



EC World
运通·网城 REIT (BWCU.SI)

Investors Presentation

Aug 2019



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CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通·网城 REIT

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:** 8 quality income-producing properties comprising **specialized, e-commerce** and **port logistics assets providing a good mix of stable income and growth potential**




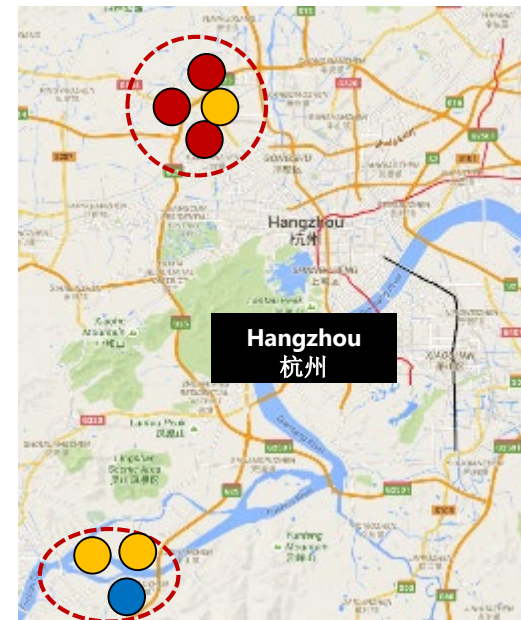
7 in Hangzhou, 1 in Wuhan, PRC




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\$1,749¹
million

Healthy WALE
of **4.6 years²**
providing
predictability in
income


Annualised DPU
Yield of
8.3%³



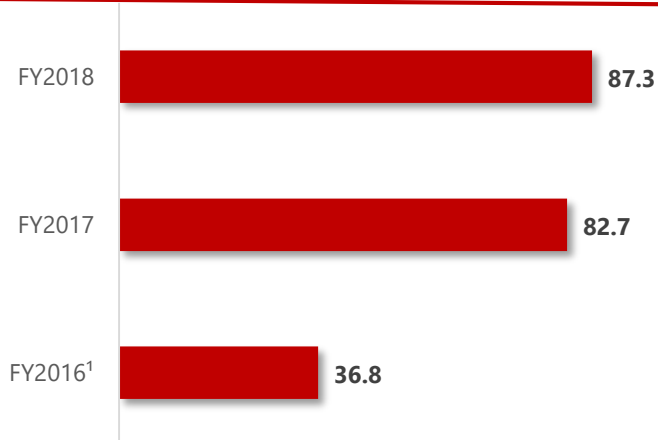
-  E-Commerce Logistics
-  Specialised Logistics
-  Port Logistics

(1) As at 30 June 2019, including Fuzhou E-Commerce which was acquired on 08 August 2019
 (2) As at 30 June 2019. Including leases for Fuzhou E-Commerce which was acquired on 08 August 2018. By Gross Rental Income
 (3) Based on 1HFY2019 annualised DPU of 6.147 cents and Unit Price of S\$0.745 per Unit as at 16 August 2019

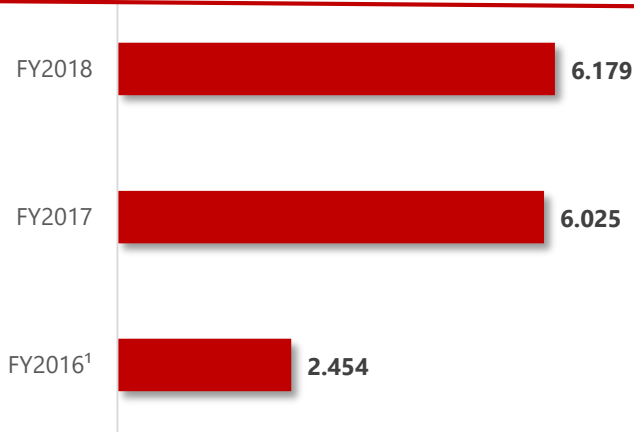
Building Track Record Since IPO

Focus on enhancing returns, disciplined growth and prudent risk management

Net Property Income (\$m)



Distribution Per Unit (Singapore cents)



Key Milestones Since Listing

August 2019

- Completed acquisition of Fuzhou E-Commerce

May 2019

- Successfully signed 3 new Master Lease Agreements extending expiries to end 2024

Sept/Oct 2018

- Inclusion into FTSE Indices: FTSE All-China Index and FTSE Shariah Compliant Index

Feb 2018

- FY2017 DPU exceeded forecast by 1.5%

Jul 2016

- Listing on SGX Mainboard

July 2019

- Entered into Facilities Agreement to refinance existing loans and acquire Fuzhou E-Commerce acquisition
- Completed refinancing of existing loans

Feb 2019

- FY2018 DPU grew 2.6%

April 2018

- Acquisition of Wuhan Meiluote

Feb 2017

- FY2016 DPU exceeded forecast by 0.2%

(1) EC World REIT was listed on 28 July 2016. The relevant reporting period is from 28 July to 30 September 2016.

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:
RMB7.8 bn⁽¹⁾
(S\$1.5 bn)

Annualised Portfolio NPI Yield:
6.4%⁽²⁾

Total NLA:
960,461 sqm⁽²⁾

Occupancy Rate:
99.28%⁽²⁾

1

Fu Heng Warehouse

2

Fuzhou E-Commerce³

3

Stage 1 Properties of
Beigang Logistics

4

Wuhan Meiluote



5

Hengde Logistics

6

Chongxian Port Investment

7

Chongxian Port Logistics

8

Fuzhuo Industrial



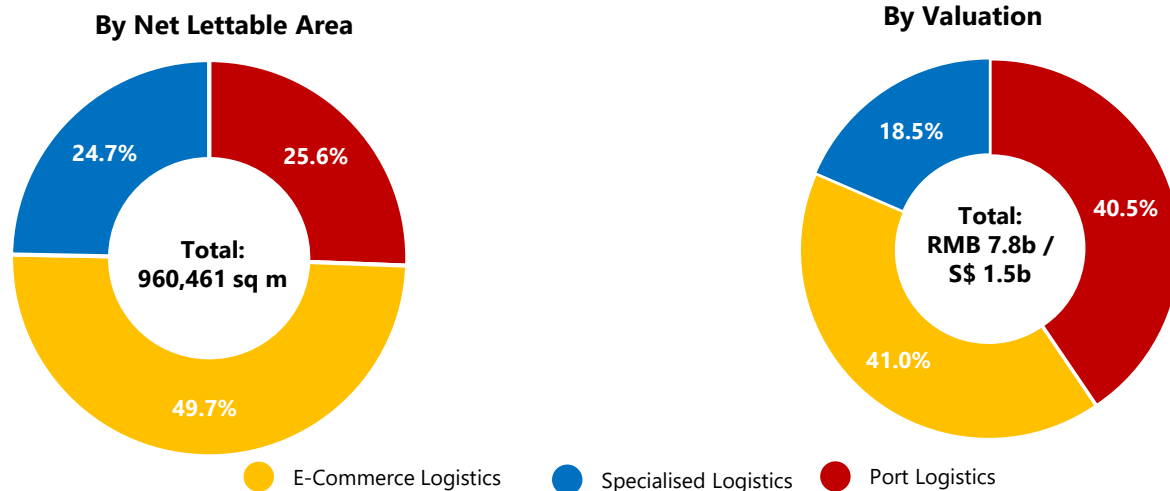
8 High Quality Logistics Assets in 3 Sub-Segments in the cities of Hangzhou and Wuhan

● 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 RMB5.079 as at 30 June 2019. Including Fuzhou E-Commerce which was acquired on 08 August 2019
 (2) As at 30 June 2019 including Fuzhou E-Commerce which was acquired on 08 August 2019
 (3) Acquisition of Fuzhou E-Commerce was completed on 08 August 2019

High Quality and Differentiated Asset Portfolio

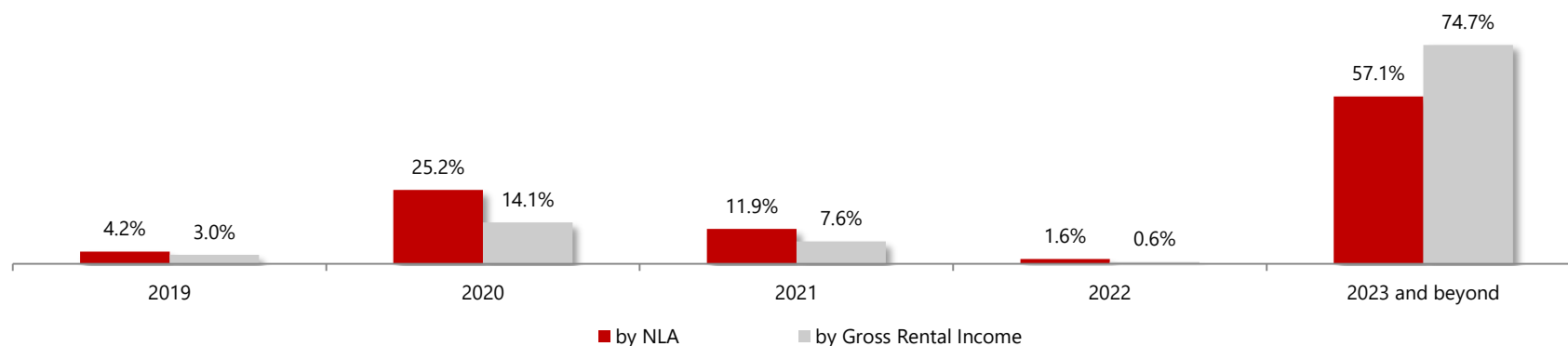
Portfolio Diversification ⁽¹⁾



Lease Expiry Profile of Portfolio ⁽²⁾

WALE by NLA: 3.6 years

WALE by Gross Rental Income: 4.6 years



(1) As at 30 June 2019. Including Fuzhou E-Commerce which was acquired on 08 August 2019

(2) As at 30 June 2019. Including leases for Fuzhou E-Commerce which was acquired on 08 August 2019



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Section B: Latest Business Updates



Key Highlights

Stable DPU | E-Commerce Logistics Asset Acquisitions | Successful Refinancing



Expanded portfolio via e-commerce asset acquisition

- ✓ **Acquisition of Fuzhou E-Commerce**, a rare sizable integrated e-commerce logistics asset
- ✓ **Yield accretive transaction**, increasing exposure to **fast growing** e-commerce logistics fulfillment sector



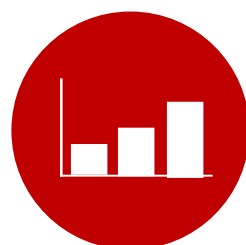
Resilient and stable distributions

- ✓ Achieved Distribution Per Unit ("DPU") of **1.547 cents** for 2QFY19, 3.1% higher than 1QFY19
- ✓ **Attractive annualised yield of 8.3%¹**



Proactive capital management

- ✓ **Successfully refinanced loans** due in July 2019
- ✓ Significantly extending debt maturity



Growth in Gross Revenue and NPI by 3.6% and 3.4% in RMB terms²

primarily due to
(i) contracted rental escalation
(ii) contribution from Wuhan Meiluote acquired in April 2018

(1) Based on 1HFY2019 annualised DPU of 6.147 cents and Unit Price of S\$0.745 per Unit as at 16 August 2019

(2) Excluding straight-line, security deposit accretion and other relevant distribution adjustments which have no impact on distributions

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



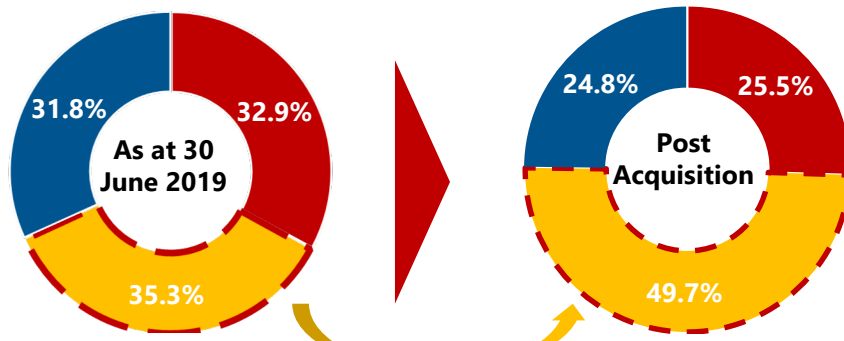
Office and Support Buildings



Enlarged Portfolio Focused On E-Commerce Logistics Providing Yield Uplift

Larger Portfolio | Strategically Important and Financially Accretive Acquisition

Breakdown by NLA



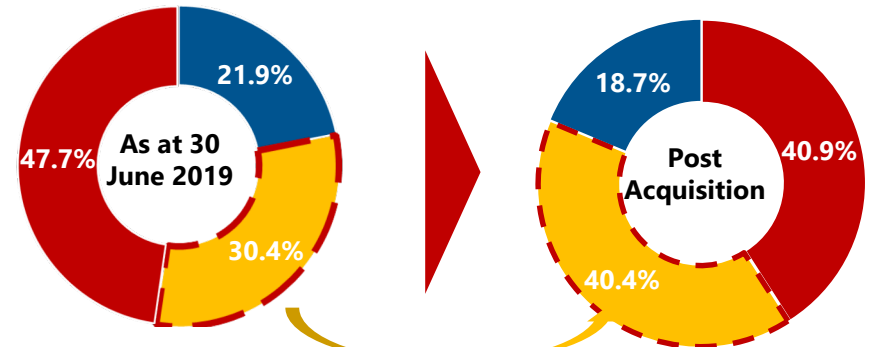
Total: 746,177 sq m

↑ 28.7%

Total: 960,461 sq m

● E-commerce Logistics ● Specialised Logistics ● Port Logistics

Breakdown by Valuation (in RMB)



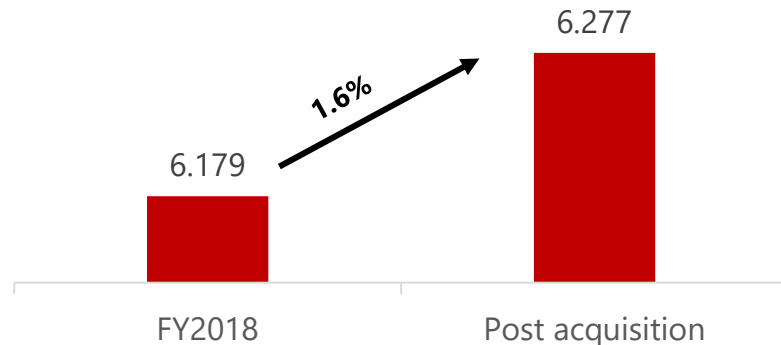
Total: RMB 6.7 billion

↑ 17.9%

Total: RMB 7.9 billion¹

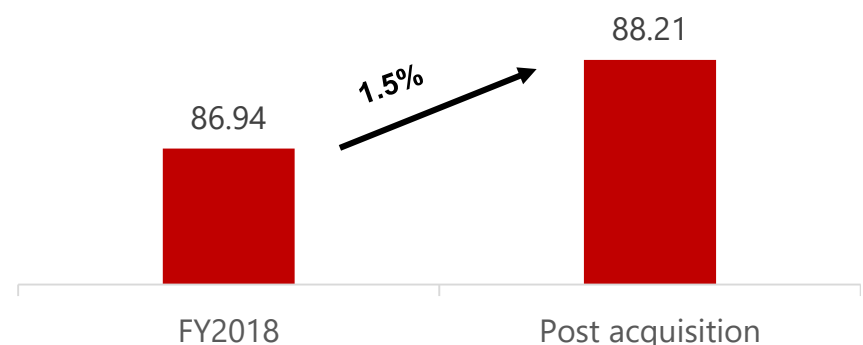
DPU²

Singapore cents



NAV per unit²

Singapore cents



(1) Based on Property Purchase Price of RMB1,112.5 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

Prudent Capital Management

Proactive Capital Management

2QFY19 Summary

- ❑ Annualised 1H all-in running interest rate of 4.5%¹
- ❑ Successfully **entered in facility agreements to refinance loans**
- ❑ 100% of offshore SGD facilities on fixed rate²
- ❑ Aggregate leverage of **32.4%**
- ❑ Entered into FX option contract to lock in SGDRMB for our RMB income source for 3QFY19 distribution
- ❑ Continues to maintain a rolling 6 month FX hedging strategy

Key Debt Figures

Total Debt Drawdown as at 30 Jun 2019

- RMB 977.7 million onshore
- S\$ 200.0 million offshore
- S\$ 97.7 million RCF ⁽³⁾

1HFY19 Running Interest Rate

- Onshore – 5.4% p.a.
- Offshore – 4.1% p.a.
- RCF – 1.9% to 2.6% p.a.

Hedging Profile Forex (SGD/RMB) 3QFY19

- Hedged through put spread
- Buy CNH put at 5.0250
 - Sell CNH put at 5.0550

(1) Including amortized upfront fee, the all-in interest rate is 5.3%

(2) Excluding RCF

(3) S\$97.7 million drawn down from the S\$120.0 million revolving credit facility

Prudent Capital Management (cont'd)

Successful Refinancing Exercise

- ❑ On 28 June 2019, the Manager announced entry into facility agreements to refinance all of EC World REIT existing loans due in 2019, partially fund the proposed acquisitions of Fuzhou E-Commerce, and to finance EC World REIT's working capital and other general corporate purposes
- ❑ Refinancing of existing borrowings due in 2019 completed on 29 July 2019

Terms of refinancing

	Offshore Facility	Onshore Facility
Quantum	<ul style="list-style-type: none"> • S\$424.5 million comprising <ul style="list-style-type: none"> • Two multi-currency term loan facilities up to S\$402 million. • SGD term loan up to S\$22.5 million 	<ul style="list-style-type: none"> • RMB1,095.0 million comprising <ul style="list-style-type: none"> • Two term loan facilities totaling RMB 1,095 million
Total Quantum ¹	S\$640.1 million	
Drawdown	S\$401.73 million	RMB1,095 million
Total Drawdown ²	S\$617.33 million	
Tenure	Three years (save for a RMB 77.0 million portion of the Onshore Facility which has a tenure of 10 years)	

(1) For illustrative purpose, onshore facility is calculated based on the exchange rates of S\$1.00 to RMB 5.0787 and US\$1.00 to S\$1.3535 as at 28 June 2019

(2) Loan drawdown in USD is converted to SGD based on an average exchange rate of US\$1.00 to S\$1.3660 for the first drawdown and US\$1.00 to S\$1.3763 for the second drawdown

Proactive Investor Relations Initiatives

Support from the Research Community

DBS

- ✓ “Buy” Initiation on 21 Feb 2019. “*Proposed acquisition of Fuzhou E-commerce enhances yield*”. Target Price of S\$0.86 in May 2019

RHB

- ✓ “*Another Stable Quarter Barring FX Impact*”. Maintained “Buy” rating with a target price of S\$0.82 in August 2019

Soochow Securities

- ✓ Maintained “Buy” with a target price of S\$0.91 in Aug 2019

Philips Securities

- ✓ Maintained “Buy” with a higher target price of S\$0.873 in Aug 2019

Inclusion of EC World REIT in FTSE Indices

- ✓ FTSE China Index – one of 20 constituents
- ✓ FTSE Singapore Shariah Index – one of 48 constituents

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\$60m | Div. Avg. Daily Yld: 1.95%
Last Traded Price (10 May 2019): S\$0.73
Price Target: 12 months S\$0.85 (16% upside) (Prev: S\$0.86)

Analyst:
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Devik, +65 6552 3716, devik@dbsgroup.com

Company Guide
Summary of our point of view, and highlights to relevant disclosures, when an investor makes a decision.

EC World REIT - Working Paper
EC World REIT - Working Paper

Proposed acquisition of Fuzhou E-commerce enhances yield

RHB

8 August 2019

EC World REIT (ECWREIT SP)
Another Stable Quarter Barring FX Impact; BUY

Property (REIT) Buy (Maintained)

Target Price (Return) S\$0.82 (+12%)
Price S\$0.735
Market Cap US\$429m
Avg Daily Turnover (SGD US\$) 0.2m US\$

Analyst:
Mary Natarajan
+65 6222 2672
mary.natarajan@rbsg.com

• Keep BUY with new S\$0.82 TP from S\$0.86, 12% upside plus 6% yield. 2Q results met. Earnings outlook remained stable with minimal uncertainty post market lease scenarios and loan refinancing. Latest acquisition, Fuzhou E-Commerce (FEC) organic growth should contribute positively from 2019. The potential impact from the rising US-China trade tensions on EC World REIT's assets are minimal, as they cater largely to the domestic market.

东吴中新资本
SCCB

BUY
TP: S\$0.91
▲ 23.0%

EC World REIT
ECWREIT.SP

Upcoming boost from acquisition

ECWREIT (ECW) 2Q results were dragged by unfavourable FX differences. However, we expect DPU to grow in 2019 as contributions from accretive acquisition Fuzhou E-commerce to flow in mid-2Q (+1.6% DPU accretion, 2.25% p.a. escalation), while underlying portfolio remains resilient with market leases & rental escalations. Mgmt is reviewing the hedging strategy to mitigate FX impact moving forward. Reiterate BUY, at revised TP S\$0.91/Unit.

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EC World REIT

Operationally stable

SINGAPORE | REAL ESTATE (REIT) | 2Q19 RESULTS

- 2Q19 NPI and DPU were in line with our forecast
- High income visibility due to portfolio occupancy of 99% and WALE of 4.6 years
- Refinanced all loans expiring in FY19. FX a possible tail risk.
- Maintain BUY with an unchanged TP of S\$0.91

8 August 2019

BUY (Maintained)

LAST CLOSE PRICE S\$0.735
FORECAST DIV S\$0.084
YIELD 11.4%



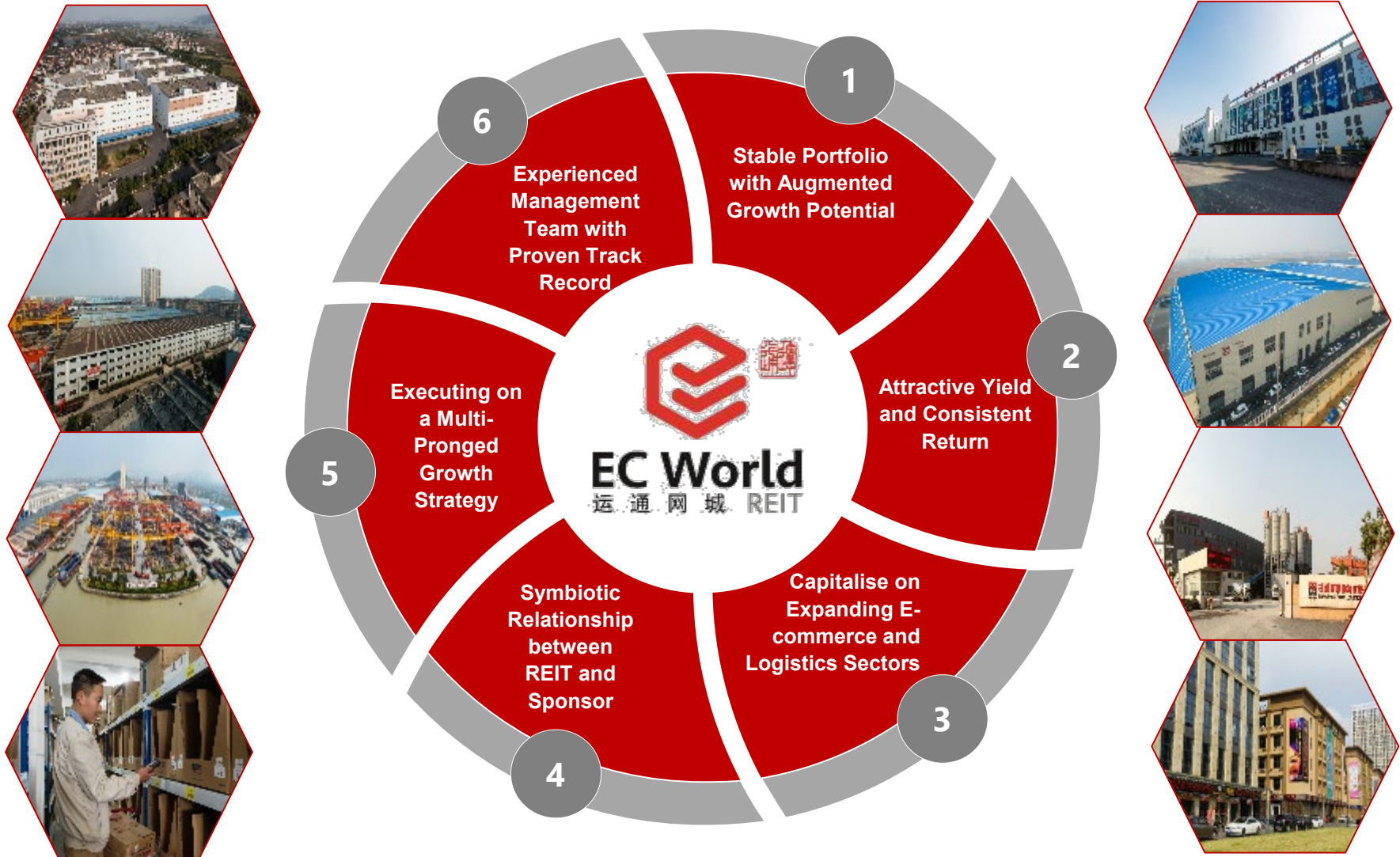


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Section C: Key Investment Highlights



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
Fuzhou E-Commerce ¹	Master Lease: 1 Aug 2019 to 31 Jul 2024 Rental escalation of 2.25% per annum	100%	Situated next to Fu Heng. A rare sizable integrated e-commerce logistics asset
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	85.8%	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

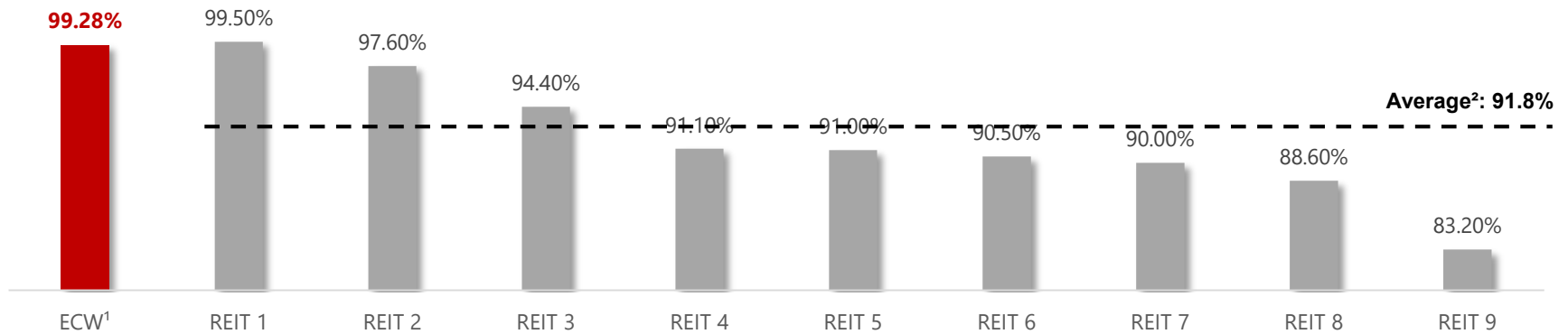
Asset	Lease Structure	Occupancy	Key Highlight
Chongxian Port Investment	Master lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 4.0% and 3.0% on 1st Jan 2019 and 2020 respectively. 2.0% annually from 1st Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian 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) Acquisition of Fuzhou E-Commerce was completed on 08 August 2019

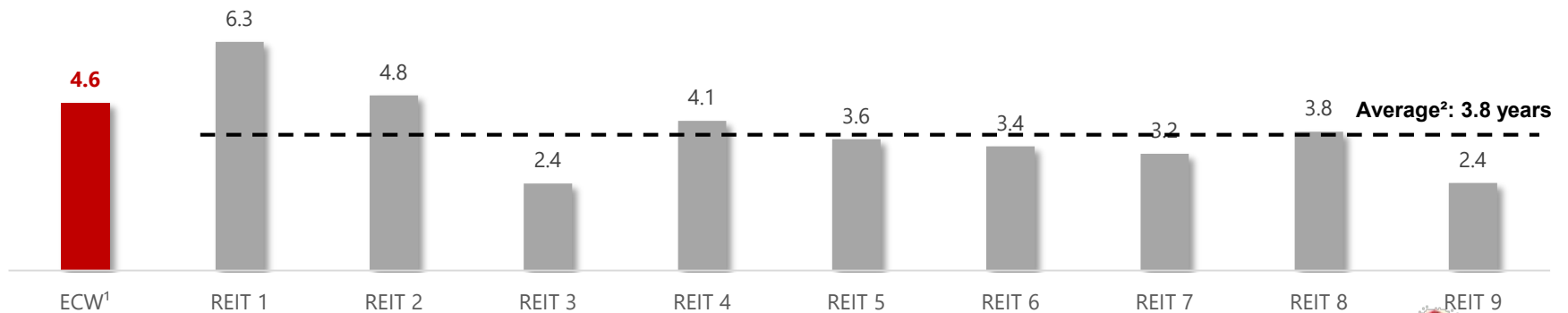
1 Resilient Asset Portfolio and Defensive Lease Structure

- ✓ Market leading occupancy rate and WALE
- ✓ Asset portfolio handles only domestic businesses with no international trade exposure
- ✓ Defensive lease structure provides stability and visibility of future cash flows

Portfolio Occupancy (Industrial S-REITs)



Portfolio WALE³ (Years) (Industrial S-REITs)



Source: Quarterly financial disclosure as at 30 June 2019.

(1) Including Fuzhou E-Commerce which was acquired on 08 August 2019

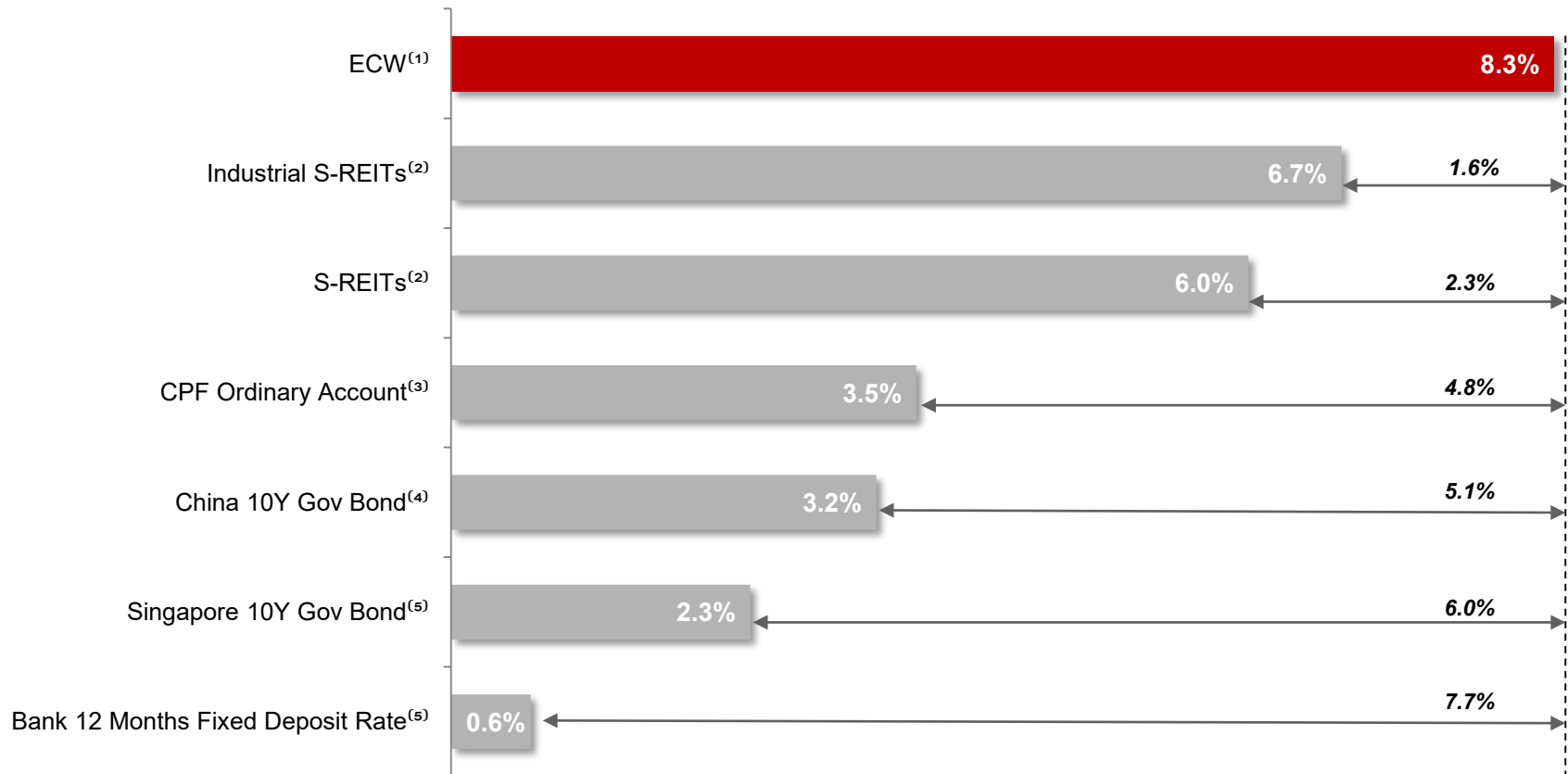
(2) Excluding EC World REIT

(3) By Gross Revenue / Gross Rental Revenue.

2 Attractive Yield with Consistent Return

Attractive Yield Compared to Peers

Trading Yield (%)



(1) Based on 1HFY2019 annualised DPU of 6.147 cents and Unit Price of S\$0.745 per Unit as at 16 August 2019

(2) Based on Broker Research

(3) Source: CPF Board

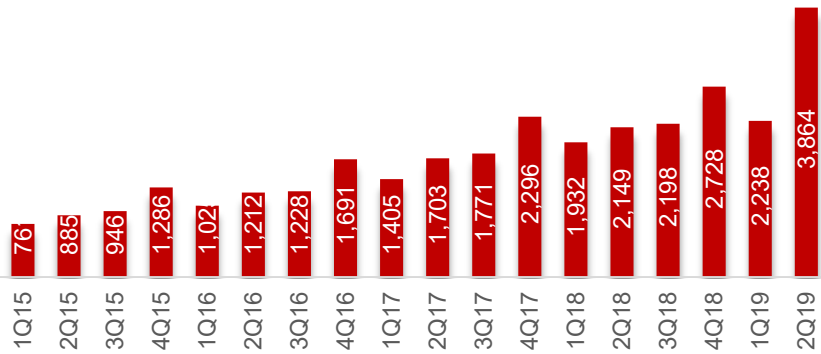
(4) Source: Bloomberg

(5) Source: Monetary Authority of Singapore

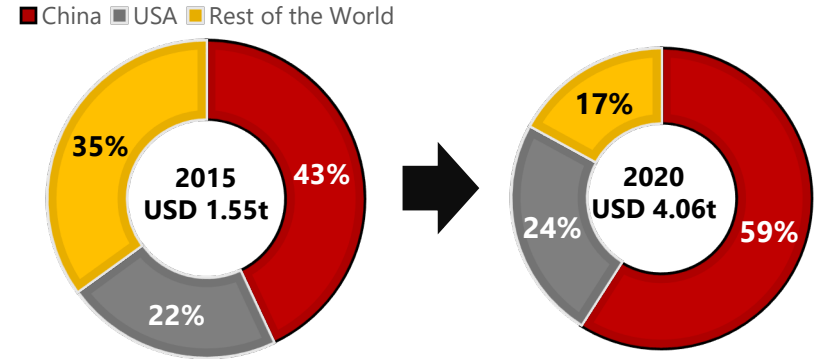
3 Capitalise on Fast Growing E-Commerce Logistics Market

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

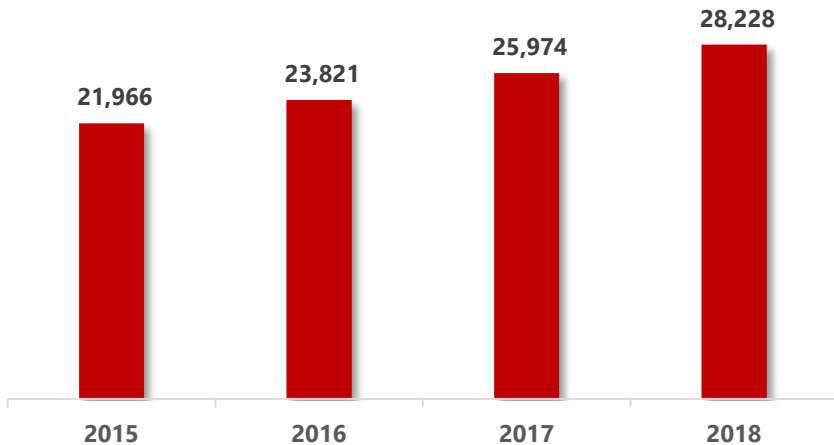
China Online Retail Sales (RMB Billion)



Global E-commerce Landscape

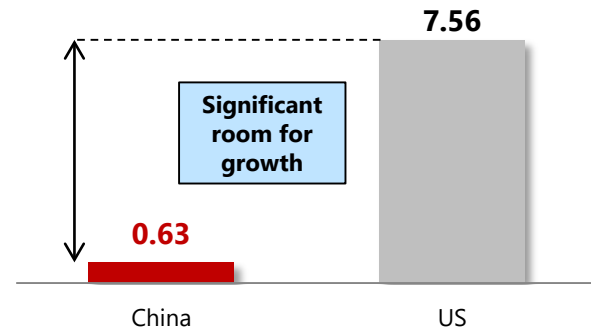


China Disposable Household Income (RMB)



Favorable Supply-demand Dynamics

Per-Capita Warehouse Area (Sqm)



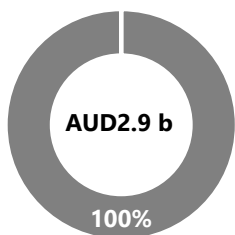
Source: Bloomberg, E-marketer, Euromonitor

3

Unique Exposure to the Booming China E-Commerce Sector

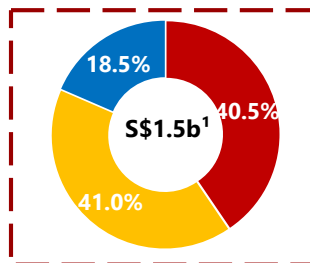
Only S-REIT Offering Substantial Access to E-Commerce Logistics Business

REIT 1



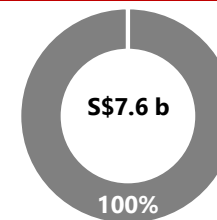
■ Logistics

ECW REIT



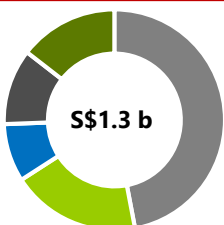
● E-Commerce Logistics ● Specialised Logistics ● Port Logistics

REIT 2



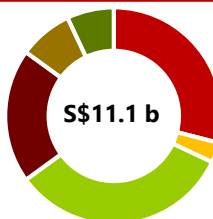
■ Logistics

REIT 3



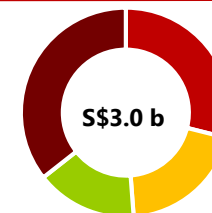
■ Logistics & Warehouse ■ Business Park
■ Hi-Tech Space ■ Light Industrial
■ General Industrial

REIT 4



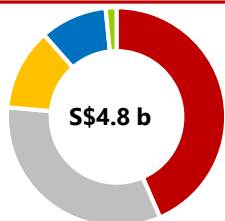
■ Logistics & Distribution Centres ■ Suburban Offices
■ Business & Science Parks ■ Hi-Specs Industrial & Data Centres
■ Light Industrial & Flatted Factories ■ Integrated Development, Amenities & Retail

REIT 5



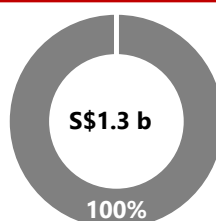
■ Business Parks ■ Logistics / Warehouse
■ Hi-Specs Industrial ■ General Industrial

REIT 6



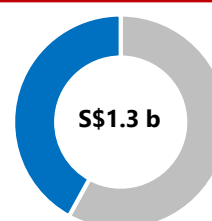
■ Hi-Tech Industrial ■ Flatted Factories
■ Business Park ■ Stack-up/Ramp-up
■ Light Industrial

REIT 7



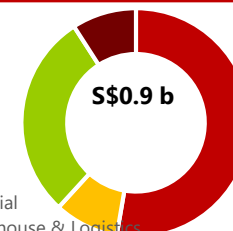
■ Logistics

REIT 8



■ Industrial ■ Business Park

REIT 9



■ Hi-Tech Industrial
■ Chemical Warehouse & Logistics
■ Warehouse & Logistics
■ General Industrial

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.

4

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

Tenanted by Leading Omni-Channel Logistic Service Provider

- ✓ Fuzhou E-Commerce & Fu Heng Warehouse are 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

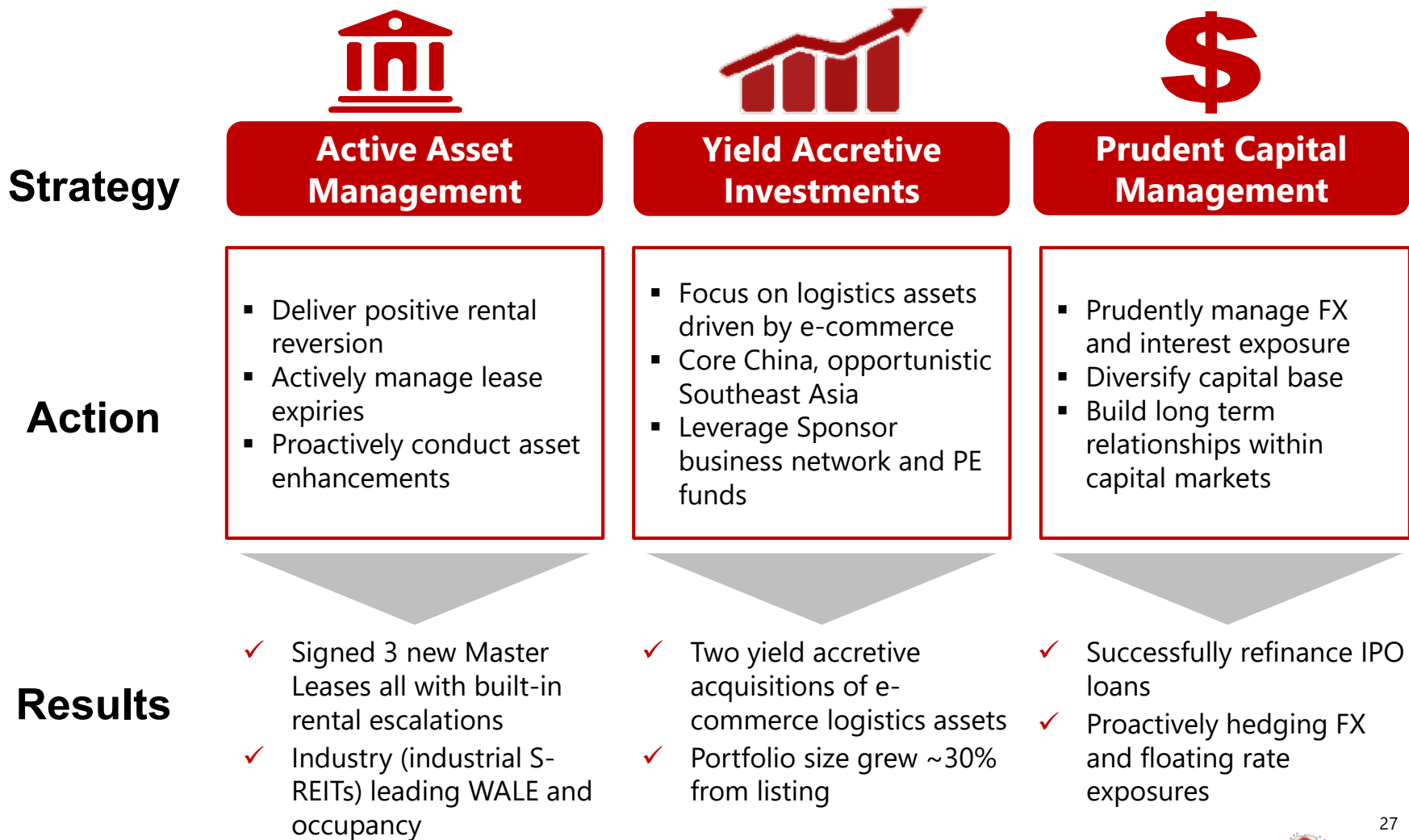
Ruyicang LST business operates **132,000 sqm** warehouses, annually processes **7.83 million orders**, **30 million parcels** and **370 million pcs.**



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

5 Multi Channels for Growth and Value Creation

Multi-Pronged Strategy Focused on Unitholders Value Creation

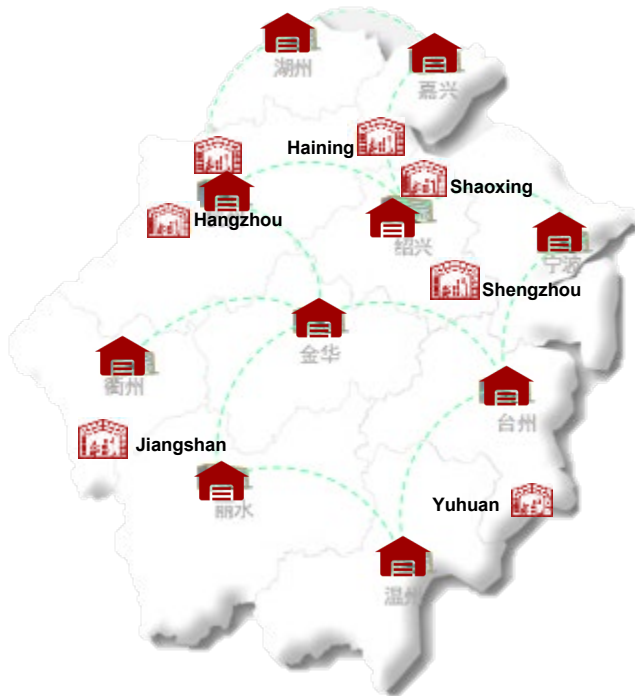


5 Sponsor's Fund Management Capabilities

Leveraging Sponsor's Network and Pipeline

- ✓ **网营物联 (Hangzhou Unilogix)** – a collaboration with 浙商产融基金 (Zhesang Industrial Integration Fund) 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

Chief Investment Officer

- 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

Head, 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



EC World
运通·网城 REIT

Section D: 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 Fuzhou E-Commerce	E-commerce Logistics	214,284	40	1,112.5
3 Stage 1 Properties of Bei Gang Logistics	E-commerce Logistics	120,449	33	1,297
4 Wuhan Mei Luo Te	E-commerce Logistics	48,695	46	171
5 Hengde Logistics	Specialised Logistics	237,066	Complex 1 & 2: 34 & 40	1,470
6 Chongxian Port Investment	Port Logistics	112,726	37	2,235
7 Chongxian Port Logistics	Port Logistics	125,826	Complex 1 & 2: 37 & 41	862
8 Fu Zhuo Industrial	Port Logistics	7,128	37	114
Total / Average	960,461	38	7,841.5	
Total (SGD m)			1,543.9 ⁽³⁾	



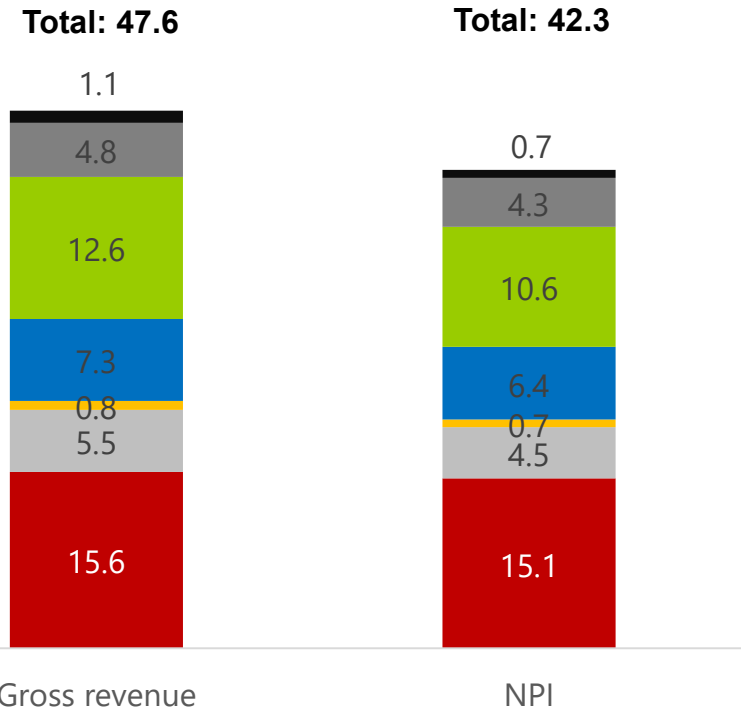
(1) Based on land leases as at 30 June 2019

(2) As at 31 Dec 2018 as appraised by JLL. Fuzhou E-Commerce was acquired on 08 August 2019 and appraised by Colliers & Knight Frank

(3) Based on exchange rate of of S\$1.00 to RMB5.079 as at 30 June 2019

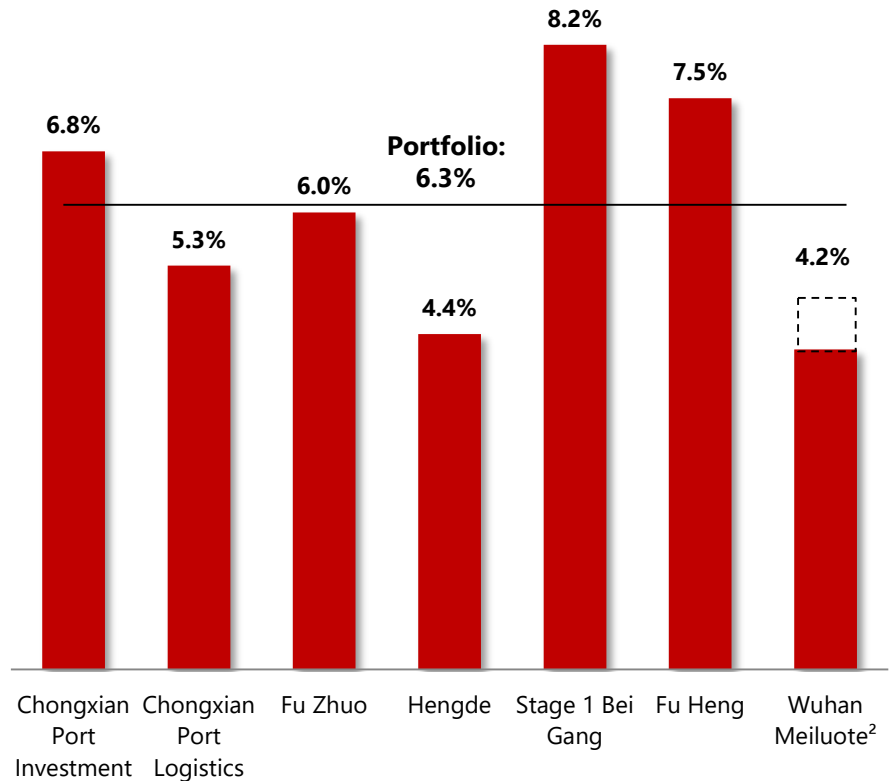
Summary Assets Performance

1HFY19 Breakdown by Gross Revenue and NPI (SGD m)



- Chongxian Port Investment
- Fu Zhuo
- Stage 1 Bei Gang
- Wuhan Meiluote
- Chongxian Port Logistics
- Hengde
- Fu Heng

1HFY19 NPI Yield ⁽¹⁾

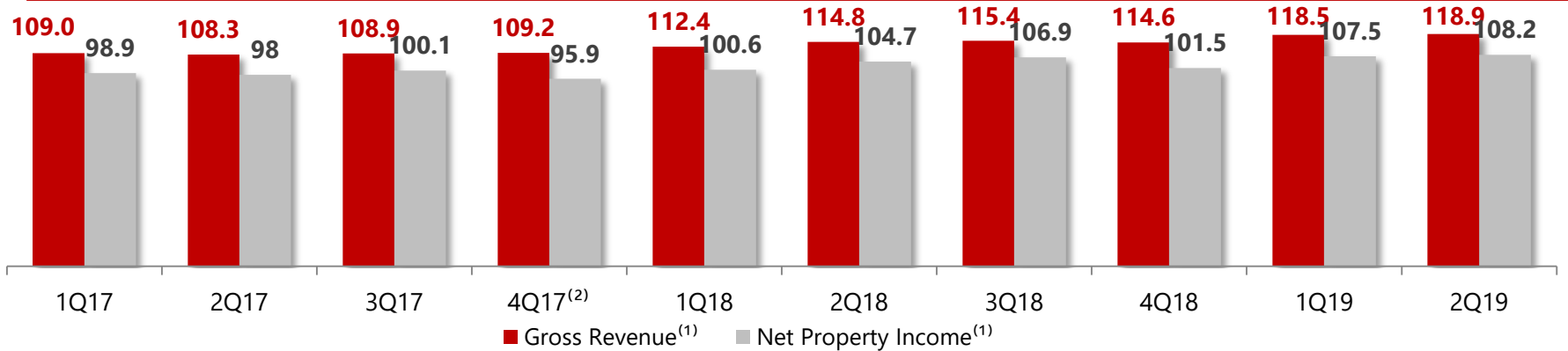


(1) In RMB terms
 (2) Using acquisition price of RMB145 million, 1HFY19NPI yield would be 4.9%

Attractive Yield with Consistent Return

Stable Portfolio Performance with Consistent Returns to Unitholders

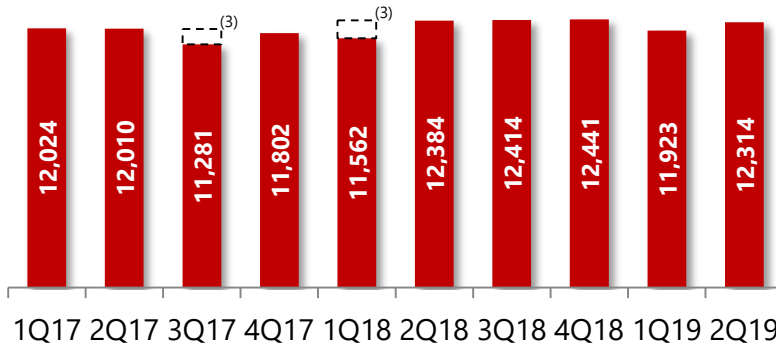
Operating Performance (RMB'm)



(1) Excluding straight-line, security deposit accretion and other relevant distribution adjustments

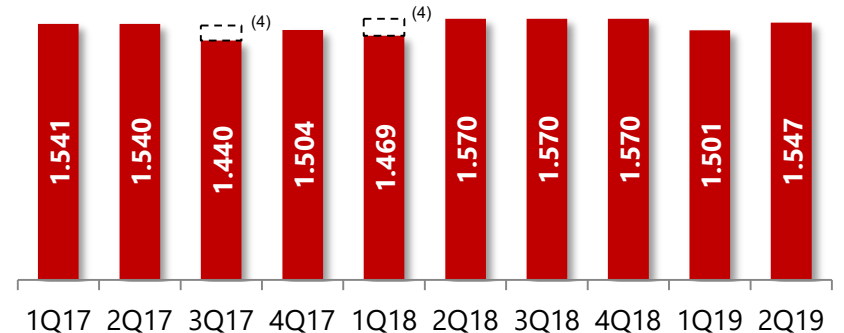
(2) Including a provision of impairment (RMB5.2m) of receivables at Fu Zhuo in 4QFY17. There was no impact to DPU for FY2017

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)



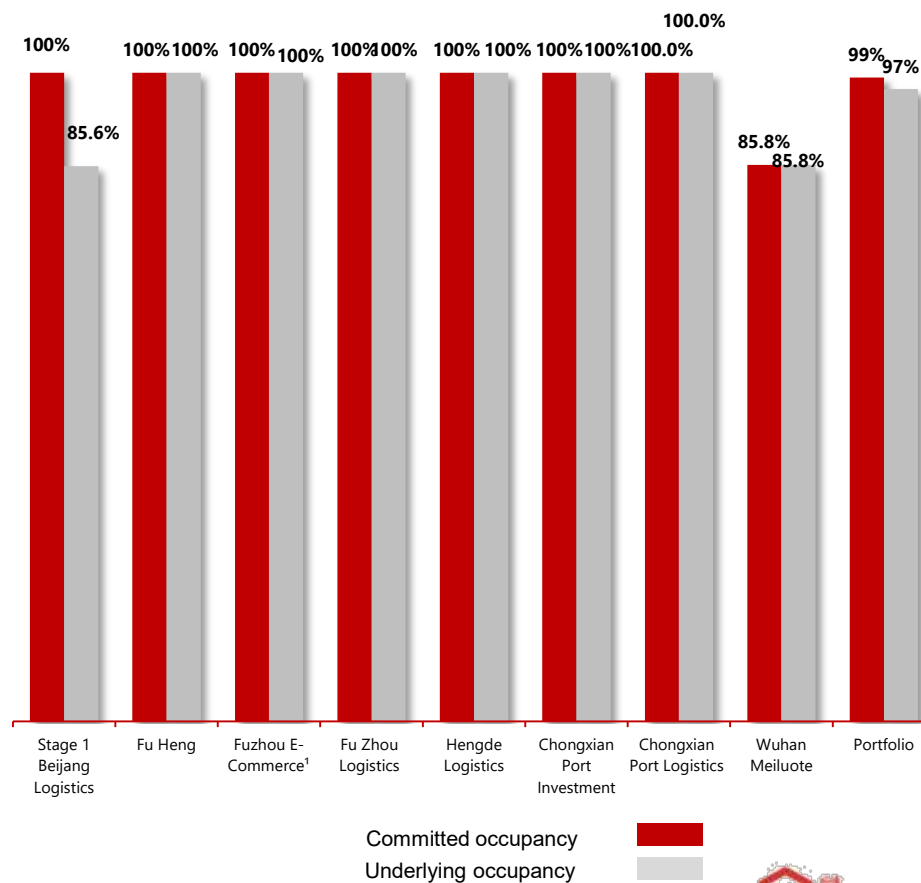
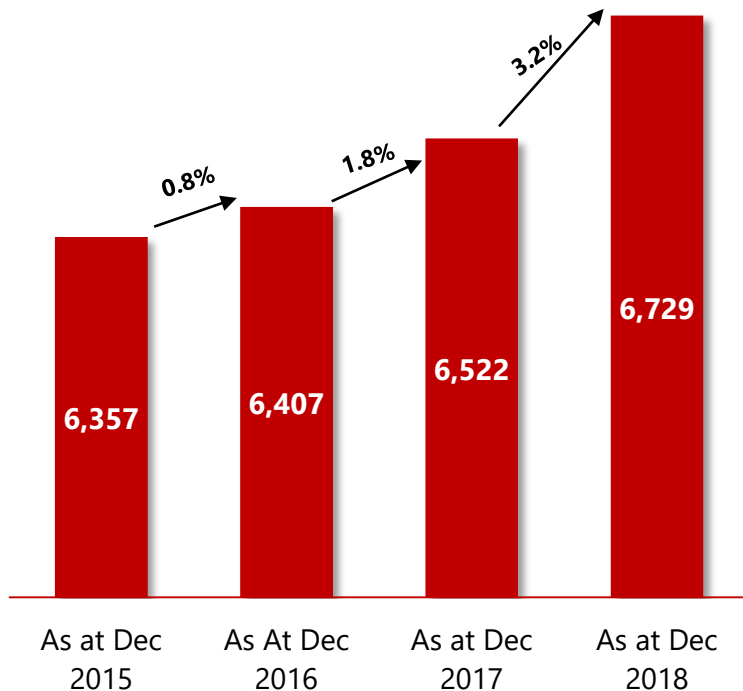
(4) Adjusted DPU gross of withholding tax expenses for 3Q17 and 1Q18 would be 1.530 and 1.570 Singapore cents respectively

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 30 Jun 2019)



1) Fuzhou E-Commerce was acquired on 08 August 2019

FY2Q19 Summary Results

Financial Performance

Year on Year Comparison	2QFY19	2QFY18	Variance (%)	Quarter on Quarter Comparison	2QFY19	1QFY19	Variance (%)
Gross revenue (S\$'000)	23,734	24,926	(4.8)	Gross revenue (S\$'000)	23,734	23,857	(0.5)
Net property income (S\$'000)	21,157	22,807	(7.2)	Net property income (S\$'000)	21,157	21,185	(0.1)
Gross revenue (RMB'000)¹	118,890	114,799	3.6	Gross revenue (RMB'000)¹	118,890	118,522	0.3
Net property income (RMB'000)¹	108,230	104,662	3.4	Net property income (RMB'000)¹	108,230	107,474	0.7
Distribution to Unitholders (S\$'000)	12,314	12,384	(0.6)	Distribution to Unitholders (S\$'000)	12,314	11,923	3.3
Distribution per unit (Singapore cents)	1.547	1.570	(1.5)	Distribution per unit (Singapore cents)	1.547	1.501	3.1

(1) Excluding straight-line, security deposit accretion and other relevant distribution adjustments which have no impact on distributions

Healthy Balance Sheet

S\$'000	As at 30 Jun 2019	As at 31 Dec 2018
Cash and cash equivalents⁽¹⁾	141,997	142,127
Investment Properties	1,324,347	1,335,034
Total Assets	1,514,175	1,515,824
Borrowings	489,902	474,705
Total Liabilities	838,119	827,272
Net Assets attributable to Unitholders	676,056	688,552
NAV per unit (S\$)	0.85	0.87

(1) Includes RMB151.7 million (S\$30.0 million) cash security deposits received from the master leases and cash deposits of RMB544.8 million (S\$107.3 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

Suite of Physical Facilities Supporting E-Commerce Logistics and Fulfilment

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 ⁽²⁾ (years)	5.8	
	Independent Valuation (RMB'm) ⁽³⁾	580	
Fuzhou E-Commerce (富洲电商)		Commencement of Operations	July 2017
	Net Lettable Area (sqm)	214,284	
	Type of Lease	Master Lease	
	Occupancy ⁽¹⁾	100.0%	
	WALE ⁽²⁾ (years)	5.0	
	Independent Valuation (RMB'm) ⁽⁴⁾	1,112.5	

Key Highlights

- ✔ Fu Heng and Fuzhou E-Commerce are situated side-by-side → creation of a **rare sizable quality 308,571 sq m logistics hub** catering to the fulfilment of the **rapidly expanding e-commerce demand in Hangzhou and China**
- ✔ Well-positioned to **benefit from the local government's efforts** to attract renowned e-commerce companies to the Fuyang District
- ✔ **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
- ✔ **Quality tenant** with strong **100% occupancy**

(1) As 30 June 2019



(2) By gross rental income as at 30 June 2019

(3) As at 31 Dec 2018 appraised by JLL

(4) Based on acquisition price of RMB1,112.5 million

Differentiated E-Commerce Logistics Assets

Suite of Physical Facilities Supporting E-Commerce Logistics and Fulfilment

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⁾	100%
	WALE⁽³⁾ (years)	5.4
	Independent Valuation (RMB'm)⁽⁴⁾	1,297
Wuhan Mei Luo Te (梅洛特) 	Commencement of Operations	May 2017
	Net Lettable Area (sqm)	48,695
	Type of Lease	Multi-tenanted
	Occupancy⁽¹⁾	85.8%
	WALE⁽³⁾ (years)	1.6
	Independent Valuation (RMB'm)⁽⁴⁾	171

Key Highlights

- Stage 1 Bei Gang Logistics is a **integrated, one stop e-commerce platform** comprising office and retail space
- Property offers new and high quality facilities to fulfil the demands of the ecommerce tenants
- Wuhan Meiluote is strategically located in the **vicinity of major transport networks** with top tier ecommerce tenants.
- Exposure to **favourable macroeconomic fundamentals** as **Wuhan is a critical transport and logistics hub** in Central China

(1) As 30 June 2019

(2) End tenant occupancy as at 30 June 2019 is 85.6%

(3) By gross rental income as at 30 June 2019.

(4) As at 31 Dec 2018 appraised by JLL

Specialised Logistics Asset with Limited Competition in the Region

Hi-Specs Catering To High Value Consumer Goods

Hengde Logistics
(恒德物流)



Commencement of Operations 1st complex – Nov 2010
2nd complex – Apr 2013

Net Lettable Area (sqm) 237,066

Type of Lease Multi-tenanted

Occupancy⁽¹⁾ 100.0%

WALE⁽²⁾ (years) 1.5

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
- ✓ 100% 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) As 30 June 2019

(2) By gross rental income as at 30 June 2019.

(3) As at 31 Dec 2018 appraised by JLL

Strategic River Port and Ancillary Port Logistics Assets

Comprehensive Logistics Complex With Dominant Market Share

Chongxian Port Investment (崇贤港投资)



Commencement of Operations	Aug 2008
Net Lettable Area (sqm)	112,726
Type of Lease	Master lease
Occupancy ⁽¹⁾	100.0%
WALE ⁽²⁾ (years)	5.5
Independent Valuation (RMB'm) ⁽³⁾	2,235

Chongxian Port Logistics (崇贤港物流)



Commencement of Operations	Jan 2010
Net Lettable Area (sqm)	125,826
Type of Lease	Multi-tenanted
Occupancy ⁽¹⁾	100.0%
WALE ⁽²⁾ (years)	1.2
Independent Valuation (RMB'm) ⁽³⁾	862

Fu Zhuo Industrial (富卓实业)



Commencement of Operations	Oct 2014
Net Lettable Area (sqm)	7,128
Type of Lease	Multi-tenanted
Occupancy ⁽¹⁾	100.0%
WALE ⁽²⁾ (years)	3.9
Independent Valuation (RMB'm) ⁽³⁾	114

Key Highlights

- ☑ One of the **key inland ports** in PRC and largest in Hangzhou serving **domestic trade**
- ☑ Comprehensive **logistics complex** integrating **port operations, storage processing and logistics distribution** for steel products with a **dominant market share (over 50%)**
- ☑ Strategic location next to Beijing-Hangzhou Canal offering easy access to waterway and road network
- ☑ **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

(1) As 30 June 2019

(2) By Gross Rental Income as at 30 June 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



Delivery to End Consumers

Merchants

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
- Nearby **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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Thank You

