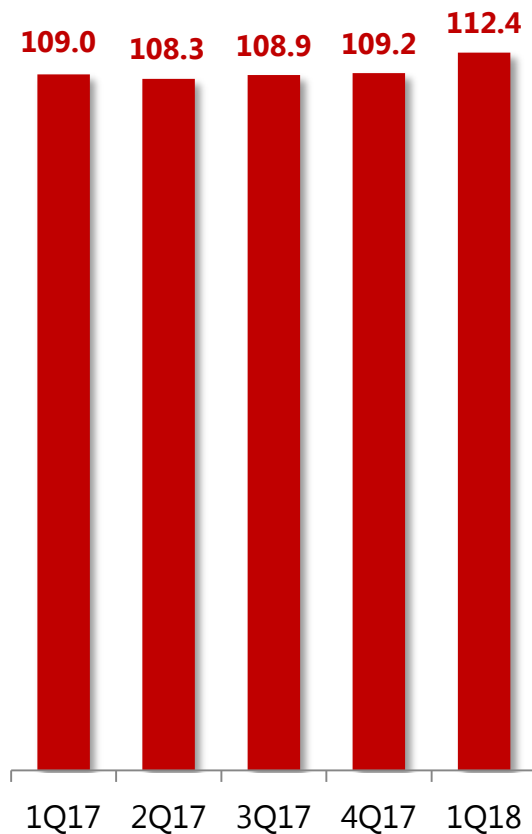


(1) There is a 5% withholding tax expenses incurred during the cash repatriation process

Stable Asset Portfolio Performance

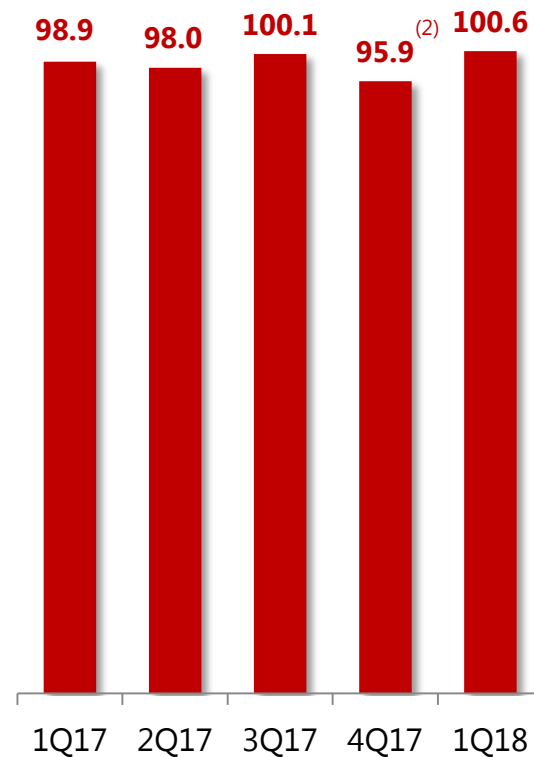
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million



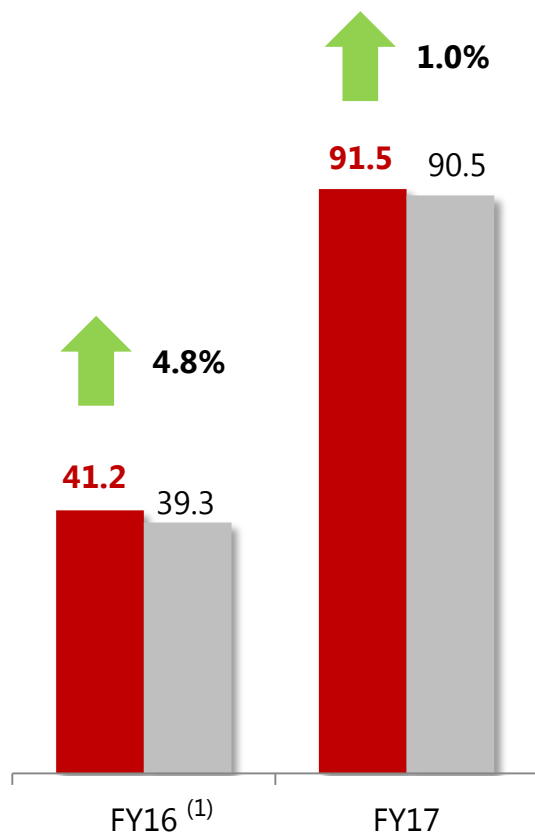
(1) Excluding straight-line and security deposit accretion accounting adjustments

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

Strong Results Outperforming IPO Forecasts for the Last Two Years

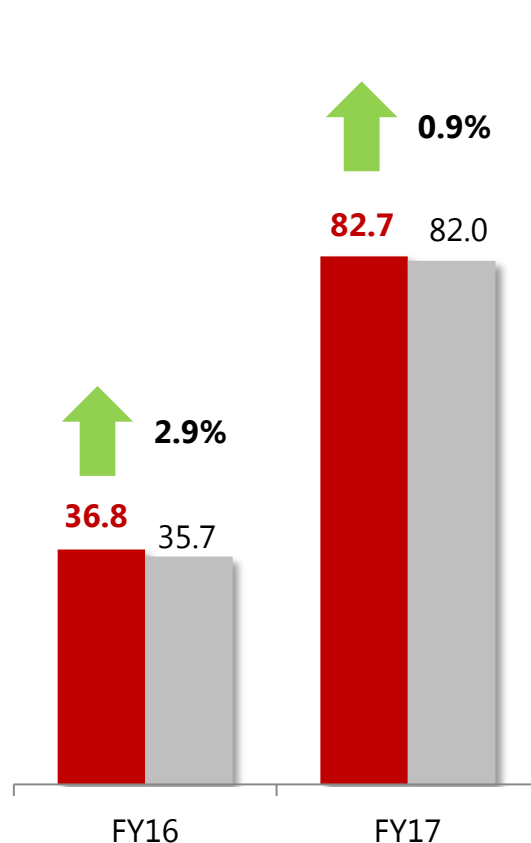
Gross Revenue

SGD million



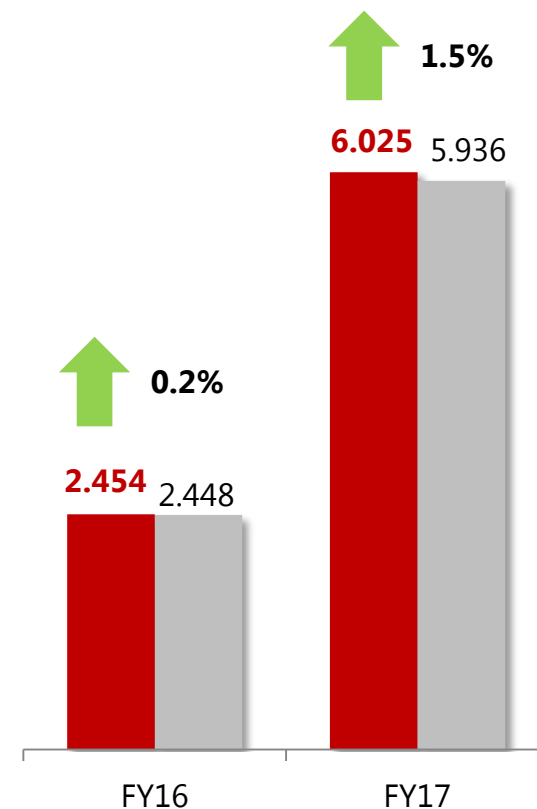
Net Property Income

SGD million



Distribution Per Unit

Singapore cents



Actual █ Forecast █

(1) EC World REIT was listed on 28 Jul 2016. FY16 results are for the period from 28 Jul 2016 to 31 Dec 2016



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Section B: Financial Review



1Q2018 Summary Results

Financial Performance

Year on Year Comparison	1Q2018	1Q2017	Variance (%)	Quarter on Quarter Comparison	1Q2018	4Q2017	Variance (%)
Gross revenue (S\$'000)	23,939	23,663	1.2%	Gross revenue (S\$'000)	23,939	20,678	15.8%
Net property income (S\$'000)	21,490	21,601	(0.5%)	Net property income (S\$'000)	21,490	17,945	19.8%
Distributable income (S\$'000)	11,562	12,024	(3.8%)	Distributable income (S\$'000)	11,562	11,802	(2.0%)
Distribution per unit (Singapore cents)	1.469	1.541	(4.7%)	Distribution per unit (Singapore cents)	1.469	1.504	(2.3%)

- The Manager decided to repatriate cash from PRC asset companies in March 2018, incurring a 5% withholding tax ("WHT") for 1Q 2018
- The Manager does not plan to repatriate any further cash from PRC asset companies for the rest of FY2018
- The adjusted distributable income and DPU for 1Q 2018 without WHT would have been **S\$12.4m and 1.570 Singapore cents, 2.7% and 1.9% higher than 1Q 2017 respectively**

1Q2018 Distribution Timetable

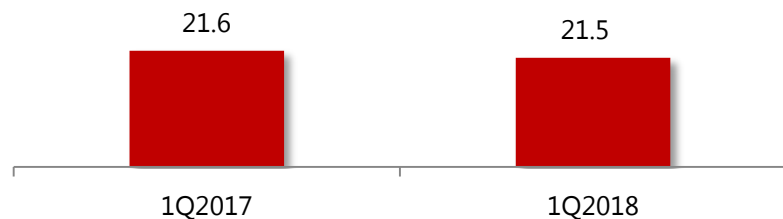
Distribution Timetable

Last Day of Trading on “cum” Basis	:	15 May 2018
Ex-date	:	16 May 2018
Books Closure Date	:	18 May 2018
Distribution Payment Date	:	29 Jun 2018

Review of Performance between 1Q2018 and 1Q2017

Net Property Income

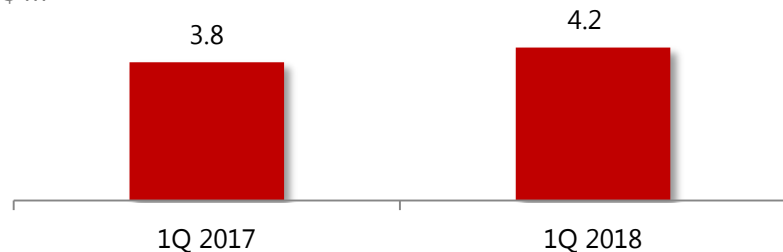
S\$ m



- Gross revenue is 1.2% higher in 1Q2018 than 1Q2017 primarily due to strengthening RMB
- This is offset by higher property maintenance and repair expenses resulting in a slightly lower NPI (-0.5%) in 1Q2018 vis-à-vis 1Q2017

Income Tax Expense

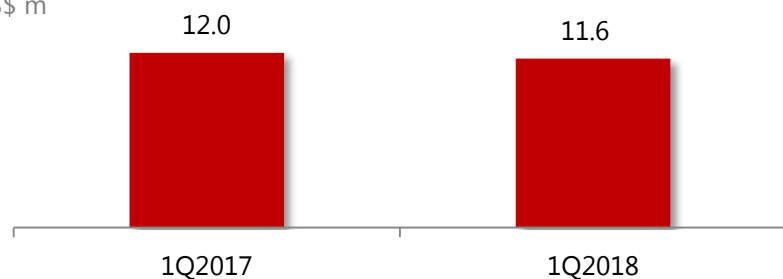
S\$ m



- Income tax expense was 11.5% higher than 1Q2017 primarily due to withholding tax incurred on the cash repatriated from the PRC asset companies in Mar 2018. The Manager does not plan to conduct any further cash repatriation exercise for the rest of FY2018

Distributable Income

S\$ m



- Distributable income is 3.8% lower than 1Q2017 mainly due to the abovementioned factors and higher finance cost as a result of renewal of SBLC in 1Q2018

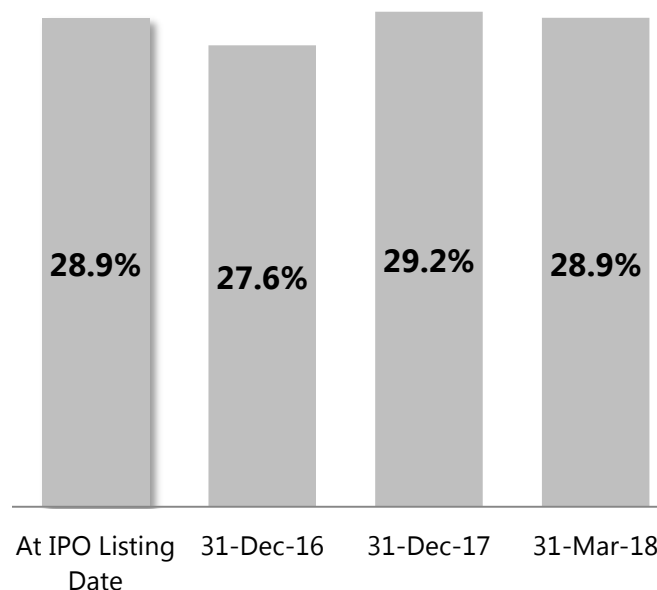
Prudent Capital Management

- ✓ Annualized running interest rate: 4.5% ⁽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 2Q18 distributions . Continues to maintain a rolling 6 month FX hedging strategy

Key Debt Figures

Total Debt Drawdown as at 31 Mar 2018	<ul style="list-style-type: none"> • RMB 988.3 million onshore • S\$ 200.0 million offshore • S\$ 38.0 million RCF ⁽³⁾
Tenure	Matures in Jul 2019
Annualized Running Interest Rate	<ul style="list-style-type: none"> • Onshore – 5.3% p.a. • Offshore – 4.1% p.a. • RCF – 1.8% p.a.
Forex (SGD/RMB)	
4Q 2017	4.95 (Hedged)
1Q 2018	4.843 (Hedged)
2Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 4.8134 • Sell CNH put at 4.8634

Aggregate Leverage Ratio



(1) Including amortized upfront fee, the all-in interest rate is 5.4%
 (2) Excluding RCF
 (3) \$38.0 million drawn down from the S\$50.0 million revolving credit facility

Healthy Balance Sheet

S\$'000	As at 31 Mar 2018	As at 31 Dec 2017
Cash and cash equivalents⁽¹⁾	138,018	138,644
Investment Properties⁽²⁾	1,359,661	1,337,010
Total Assets	1,537,916	1,511,239
Borrowings	438,699	435,501
Total Liabilities	806,709	793,621
Net Assets attributable to Unitholders	731,207	717,618
NAV per unit (S\$)	0.93	0.91

(1) Includes RMB301.7 million (S\$62.9 million) security deposits received from the Master Lease tenants.

(2) Investment Properties are based on independent valuations performed by Savills as at 31 December 2017. Investment properties are pledged as security for the Group's borrowings.



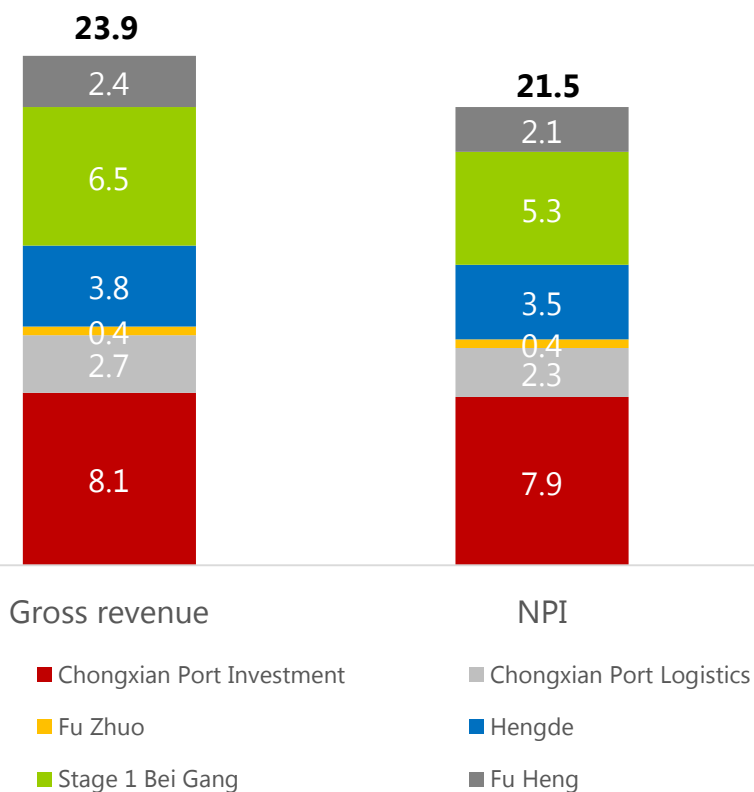
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Section C: Portfolio Update

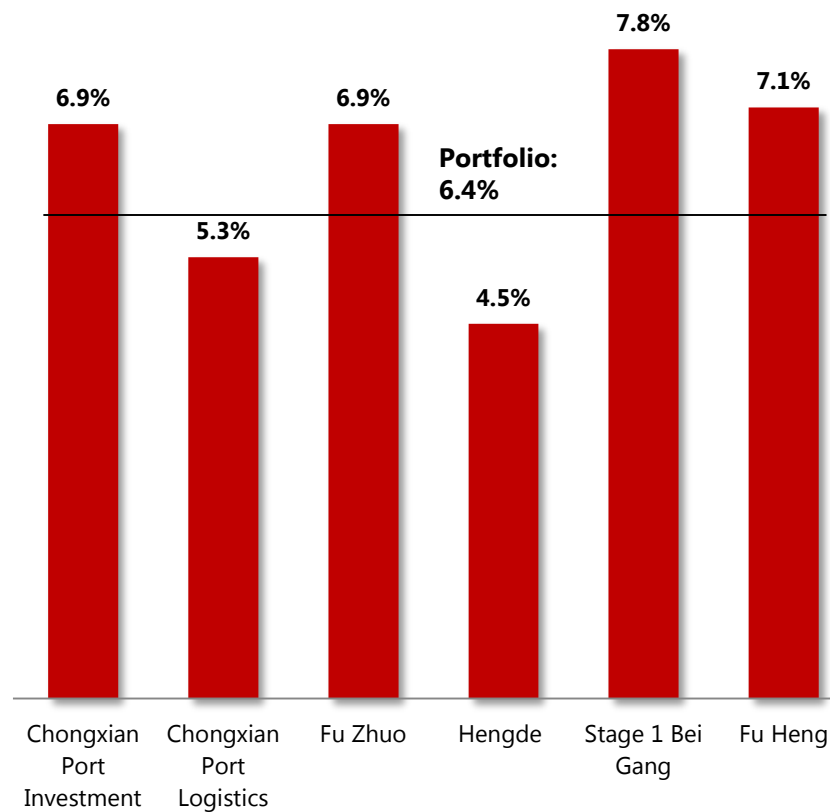


Summary Assets Performance – 1Q2018

Breakdown by Gross Revenue and NPI (SGD m)



Annualized NPI Yield (1)

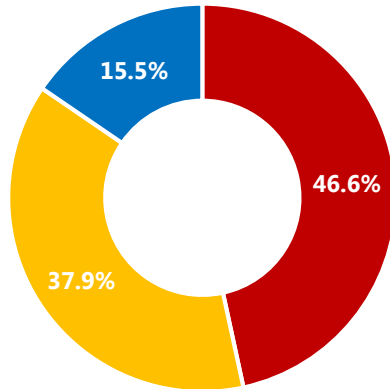


(1) In RMB terms. Based on valuation as at 31 December 2017

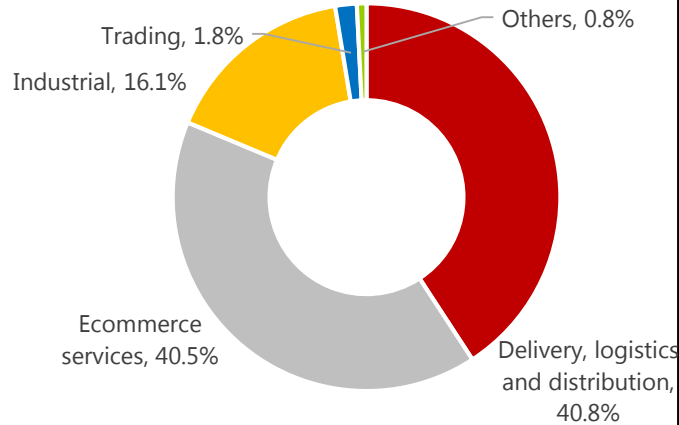
High Quality and Differentiated Asset Portfolio

Breakdown of Portfolio Gross Rental Income⁽¹⁾

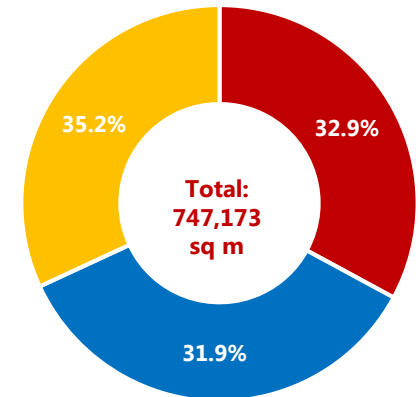
☑ Diversification by asset type ⁽²⁾



☑ Diversification by trade sector ⁽²⁾



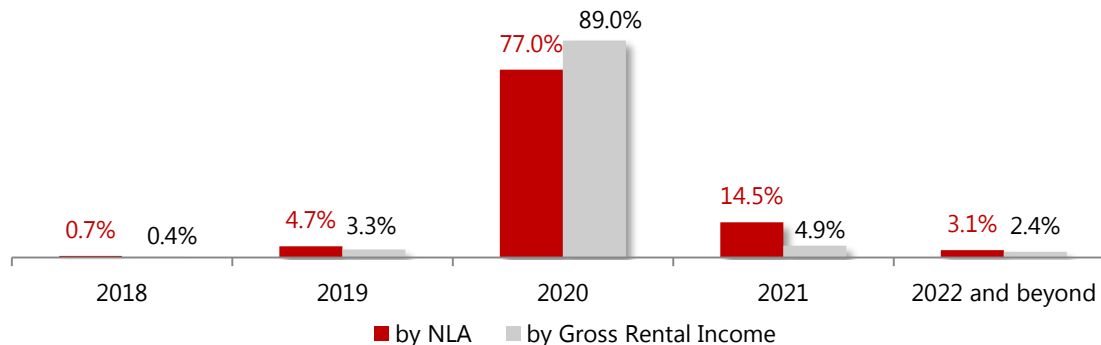
Breakdown by NLA ⁽¹⁾



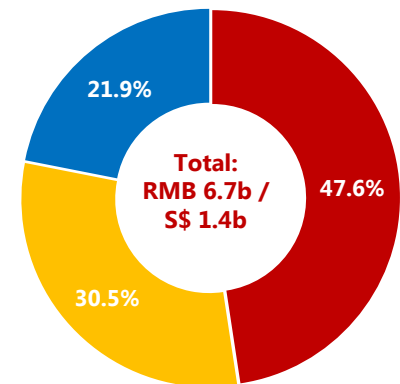
Lease Expiry Profile of Portfolio ⁽¹⁾⁽³⁾

WALE by NLA: 2.7 years

WALE by Gross Rental Income: 2.8 years



Breakdown by valuation ⁽¹⁾



(1) Assumed Wuhan Meiluote was already acquired

(2) As at 31 Mar 2018

(3) By Gross Rental Income and committed NLA as at 31 Mar 2018



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Section D: Acquisition Update



Transaction Overview

- ECW's **maiden** acquisition since listing
- Acquisition of a quality **e-commerce logistics asset** from third party reinforcing ECW's differentiated proposition
- Highly **reputable tenant base** with leading e-commerce players
- Transaction is expected to be **DPU accretive** while maintaining **current low leverage at 29.2%**

Asset Overview

Address	Hubei Province, Wuhan City, Cai Dian District, Yinyan Village, Nanwan Village, Daji Street, PR China
Completion year	May 2017
Remaining land tenure	c. 48 years (2065)
Purchase Consideration	RMB 145 million / S\$30.3 million ⁽¹⁾ , (15.2% discount to valuation)
Independent Valuation	RMB 171 million ⁽²⁾
Acquisition expenses	<ul style="list-style-type: none"> ▪ REIT Manager Acquisition Fee: S\$0.3m ▪ Estimated professional and other transaction fees: S\$0.4m
Proposed funding structure	Wholly funded by internal cash
Land area	68,219 sq m
GFA / NLA	49,861 sq m / 48, 695 sq m
Description	<ul style="list-style-type: none"> ▪ Three warehouse buildings ▪ One 5-storey auxiliary building ▪ One 6-storey dormitory
WALE by Gross Rental / NLA	2.3 years / 2.4 years
Occupancy	82.2%
NPI Yield ⁽³⁾	4.9%



(1) Based on S\$1.00 to RMB 4.79 as at 27 February 2018

(2) As at 31 December 2017 by Colliers International

(3) Based on pro forma NPI assuming acquisition is done on 1 January 2017 and purchase consideration of RMB145m

Transaction Rationale and Highlights

1

High quality e-logistics asset with top tier ecommerce tenants

2

Enhance ECW's unique proposition as a specialised logistics REIT

3

Exposure to favourable macroeconomic fundamentals of Wuhan

4

DPU accretive transaction

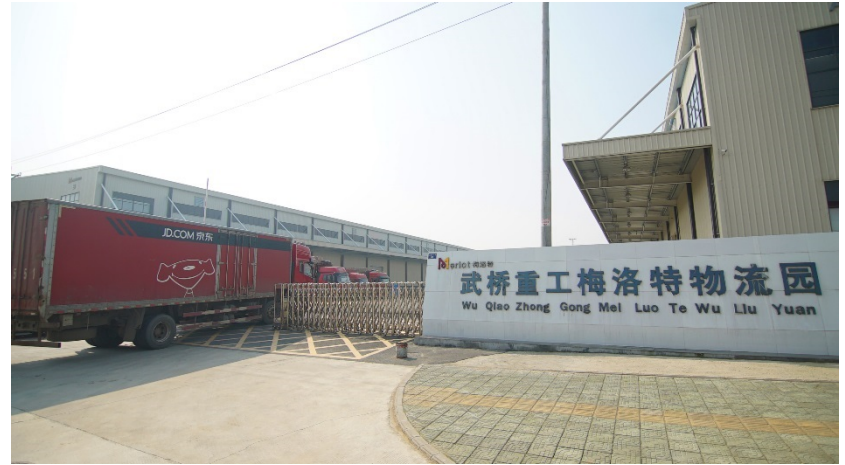
1 High quality, strategically located e-logistics asset...

Strategic location near major transportation networks

- Approx. 6km away from the Beijing-Guangzhou Expressway and Shanghai-Chongqing Expressway respectively
- Approx. 36km away from Wuhan Tianhe International Airport
- Approx. 30km away from downtown Wuhan



1 ...Built to high specifications...



1 ... and anchored by top tier e-commerce tenants

Partnering top ecommerce players reinforces ECW's position as a specialized logistics assets REIT

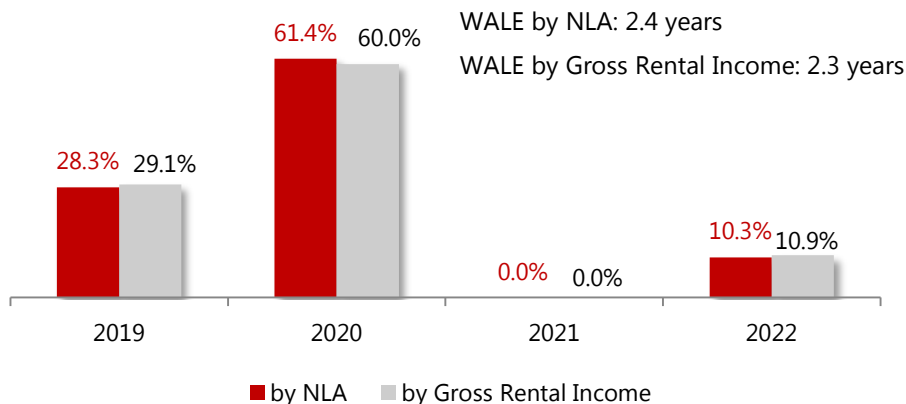


- JD.Com is one of the largest e-commerce company in China, recording net revenue and gross merchandize value of RMB260.1 billion and RMB658.2 billion in 2016 ⁽¹⁾
- Listed on Nasdaq Market cap. of USD 70 billion ⁽²⁾

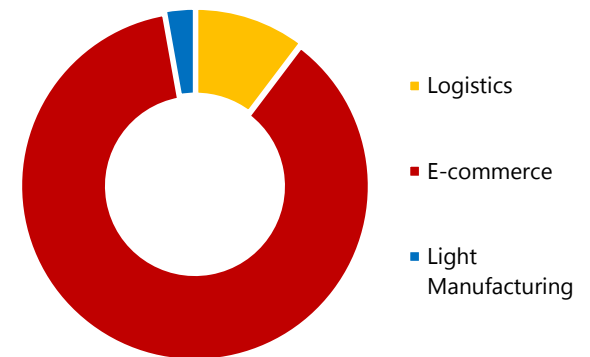


- DangDang is a leading integrated online shopping platform in China
- China's largest maternal and baby products online platform and has a strong market position in books, cosmetics and apparel products ⁽³⁾

Lease Expiry (by Gross Rental and NLA)



Tenants by Industry

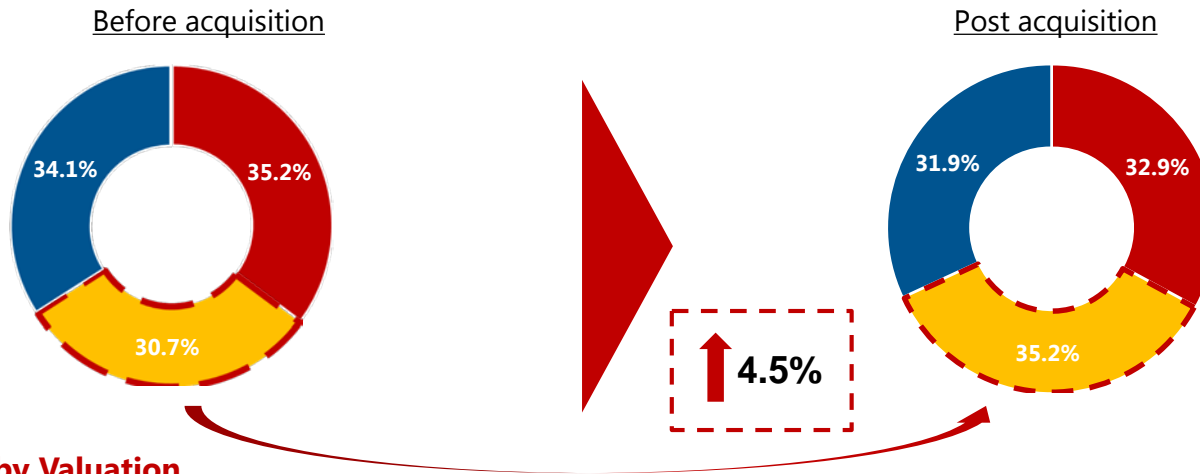


1) JD 2016 Annual Report,
2) Bloomberg as at 27 Feb 2018
3) Source: <http://static.dangdang.com/topic/2227/176801.shtml>

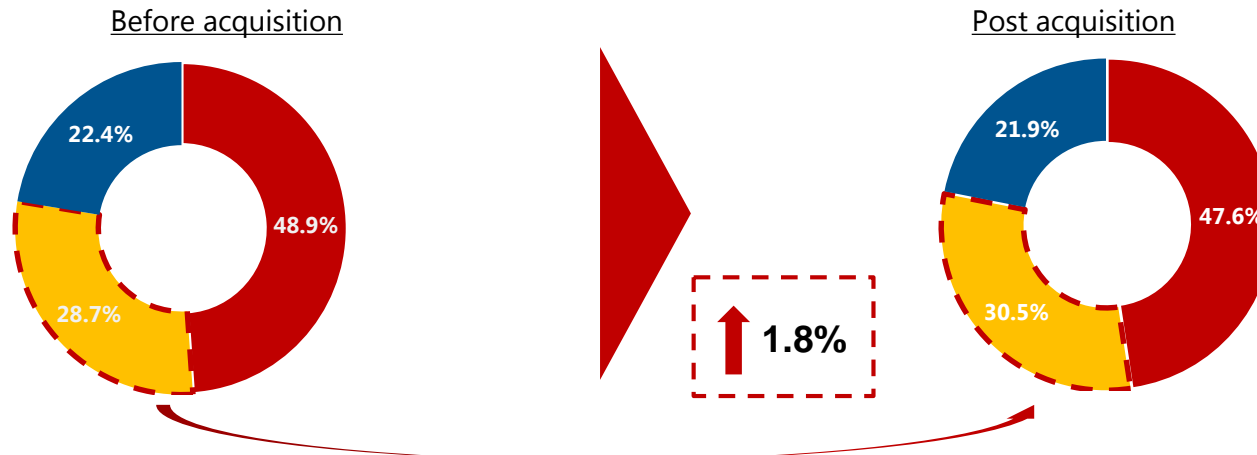
2 Enhance ECW's unique proposition as a specialised logistics REIT

E-commerce and specialized logistics assets will account for 67.2% ⁽¹⁾ of portfolio post acquisition

Breakdown by NLA



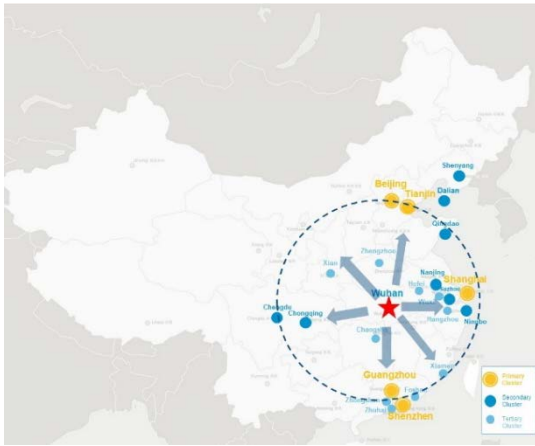
Breakdown by Valuation



(1) By NLA

3 Exposure to favourable macroeconomic fundamentals of Wuhan

Overview of Wuhan



Source: Colliers International

Population ⁽¹⁾
10.6 million

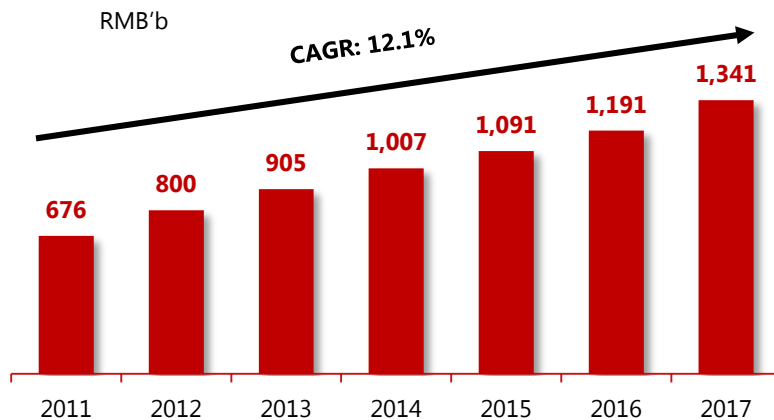
GDP ⁽¹⁾
RMB 1.3 trillion

Capital of Hubei Province

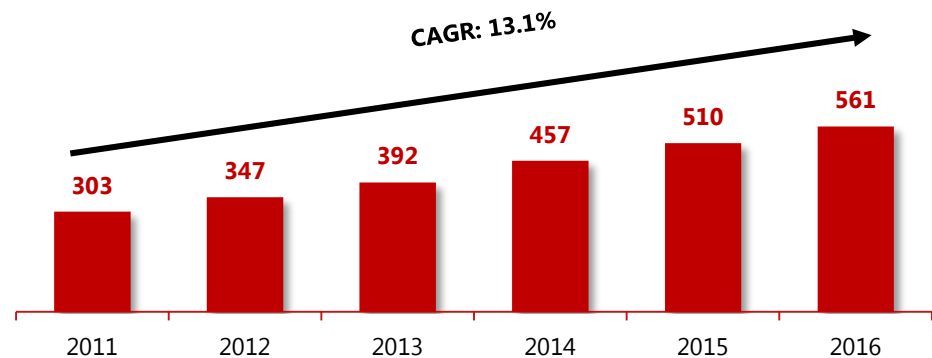
Logistics Hub for Central China

- ✓ **Central location:** One of the core cities in the central China, positioned as a critical transport and logistics hub.
- ✓ **Strong economic growth:** Wuhan's economy expanded by 8.0% ⁽¹⁾ in 2017, outstripping the national average of 6.9%
- ✓ **Logistics industry as the main economic pillar of Wuhan:** In 2015, the logistics industry became a "100-billion grade" (千亿级) service industry driving the city's economic growth.

Wuhan GDP ⁽¹⁾



Retail Sales of Consumer Goods in Wuhan ⁽¹⁾



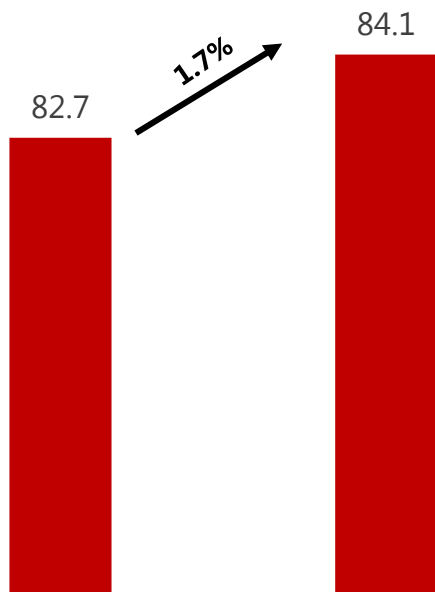
(1) Statistics Bureau of Wuhan

4 DPU and yield accretive transaction

Acquisition of asset is estimated to be 0.8% DPU accretive on a pro forma basis ⁽¹⁾

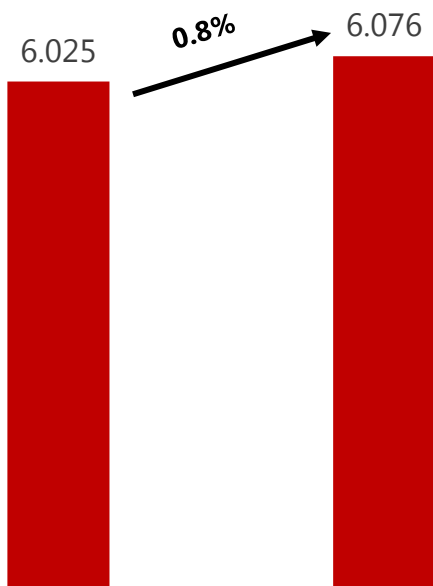
Net Property Income ⁽¹⁾

SGD million



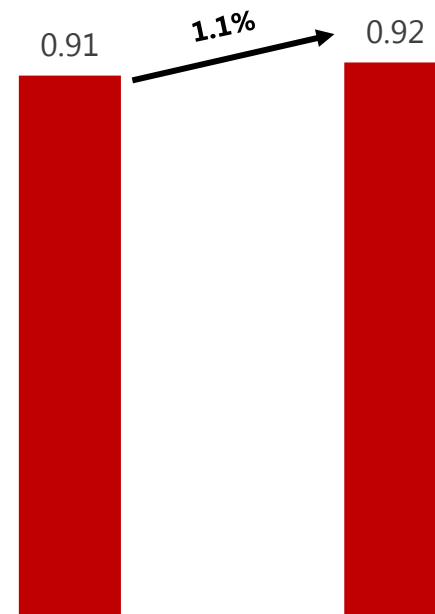
DPU ⁽¹⁾

Singapore cents



NAV per unit ⁽¹⁾

Singapore cents



Before acquisition

Post acquisition

Before acquisition

Post acquisition

Before acquisition

Post acquisition

(1) Assuming the acquisition is done on 1 Jan 2017 and based on actual unaudited FY2017 financials



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Thank You

