



EC World
运通网城 REIT

Investor Presentation

22 September 2016



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Summary

Sponsor	Forchn Holdings Group Co., Ltd.
Sponsor's Stake	41.5% (held through Forchn Investments (Singapore) Pte. Ltd., a wholly-owned subsidiary of Forchn Holdings Group Co., Ltd.)
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, as well as ancillary real estate assets in relation to the foregoing ▪ Initial geographic focus on the People's Republic of China ("PRC")
Asset Portfolio	<ul style="list-style-type: none"> ▪ 6 properties located in Hangzhou, PRC ▪ Independent valuation: RMB 6.4b / S\$ 1.3b⁽¹⁾⁽²⁾ ▪ Purchase consideration: 19.6% discount to valuation
Aggregate Leverage as at Listing Date	28.9%
Cornerstone Investors at IPO	<ol style="list-style-type: none"> 1. BOCOM International Global Investment Limited (8.0% of total units) 2. Fosun International Holdings Ltd (10.6% of total units) 3. Sunkit Resources Limited, a subsidiary of China Cinda Asset Management (12.2% of total units)
Listing Exchange	SGX-ST Mainboard

(1) Based on the average of valuations as at 31 December 2015 appraised by Colliers and Savills

(2) Based on an indicative exchange rate of S\$1.00 : RMB4.88

Agenda

Section A

Overview of EC World REIT

Section B

Key Highlights

Section C

Financial Highlights



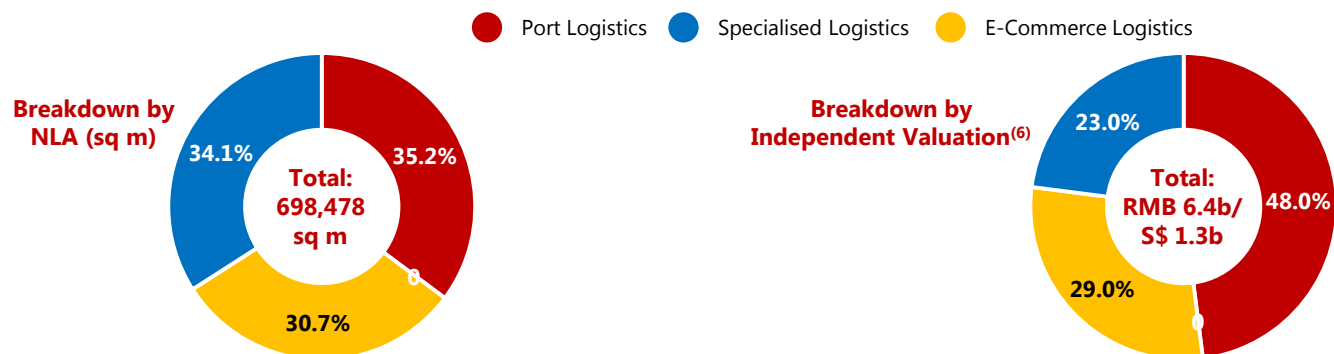
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Section A: Overview of EC World REIT



Asset Portfolio Overview

Property	Type	NLA (sq m)	Type of Lease / No. of Tenants ⁽¹⁾	End-Tenant Occupancy Rate ⁽¹⁾	Remaining Land Lease Tenure (years) ⁽¹⁾	Independent Valuation (RMB m) ⁽²⁾
Chongxian Port Investment	Port Logistics	112,726	Master leased ⁽³⁾	100.0%	40	2,092.0
Chongxian Port Logistics	Port Logistics	125,856	Multi-tenanted / 58 tenants	100.0%	First complex – 40 Second complex – 45	852.5
Fu Zhuo Industrial	Port Logistics	7,128	Multi-tenanted / 2 tenants	100.0%	40	106.5
Hengde Logistics	Specialised Logistics	238,032	Multi-tenanted / 2 tenants	100.0%	First complex – 38 Second complex – 44	1,460.0
Stage 1 Properties of Bei Gang Logistics	E-commerce Logistics	120,449	Master leased ⁽⁴⁾	55.3% ⁽⁵⁾	37	1,293.0
Fu Heng Warehouse	E-commerce Logistics	94,287	Master leased ⁽³⁾	100.0%	44	552.5
Total		698,478		92.3%		6,356.5



Approximately 70% of valuation and NLA underpinned by stable assets - port and specialised logistics, with the remaining assets expected to offer growth potential

(1) Based on underlying end-tenants as at 31 December 2015

(2) Based on the average of valuations as at 31 December 2015 appraised by Colliers and Savills

(3) Master leases with Sponsor commenced on 1 January 2016

(4) Master lease with Sponsor commenced on 1 November 2015

(5) Occupancy rate has increased to 67.5% as at 30 June 2016

(6) Based on an indicative exchange rate of S\$1.00 : RMB4.88



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Section B: Key Highlights



Key Highlights

1

Well-established and reputable Sponsor

2

Strong growth potential in the PRC e-commerce and Hangzhou logistics sectors

3

Strategic portfolio composition

4

Opportunities for strategic acquisition growth



Over 20 Years of History and Experience in the Development and Operation of Port Logistics Facilities and Logistics Properties in China

Construction Materials / Real Estate

FORCHN 富春
富春控股集团有限公司
FORCHN HOLDINGS GROUP CO.,LTD

1992

- Company founded by Chairman of the Board Mr Zhang Guobiao
- Commenced business in construction materials in Shanghai

2008

- Commenced commercial real estate development

Port Logistics



1993

- Commenced port development and operations business, including Chongxian Port

2010

- Commenced development, leasing and supply-chain management of port logistics facilities

E-commerce Logistics



2013

- Co-founder of Cainiao Network Technology Co. Ltd., (the operator of China Smart Logistics Network) along with the Alibaba Group, Fosun Group, and other key logistics players

- Founded RuYiCang 如意仓, a leading PRC e-commerce logistics and supply-chain management service provider - packaging, warehousing and delivery

E-commerce Properties



2013

- Leverage on its experience in real estate and e-commerce businesses to develop and operate e-commerce logistics properties

2015

- Commenced leasing and operations of (i) Stage 1 Properties of Bei Gang Logistics, an e-commerce business park, and (ii) Fu Heng Warehouse, an e-commerce logistics facility
- 2 new e-commerce properties (Fu Zhou E-commerce and Stage 2 Properties of Bei Gang Logistics) expected to commence operations in 2017

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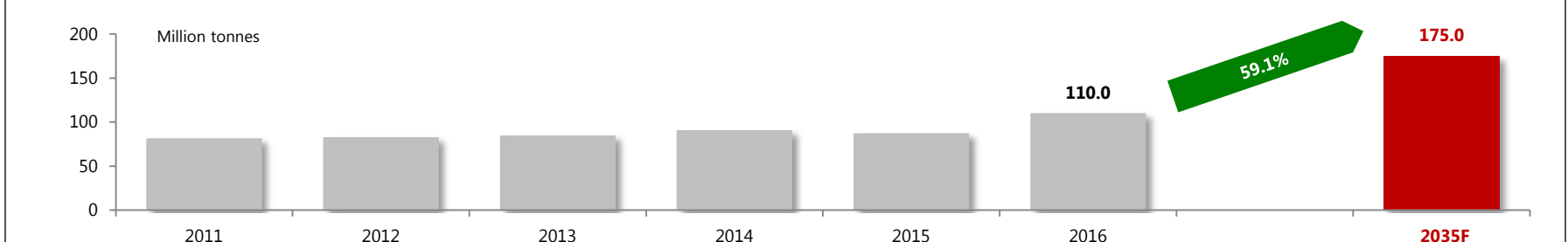
Opportunities for strategic acquisition growth

Unique Exposure to Hangzhou – Capital of Zhejiang Province



Hangzhou is expected to become the logistics hub of Zhejiang Province and the Yangtze River Delta

- 1 The Grand Canal is a key transport channel for Zhejiang’s economy, facilitating the transport of coal, oil, food, steel and building materials from Northern China
- 2 Designated as a UNESCO World Heritage Site in June 2014, with the future supply of ports along the Grand Canal to be restricted
- 3 Planned construction of a second channel within 5 years, which will connect the waterway systems in Northern China to Hangzhou, providing further growth impetus for Hangzhou

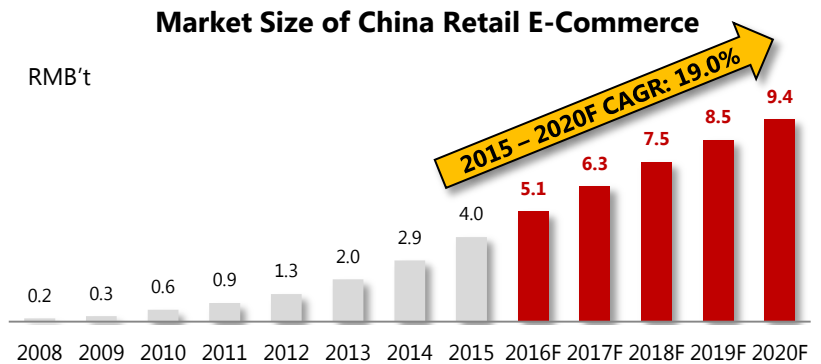


Rapid Growth in Demand for E-Commerce Infrastructure

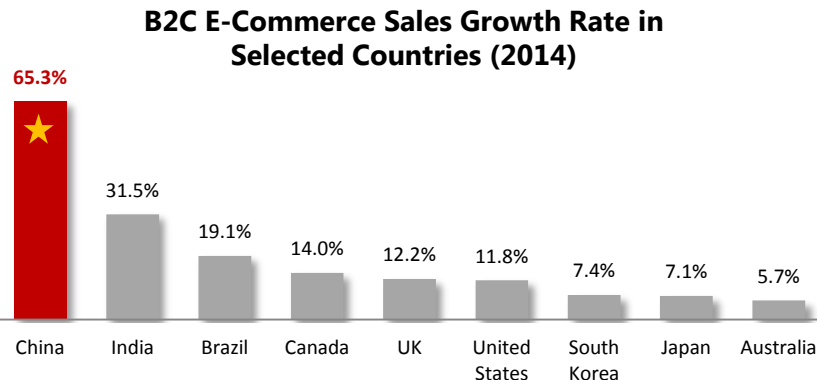
China's e-commerce market is expected to grow to 3 times the size of the U.S. market by 2017



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



China recorded the highest B2C sales growth rate, with growth expected to continue in the future

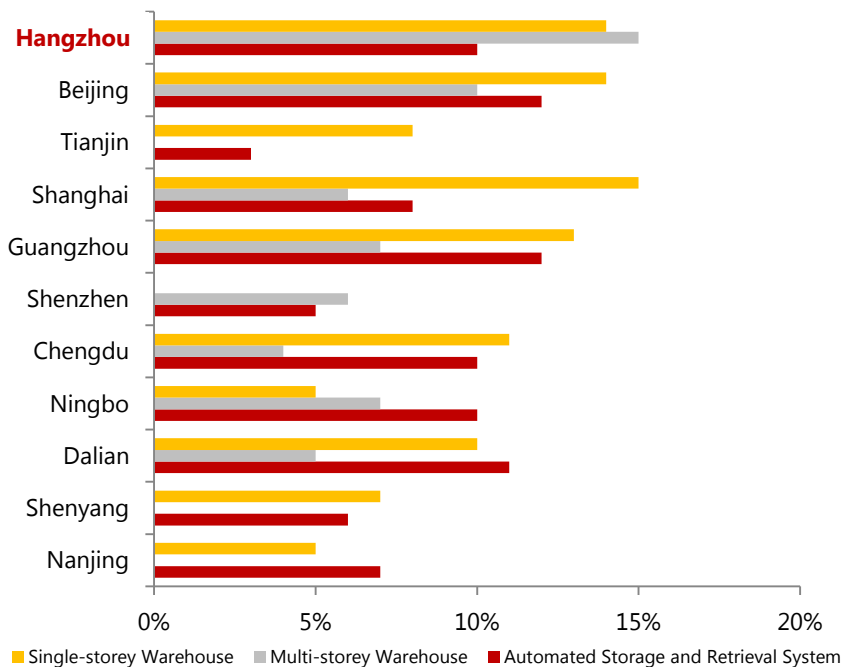


China is expected to overtake the UK as the leading nation in terms of proportion of retail sales done online



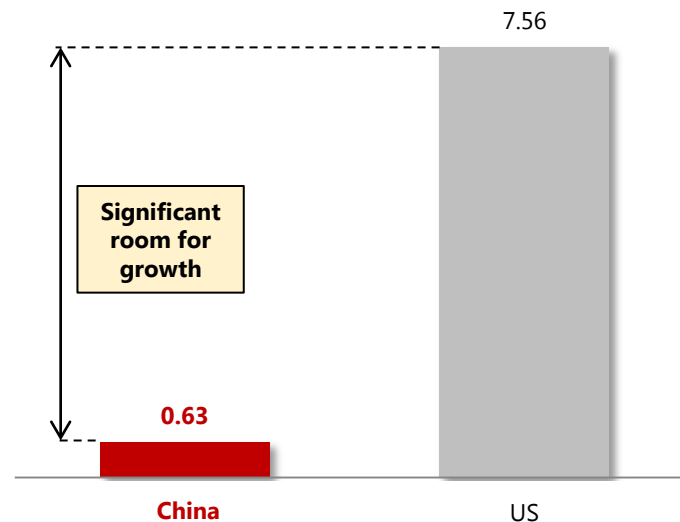
Shortage of Quality Logistics Assets to Support E-Commerce Growth

Warehouse Rental Growth of Major Chinese Cities in 2014



- Increase in national average rent for quality warehouses due to shortage in supply of quality warehousing and logistics facilities
- Hangzhou, together with its surrounding cities, are currently experiencing faster growth rates in rentals compared to the other regions in China

Per-capita Warehouse Area in China and USA (sq m) in 2014



- E-commerce requires the support of high-quality warehouse space for merchandise storage, handling and distribution
- Current per-capita warehouse area in China is only 1/12 of the U.S.

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Strategically Constructed Portfolio Offering Income Stability and Good Growth Potential

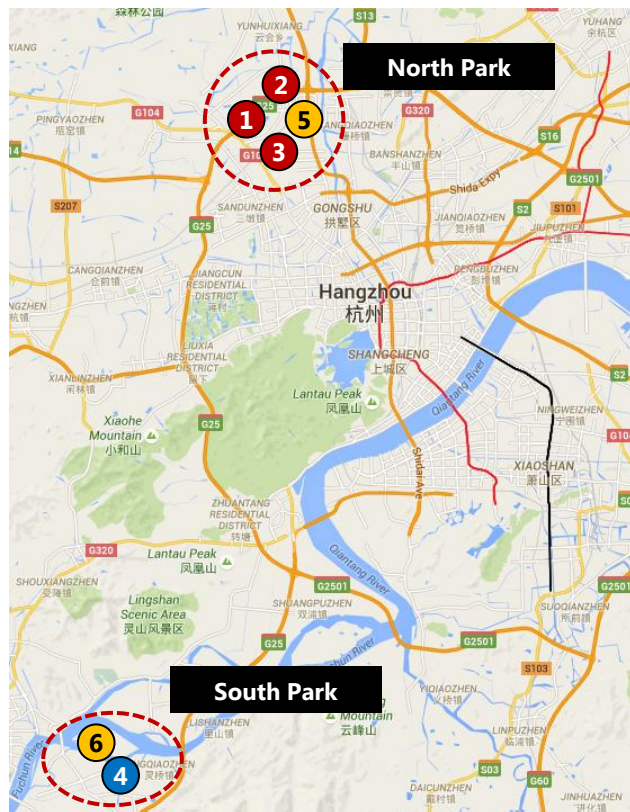
1 Chongxian Port Investment



2 Chongxian Port Logistics



3 Fu Zhuo Industrial



4 Hengde Logistics



5 Stage 1 Properties of Bei Gang Logistics



6 Fu Heng Warehouse

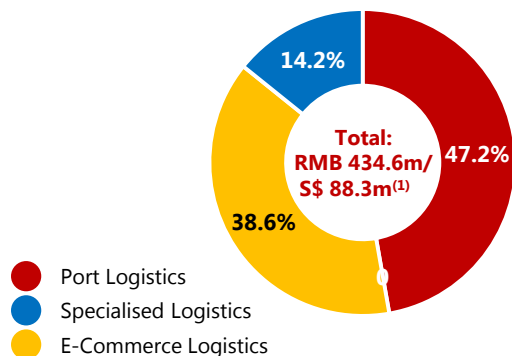


- ✓ Quality river port and ancillary port logistics assets provide income stability to the portfolio
- ✓ Limited competition for specialised logistics asset with high specification in the Zhejiang region
- ✓ Differentiated e-commerce logistics assets situated in Hangzhou, the prime e-commerce hub of China

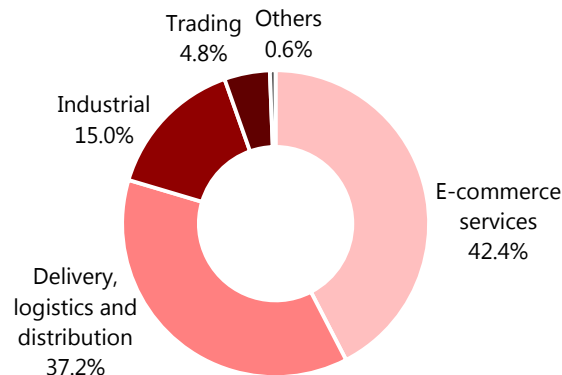
Diversified Portfolio Underpinned by Reputable Tenant Base

Breakdown of Existing Portfolio Gross Rental Income

✓ Diversification by asset type



✓ Diversification by trade sector⁽²⁾



Reputable Tenant Base

Key Tenants:

Ruyicang
(如意仓)

China Tobacco Zhenjiang Co
(浙江中烟工业有限责任公司)

Zhejiang Yuntong E commerce
(浙江运通电子商务有限公司)

Zhejiang Gaoyang
(浙江高阳)

Sub Tenants:

China Post
(中国邮政)

SP Express
(顺丰速运)

Sport Ex
(富阳博特户外用品有限公司)

Lai Ganggroup
(莱钢集团)

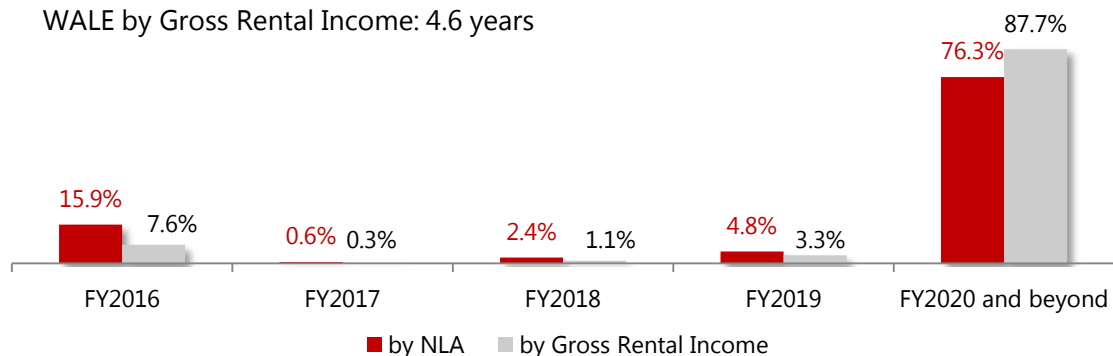
Qingdaoniao Logistics
(青鸟物流)

Dongchang Steel
(东昌钢铁)

Lease Expiry Profile of Existing Portfolio⁽³⁾

WALE by NLA: 4.1 years

WALE by Gross Rental Income: 4.6 years



(1) For Forecast Year 2017, and based on an indicative forward exchange rate of S\$1.00: RMB5.03

(2) For the month of December 2015

(3) By Gross Rental Income and committed NLA as at 31 December 2015. (Master Leases assumed to be in effect on 31 December 2015)

Quality 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)⁽¹⁾	112,726
No. of Tenants	1
Occupancy⁽²⁾	100.0%
WALE⁽³⁾ (years)	5.0
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	133.9
Independent Valuation (RMB'm)⁽⁵⁾	2,092.0

Commencement of Operations	Jan 2010
Net Lettable Area (sqm)⁽¹⁾	125,856
No. of Tenants	58
Occupancy⁽²⁾	100.0%
WALE⁽³⁾ (years)	3.0
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	41.1
Independent Valuation (RMB'm)⁽⁵⁾	852.5

Commencement of Operations	Oct 2014
Net Lettable Area (sqm)⁽¹⁾	7,128
No. of Tenants	2
Occupancy⁽²⁾	100.0%
WALE⁽³⁾ (years)	7.4
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	6.6
Independent Valuation (RMB'm)⁽⁵⁾	106.5

Key Highlights

- ✓ Ranked top inland port in Hangzhou for the transportation of steel products since 2011, with a market share of more than 50% in 2015
- ✓ Increasing use of online B2B platform in trading of steel products, resulting in an increase in throughput of steel products handled by the port
- ✓ Chongxian Port area is likely to become one of the main transportation hubs along the Beijing-Hangzhou Grand Canal for shipping of steel, coal, sand and chemical materials
- ✓ Strategically located near the Chongxian Port, and well-positioned to ride on the expected increase of the port's throughput
- ✓ Bargaining power in setting rents due to the lack of similar projects of comparable scale and quantity in the area

(1) As at 31 December 2015

(2) End tenant occupancy as at 31 December 2015

(3) By committed NLA as at 31 December 2015

(4) Without straight-lining accounting adjustments effect

(5) Average of independent valuations by Savills and Colliers as at 31 December 2015

Specialised Logistics Asset with Limited Competition in Hangzhou

Hengde Logistics (恒德物流)



Commencement of Operations	1 st complex – Nov 2010 2 nd complex – Apr 2013
Net Lettable Area (sqm)⁽¹⁾	238,032
No. of Tenants	2
Occupancy⁽²⁾	100.0%
WALE⁽³⁾ (years)	3.4
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	69.0
Independent Valuation (RMB'm)⁽⁵⁾	1,460.0



Key Highlights

- Built to meet specific requirement of high value consumer goods such as tobacco, wine and cosmetics
- Currently leased to major tenant Zhejiang Tobacco Industry Co., Ltd. for storing tobacco, accounting for a significant portion of total tobacco leaves storage area in the Zhejiang Province

- (1) As at 31 December 2015
- (2) End tenant occupancy as at 31 December 2015
- (3) By committed NLA as at 31 December 2015
- (4) Without straight-lining accounting adjustments effect
- (5) Average of independent valuations by Savills and Colliers as at 31 December 2015

Differentiated E-Commerce Logistics Assets

Stage 1 Properties of Bei Gang Logistics (北港物流一期)



Commencement of Operations	Jun 2015
Net Lettable Area (sqm)⁽¹⁾	120,449
No. of Tenants	1
Occupancy⁽²⁾	55.3% ⁽⁶⁾
WALE⁽³⁾ (years)	4.8
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	100.7
Independent Valuation (RMB'm)⁽⁵⁾	1,293.0

Key Highlights

- ✓ 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

(1) As at 31 December 2015
 (2) End tenant occupancy as at 31 December 2015
 (3) By committed NLA as at 31 December 2015

Fu Heng Warehouse (富恒仓储)



Commencement of Operations	Feb 2015
Net Lettable Area (sqm)⁽¹⁾	94,287
No. of Tenants	1
Occupancy⁽²⁾	100.0%
WALE⁽³⁾ (years)	5.0
NPI for Forecast Year 2017 (RMB'm)⁽⁴⁾	33.8
Independent Valuation (RMB'm)⁽⁵⁾	552.5

- ✓ Properties 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

(4) Without straight-lining accounting adjustments effect
 (5) Average of independent valuations by Savills and Colliers as at 31 December 2015
 (6) Occupancy rate has increased to 67.5% as at 30 June 2016

EC World REIT's E-Commerce Properties Offering the Entire Suite of Supporting E-Commerce Facilities

SME e-tailer offices



O2O experiential shops



Warehousing capabilities



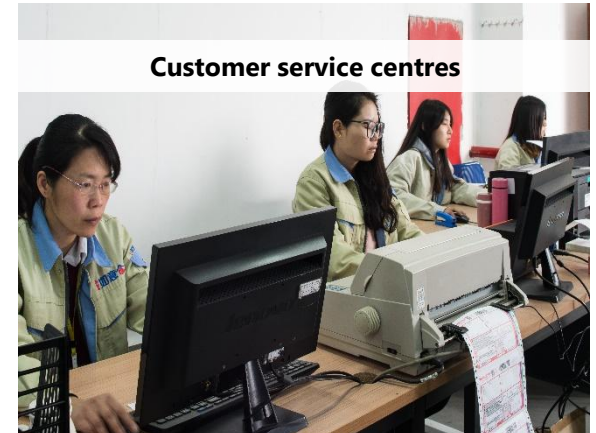
Packaging facilities



Trucking / Delivery



Customer service centres



Key Highlights

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Strategic portfolio composition

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Opportunities for strategic acquisition growth



Opportunities for Strategic Acquisition Growth



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

A

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

B

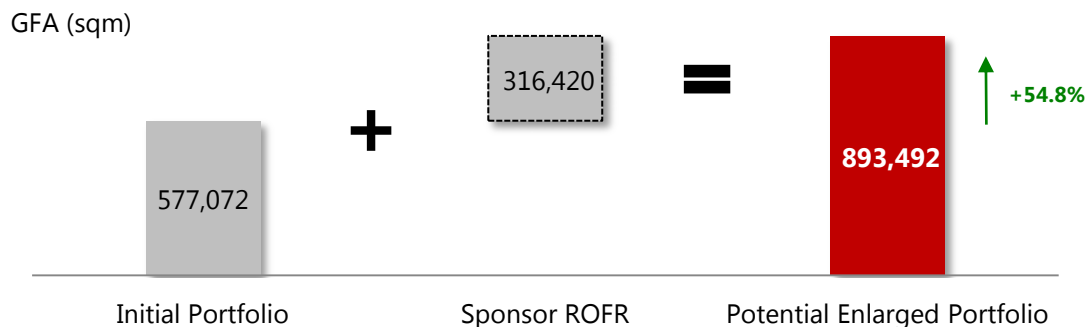
Acquisition via Third Party Assets

- 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

C

Asset Enhancement Initiatives

- Convert traditional warehouses to e-commerce logistics centres
- Proactive retrofitting and refurbishment works including upgrading of existing facilities



No.	Sponsor ROFR Properties	GFA (sq m)	Estimated Date of Commencement of Operations
1.	Fu Zhou E-commerce Properties	215,643	January 2017
2.	Stage 2 of Bei Gang Logistics, Buildings No. 9 to No. 17	100,777	December 2017
Total		316,420	

(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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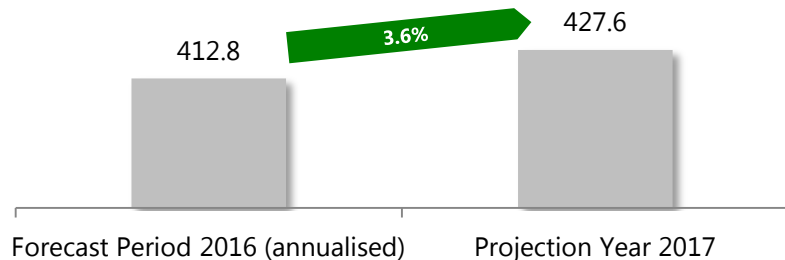
Section C: Financial Highlights



Stable Revenue with Upside from Potential Rental Reversion

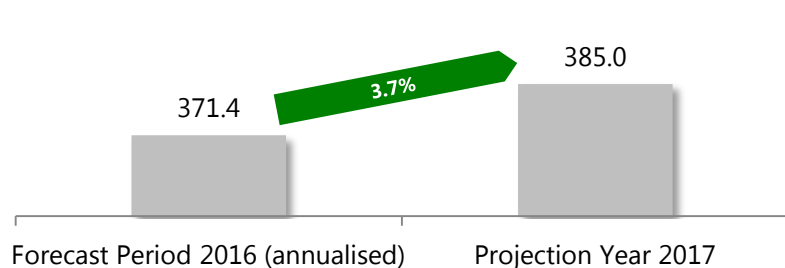
Gross Revenue ⁽¹⁾

RMB'm



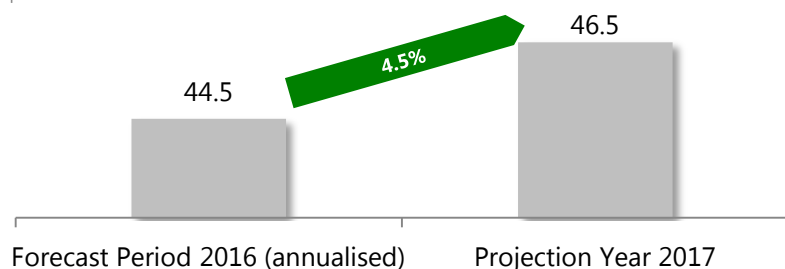
Net Property Income ⁽¹⁾

RMB'm



Distributable Income

S\$m



Key Assumptions

Property Management Fee

- 1.5% p.a. of Gross Revenue

REIT Management Fee

- **Base:** 10% of Distributable Income p.a.
- **Performance:** 25% of the difference in DPU in a financial year with the DPU in the preceding financial year multiplied by the weighted average number of Units in issue for such financial year
- 100% paid in Units for 2016F and 2017F

Distribution Payout

- 100% for 2016F and 2017F

Forecasted DPU

- 3.34 and 5.94 Singapore cents for 2016 and 2017 respectively

Indicative Yield

- 7.1%⁽²⁾ and 7.3% based on IPO price of S\$0.81
- 7.4%⁽²⁾ and 7.6% based on closing price of S\$0.78 as at 7 Sep 2016.

(1) Without straight-lining accounting adjustments effect

(2) Distribution yield for the Forecast Period 2016 has been annualised.

Prudent Capital Management

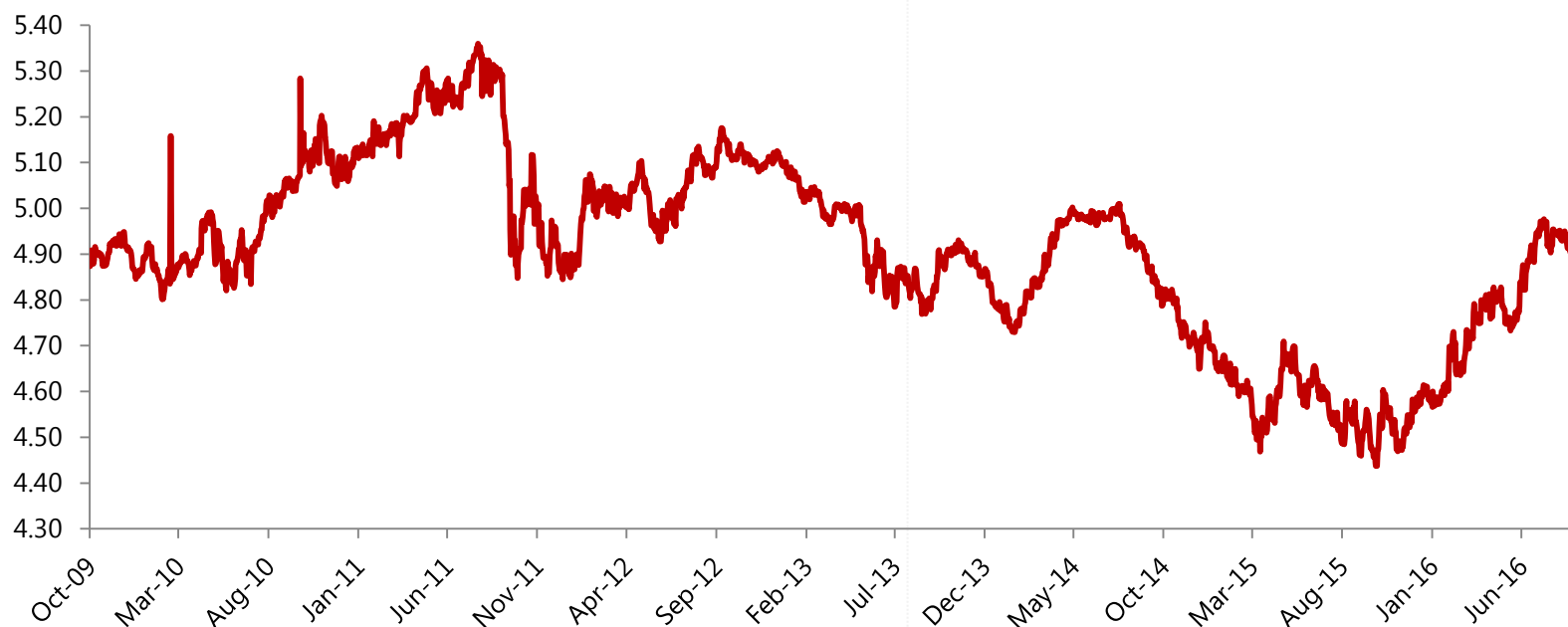
Key Debt Figures

Total Debt Drawdown at IPO	<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⁾ – 4.35% p.a. Offshore⁽³⁾ – 3.60% p.a.

Forex (SGD/RMB)

FY2016	4.95 (Hedged)
FY2017	5.03 (Assumption)

Range-Bound Exchange Rate



Source: Exchangerates.org

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

Recap on Key Investment Highlights



- 1 Well-established and reputable Sponsor**
- 2 Strong growth potential in the PRC e-commerce and Hangzhou logistics sectors**
- 3 Strategic portfolio composition**
- 4 Opportunities for strategic acquisition growth**



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Thank You

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