



EC World
运通网城 REIT

Extraordinary General Meeting

22 April 2019



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What are the Resolutions to be Approved?

Resolution 1

The Proposed Entry into the New Master Lease Agreements

The Sponsor and the Manager (i) will abstain and will procure that their associates will abstain, from voting on this Resolution 1

Resolution 2

The Proposed Electronic Communications Trust Deed Supplement



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Resolution 1: The Proposed Entry into the New Master Lease Agreements



What are the Master Lease Agreements?

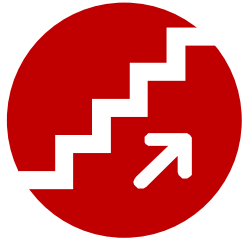
- ☑ Existing Master Lease Agreements (“MLA”) for **Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse** will expire in 2020
- ☑ Proposed New Master Lease Agreements⁽¹⁾ will **commence upon the expiration of the Existing Master Lease Agreements**

Property	Existing MLA Terms	New MLA Terms
Stage 1 Properties of Bei Gang Logistics	1 Nov 2015 to 31 Oct 2020 with rental escalation of 1% on 1st Jan of 2017, 2018, 2019 and 2020	4 years from 1 November 2020 with 1% annual rental escalation
Fu Heng	1 Jan 2016 to 31 Dec 2020 with rental escalation of 6.0%, 5.0%, 4.0% and 3.0% on 1st Jan of 2017, 2018, 2019 and 2020 respectively	4 years from 1 January 2021 with 2% annual rental escalation
Chongxian Port Investment	1 Jan 2016 to 31 Dec 2020 with rental escalation of 6.0%, 5.0%, 4.0% and 3.0% on 1st Jan of 2017, 2018, 2019 and 2020 respectively	4 years from 1 January 2021 with 2% annual rental escalation

(1) Subject to Uniholders' approval at an Extraordinary General Meeting

Why should EC World REIT enter into the New MLAs?

Rationale for Entry into the New MLAs



Weighted Average Lease to Expiry ↑ to 4.8 years¹

(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



Negotiated on an arm's length basis and on normal commercial terms with reference to the Rent Valuation Report

(1) Weighted Average Lease to Expiry ("WALE") is expected to extend from 2.0 years as at 31 December 2018 to 4.8 years (by Gross Revenue contribution) and from 1.9 years to 3.6 years (by net lettable area) post-entry into New Master Lease Agreements

What are the Benefits to EC World REIT?

Benefits of Entry into New Master Lease Agreements

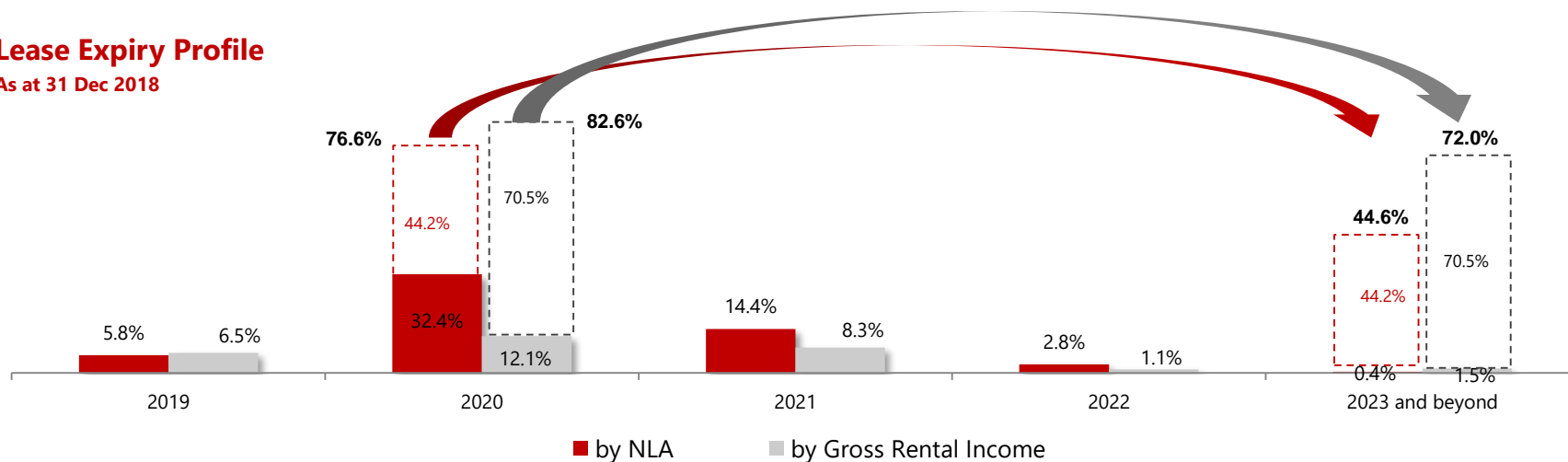
- ✓ Provide predictable **cash flow and income viability**, ensuring **stable and sustainable returns**
- ✓ **Limit downside risks** and provide **predictability in returns**
- ✓ **Built-in escalation** provides **organic growth**
- ✓ Demonstrates **strong support from Sponsor** and **alignment of interest**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

■ WALE as at 31 Dec 2018: **1.9 years and 2.0 years by NLA and GR⁽¹⁾**

■ WALE **Post Entry** into New Master Lease Agreements: **3.6 years and 4.8 years by NLA and GR⁽¹⁾**

Lease Expiry Profile

As at 31 Dec 2018



(1) Weighted Average Lease to Expiry ("WALE") is expected to extend from 2.0 years as at 31 December 2018 to 4.8 years (by Gross Revenue contribution) and from 1.9 years to 3.6 years (by net lettable area) post-entry into New Master Lease Agreements

What does the Independent Financial Adviser Recommend?

An extract of the IFA Letter is reproduced below:

*“Having considered the factors and the assumption set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the New Master Lease Agreements are on **normal commercial terms and are not prejudicial** to the interest of EC World REIT and its minority Unitholder.*

*Accordingly we advise the Independent Directors and the Audit and Risk Committee to recommend that Unitholders **vote in favor of the proposed entry into the New Master Lease Agreements.**”*

Ernst & Young Corporate Finance Pte Ltd.



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Resolution 2: The Proposed Electronic Communications Trust Deed Supplement

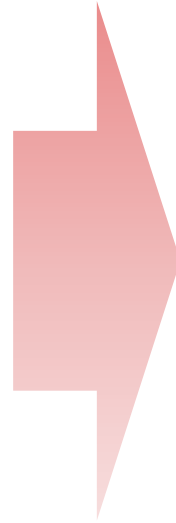


Amendments in the Proposed Electronic Communications Trust Deed Supplement

Current



Unitholder receive communications by way of Physical Copies to their registered address



Proposed Amendments

(in line with safeguards applicable under Rule 1210 of the Listing Rules)



- Electronic communications
- Subject to safeguards in the Listing Manual through the Consent Regimes

Unitholders will be given a choice to choose between physical or electronic copies

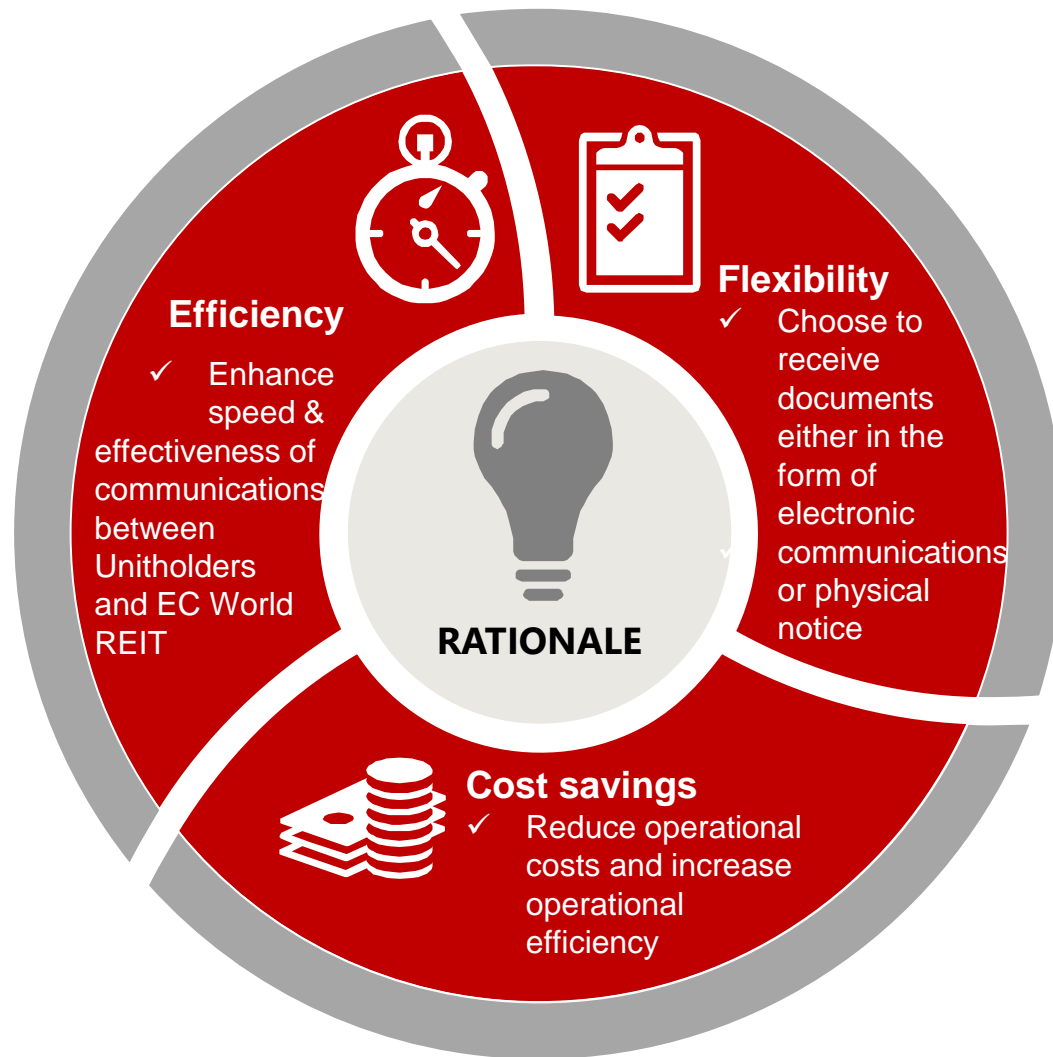
(i) Deemed Consent

Deemed consent is given to receive electronic copies if Unitholder does not respond within a specific timeframe

(ii) Implied Consent

Unitholders have given implied consent to receive electronic copies

Rationale for the Proposed Electronic Communications Trust Deed Supplement



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Thank You

