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BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Extraordinary General Meeting

16 December 2022



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EGM agenda

Proposed sale of **Beigang Logistics Stage 1** and **Chongxian Port Logistics**

Obligation of ECW to **repay the Mandatory Repayment** amount by 31 December 2022

Aggregate agreed property value at **2.9% premium** of aggregate appraised valuation

The Manager seeks approval from Unitholders for the Proposed Divestment by way of an Ordinary Resolution

Resolution to be Approved

Ordinary Resolution

- (i) The Proposed Divestment, on the terms and conditions set out in the Equity Purchase Agreement, and the entry into of the Equity Purchase Agreement be and is hereby approved and ratified
- (ii) The Manager, and any Director and/or the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of EC World REIT to give effect to the Proposed Divestment and all transactions in connection therewith (including, but not limited to the Promissory Notes Arrangement, the Transaction Financing and all transactions contemplated under the Equity Purchase Agreement).

Forchn Group Holdings Co., Ltd., the sponsor of EC World REIT, will abstain and will procure that each of its associates including the Manager, abstain from voting on the resolution in relation to the Proposed Divestment.



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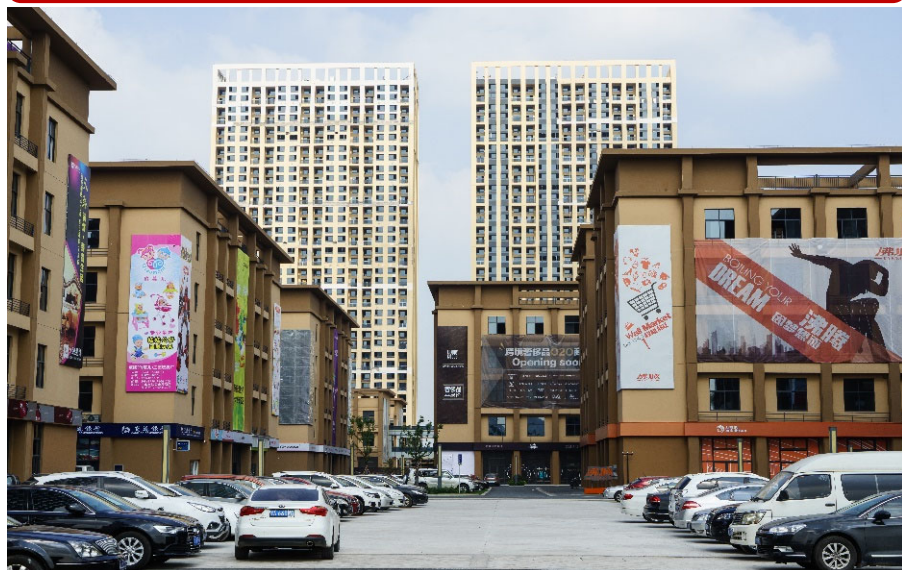
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Section A: Transaction Overview



Divestment Properties

Stage 1 Properties of Bei Gang Logistics



The Property	One 15-storey office erected over a 4-storey retail podium, one 4-storey retail building and six 5-storey buildings for O2O office
GFA/NLA	120,449.17 sq m
Land Area	99,897.6 sq m
Tenure	Expiring on 14 March 2052
Master Leases	Master leased to Forchn Holdings Group Co., Ltd (1 Nov 2015 to 31 Oct 2024)
Committed Occupancy (as at 30 Sep 2022)	100%
Average of the two independent Valuations ¹	RMB 1,208 million

Chongxian Port Logistics



The Property	Four single-storey warehouses, one 4-storey ancillary building, one 12-storey office building and one storage yard
GFA/NLA	117,384.78 sq m/125,826.75 sq m
Land Area	160,022.50 sq m
Tenure	Expiring on 30 December 2055
Tenants	Multi-tenants (8 tenants)
Committed Occupancy (as at 30 Sep 2022)	99.5%
Average of the two independent Valuations ¹	RMB 815 million

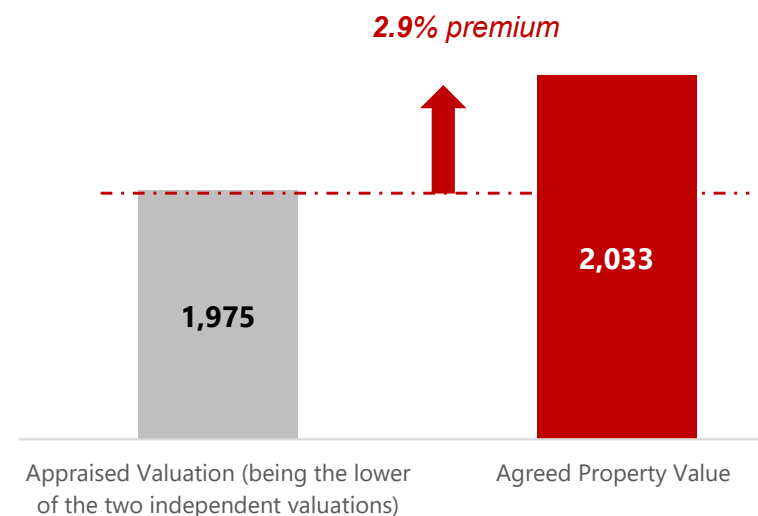
1) Independent valuations as at 30 June 2022

Details of the Proposed Divestment

Summary	
Vendor¹	Richwin Investment Pte. Ltd.
Purchasers²	Hangzhou Futou Beigang Enterprise Management Co., Ltd. ("HFBE") and Forchn International Pte. Ltd. ("FIPL")
Agreed Property Value	<p>Aggregate agreed property value: RMB2,033 million, comprising</p> <ul style="list-style-type: none"> • BeiGang Logistics Stage 1: RMB1,213 million (approximately S\$242.6 million), representing a premium of approximately 2.9% to its appraised valuation • Chongxian Port Logistics: RMB820 million (approximately S\$164.1 million), representing a premium of approximately 2.9% to its appraised valuation
Independent Valuations	<ul style="list-style-type: none"> • Beigang Logistics Stage 1 and Chongxian Port Logistics by Knight Frank: RMB1,178 million and RMB797 million respectively; and • Beigang Logistics Stage 1 and Chongxian Port Logistics by JLL: RMB1,238 million and RMB833 million respectively
Purchase Consideration³	Equity Consideration: RMB1,370 million (approximately S\$274.1 million)

Agreed Property Value of each of the Divestment Properties +2.9% premium of their respective appraised valuations

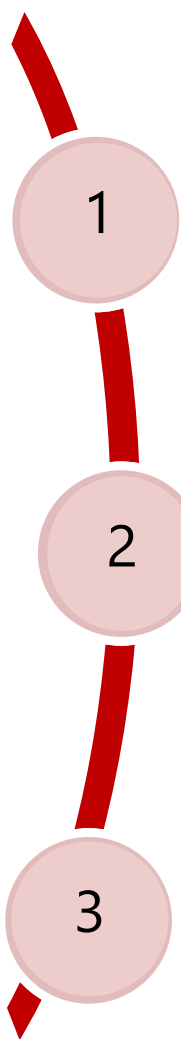
RMB million



- 1) Wholly owned subsidiary of EC World REIT
- 2) Wholly owned subsidiaries of the Sponsor
- 3) Purchasers shall pay for the Equity Consideration through i) FIPL may deliver (or procure the delivery of) Promissory Notes to the Vendor in settlement of a part of the Equity Consideration ii) pay the balance amount to the bank account of the Vendor.

Rationale for the Proposed Divestment

Rationale



Enabling debt financing and refinancing in order to meet ECW's repayment obligations under the existing onshore and offshore bank loans

- Repay the Mandatory Repayment expected amount of S\$142.6 million, being at least 25% of existing bank loans by 31 December 2022
- At risk of an imminent default of the Mandatory Repayment obligations due 31 December 2022 if the Proposed Divestment is not carried out

Opportunity to realise value of the Divestment Properties

(i) Premium to independent valuations, **aggregate agreed property value +2.9% premium** to the aggregate appraised valuation

(ii) **Premium to book value of the Target Companies** as at 30 Jun 2022

(iii) Premium to IPO levels, **blended premium of 17.8%** vs. purchase considerations at IPO

(iv) **Special Distribution** of approximately RMB450.9 million (S\$90.2 million¹⁾)

Preservation of long-term value for Unitholders

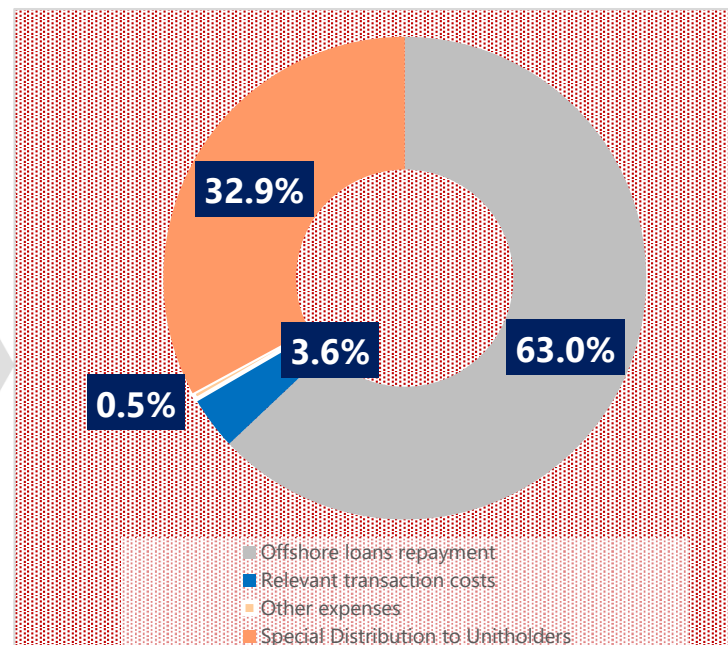
- Decline in asset valuations of Divestment Properties compared to IPO levels
- Beigang is no longer as attractive to tenants, due to market trends
- Unfeasible to overhaul and reposition the Divestment Properties to capture evolving e-commerce trends
- Chongxian is an aging property with upcoming extensive repair required

1) Actual quantum to be computed based on the exchange rate as at the Completion Date. Intended to be made within 40 Business Days of Completion. Depending among others, the likelihood of refinancing of the April 2023 Outstanding Loans based on terms that are acceptable to ECW, post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.

Intended Use of Divestment Proceeds from the Equity Consideration

	RMB million	S\$ million
(i) Settlement of a portion of Existing Offshore Bank Loans	596.6	119.4
Repayment of the relevant Offshore Revolving Credit Facilities	266.0	53.2
Sub-total	862.6	172.6
(ii) Payment of relevant transaction costs	50.0	10
(iii) Contingent expenses, claims, warranties and other potential post-Completion obligations	6.5	1.3
(iv) Special distribution to Unitholders	450.9	90.2
Total	1,370	274.1

Percentage of Intended Use of Divestment Proceeds

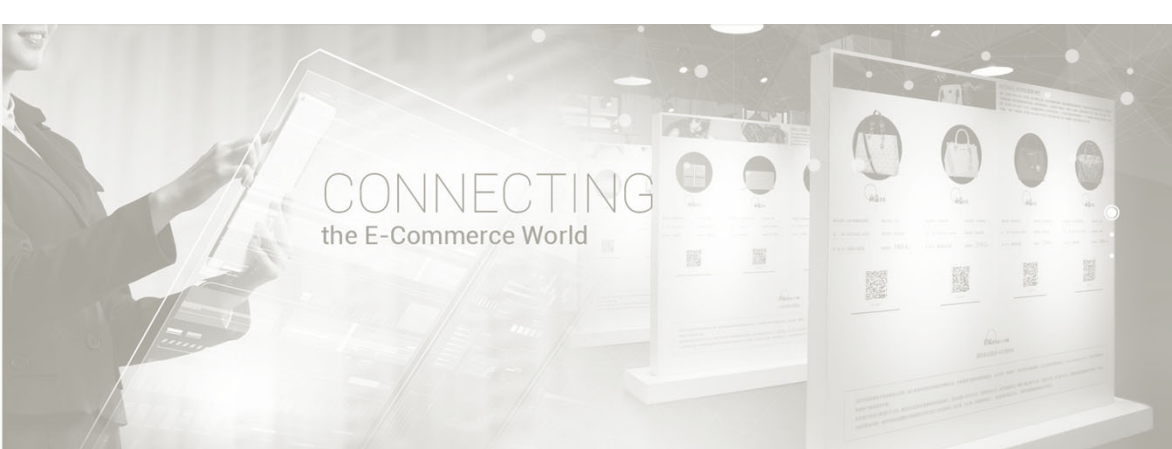


Special Distribution^{1 2}

Approximately
RMB450.9 million (S\$90.2 million)/
S\$0.1114 per Unit

On Completion, the Purchasers will repay (or procure such repayment of) the HZBG Loan Repayment Amount, being the amount representing all the outstanding borrowings of Hangzhou Beigang, estimated to be approximately **RMB 266.4 million (S\$53.3 million)**

- 1) Special Distribution to form part of the intended use of proceeds from the divestment. As the divestment fee units will be issued to the Manager only after the record date for the purpose of determining Unitholders' entitlements to the Special Distribution, accordingly, the Divestment fee units will not be entitled to the Special Distribution.
- 2) Depending on, among others, the likelihood of refinancing the April 2023 Outstanding Loans based on terms that are acceptable to ECW post-Completion, the Manager may decide not to make the Special Distribution at all or may determine a lower quantum of the Special Distribution than what is currently expected.



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Section B: Financial Details and Post Divestment Structure

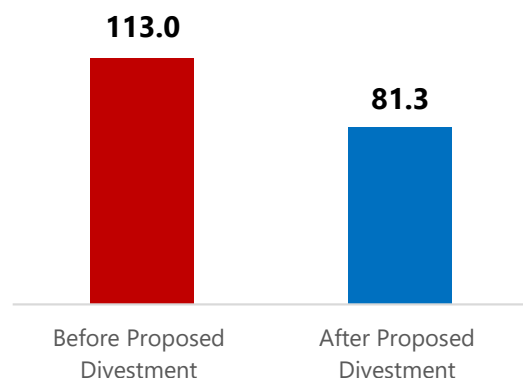


Pro Forma Financial Effects

Net Property Income²

(S\$ million)

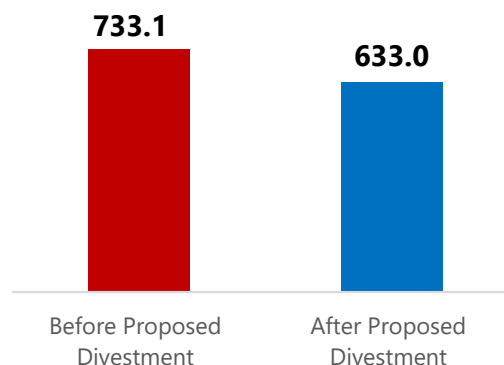
Pro Forma NPI



Pro Forma NAV¹

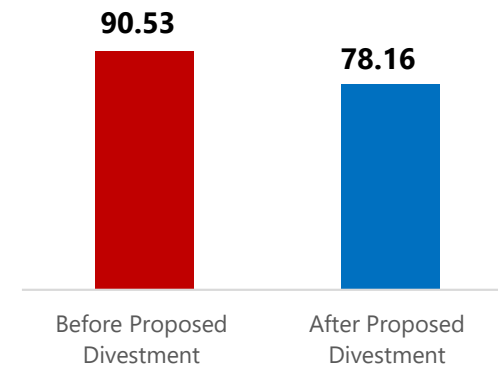
(S\$ million)

Pro Forma NAV



(Cents)

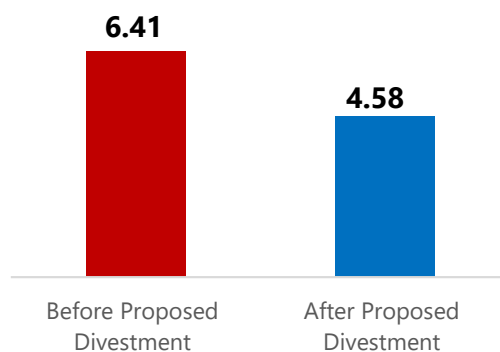
Pro Forma NAV per Unit



DPU²

(Cents)

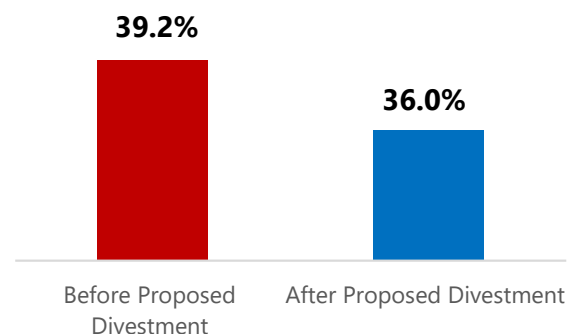
Pro Forma DPU



Gearing³

(%)

Pro Forma Gearing



1) Based on ECW's audited consolidated financial results for FY2021 and Appraised Valuation of the Divestment Properties as at 30 June 2022, after accounting for the estimated relevant transaction costs of approximately S\$10.0 million. Strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of ECW after completion.

2) Based on the audited consolidated financial results for FY2021 of ECW, adjusted based on the Appraised Valuation of the Divestment Properties as at 30 June 2022. Based on total number of Units in issue as at 30 September 2022.

3) Based on data as at 30 June 2022, the illustrative exchange rate and the use of proceeds as disclosed in the Circular.

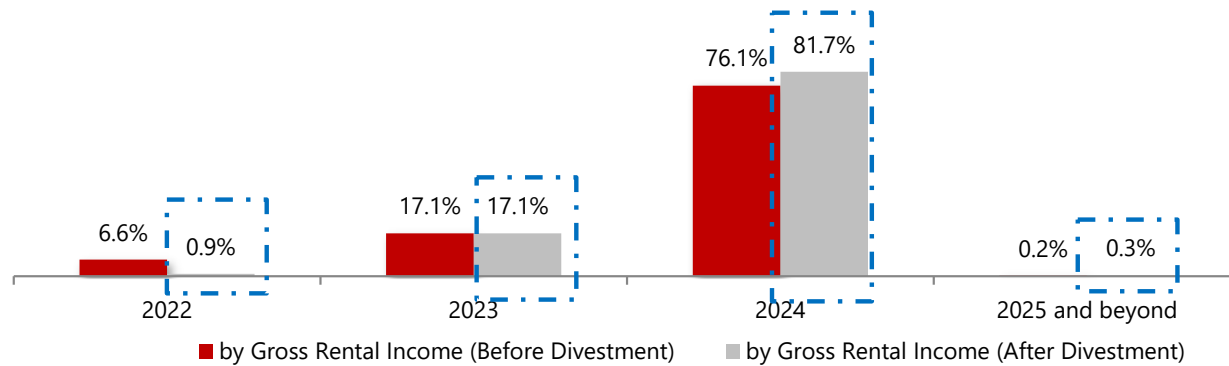
Post Completion – WALE to improve to 2.0 year

- ✓ E-Commerce remains largest segment in terms of net lettable area, post divestment
- ✓ Well-diversified and resilient portfolio to provide stability of returns to Unitholders

Lease Expiry Profile of Portfolio ⁽¹⁾

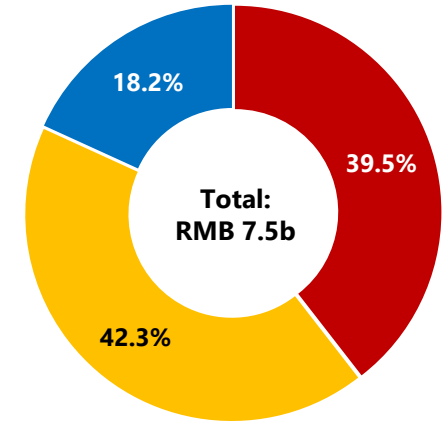
WALE by Gross Rental Income (Before Divestment): 1.8 year

WALE by Gross Rental Income (After Divestment): 2.0 year



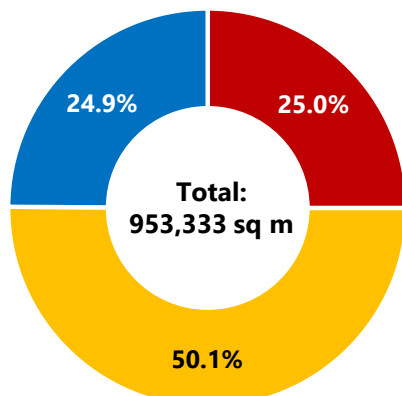
Portfolio Valuation

Before Divestment

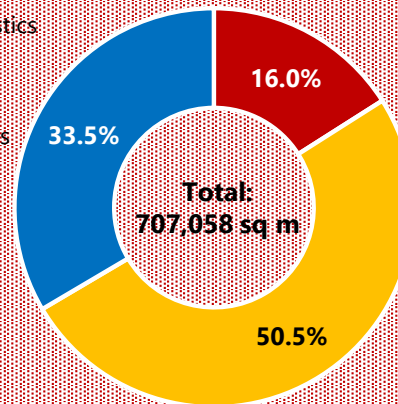


Net Lettable Area Before and After Divestment

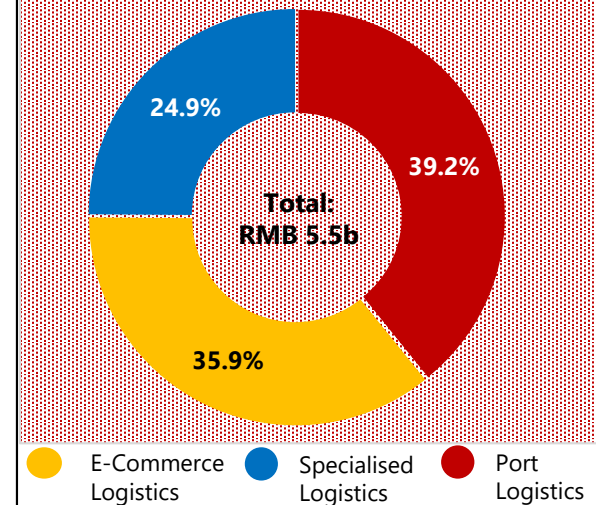
NLA Before Divestment



NLA After Divestment



After Divestment



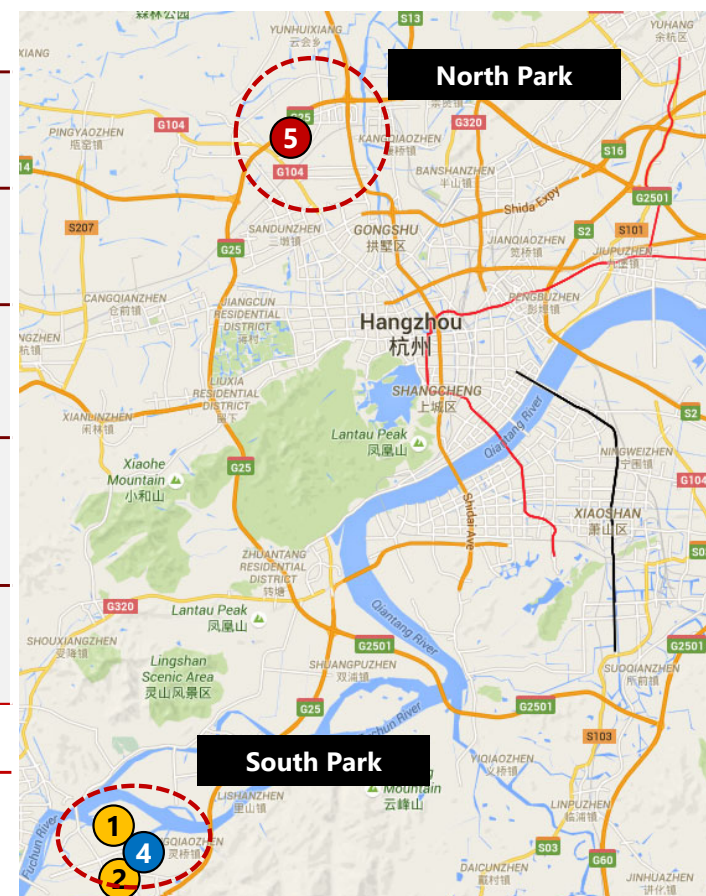
(1) As at 30 September 2022; excluding Fu Zhuo Industrial

Portfolio Overview Post Divestment

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

Property	Type	NLA (sq m)	Type of Lease / No. of Tenants ⁽¹⁾	Lease Structure	Rental Escalation
1 Fu Heng Warehouse	E-commerce Logistics	94,287	Master leased ⁽²⁾	From 1 Jan 2021 to 31 Dec 2024	2.0% annually
2 Fuzhou E-Commerce	E-Commerce Logistics	214,284	Master leased	From 8 Aug 2019 to 8 Aug 2024	2.25% annually
3 Wuhan Meiluote	E-Commerce Logistics	48,695	Multi-tenancies	-	0% to 5% per annum
4 Hengde Logistics	Specialised Logistics	237,066	2 tenants ⁽³⁾	1) 5 Oct 2020 to 21 Dec 2023 2) 9 May 2021 to 31 Dec 2023	No escalation
5 Chongxian Port Investment	Port Logistics	112,726	Master leased ⁽²⁾	From 1 Jan 2021 to 31 Dec 2024	2.0% annually
Total		707,058			

- ✓ 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



- Port Logistics
- Specialised Logistics
- E-Commerce Logistics

(1) Based on underlying end-tenants as at 30 September 2022
 (2) Master leases with Sponsor commenced on 1 January 2016
 (3) Key tenant: China Tobacco Zhejiang Industrial Co., Ltd.



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Section C: IFA's Recommendation



Independent Financial Adviser's Recommendation

Excerpt of the IFA Letter:

*“Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Divestment as at IPT is on normal commercial terms and is not prejudicial to the Interests of EC World REIT and its minority Unitholders. Accordingly, we advise the Audit and Risk Committee of the Manager and the Independent Directors to recommend that the independent Unitholders **VOTE IN FAVOUR** of the resolution in relation to the Proposed Divestment.*

Our opinion in relation to the Proposed Divestment as an IPT should be considered in the context of the entirety of this Letter and the Circular.”

Provenance Capital Pte. Ltd.

Resolution to be Approved

Ordinary Resolution

- (i) The Proposed Divestment, on the terms and conditions set out in the Equity Purchase Agreement, and the entry into of the Equity Purchase Agreement be and is hereby approved and ratified
- (ii) The Manager, and any Director and/or the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of EC World REIT to give effect to the Proposed Divestment and all transactions in connection therewith (including, but not limited to the Promissory Notes Arrangement, the Transaction Financing and all transactions contemplated under the Equity Purchase Agreement).

Forchn Group Holdings Co., Ltd., the sponsor of EC World REIT, will abstain and will procure that each of its associates including the Manager, abstain from voting on the resolution in relation to the Proposed Divestment.



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Thank You

