

Singapore Company Update

EC World REIT

Bloomberg: ECWREIT SP | Reuters: ECWO.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

17 May 2022

BUY

Last Traded Price (13 May 2022): S\$0.615 (STI : 3,191.16)
Price Target 12-mth: S\$0.70 (13% upside) (Prev S\$0.85)

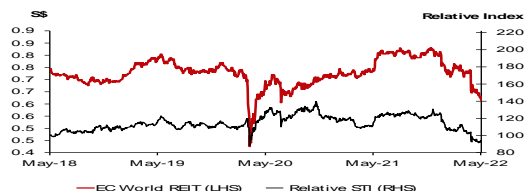
Analyst

Dale LAI +65 66823715 dalelai@db.com
Derek TAN +65 6682 3716 derektan@db.com

What's New

- Unwelcome surprise from pre-termination compensation to tenant
- Organic growth in portfolio to more than offset absence of income from Fu Zhuo Industrial
- Earnings in FY23 expected to rebound by more than 6% following one-off compensation paid this year
- Maintain BUY with revised TP of S\$0.70

Price Relative



Forecasts and Valuation

FY Dec (S\$m)	2020A	2021A	2022F	2023F
Gross Revenue	110	125	125	127
Net Property Inc	100	113	113	114
Total Return	15.4	24.5	44.0	47.3
Distribution Inc	47.2	51.9	48.3	51.8
EPU (S cts)	3.24	6.72	5.41	5.79
EPU Gth (%)	73	108	(19)	7
DPU (S cts)	5.36	6.26	5.65	6.01
DPU Gth (%)	(11)	17	(10)	6
NAV per shr (S cts)	88.7	92.9	92.9	92.8
PE (X)	19.0	9.2	11.4	10.6
Distribution Yield (%)	8.7	10.2	9.2	9.8
P/NAV (x)	0.7	0.7	0.7	0.7
Aggregate Leverage (%)	37.7	38.1	37.8	37.7
ROAE (%)	3.7	7.4	5.8	6.2

Distn. Inc Chng (%): (10) (7)
Consensus DPU (S cts): 7.10 6.90
Other Broker Recs: B: 2 S: 0 H: 1

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

Attractive yields should more than offset surprise compensation payment

Investment Thesis

Revising our TP to reflect divestment of Fu Zhuo Industrial. ECWREIT has demonstrated its portfolio resilience by reporting improving earnings and stable occupancy rates. However, Fu Zhuo Industrial has undergone a compulsory expropriation by the local government and has ceased income contribution from 1 April 2022. Although built-in rental escalations from its master leases will more than offset the absence of income, ECWREIT is liable for a one-off pre-termination compensation of c.S\$4.1m to its tenant.

Leveraged on e-commerce. Earnings are expected to remain robust, as its portfolio caters to the fast-growing logistics and e-commerce sector; 50% of assets are e-commerce logistics and 25% each in port logistics and specialised logistics.

Inherent organic growth in the portfolio underpinned by master leases. With built-in rental escalations ranging from an average of 1.0% to 2.5% for its master leases, this ensures organic growth to ECWREIT's earnings. Moreover, its multi-tenanted assets that cater to the fast-growing logistics industry also have the potential deliver revenue growth.

Valuation:

Our TP of S\$0.70 is based on DCF with an assumed discount rate of 7.9% (risk-free rate of 3.0%). Our TP implies an 8.1% yield and a P/NAV of 0.75x.

Where we differ:

In addition to the one-off pre-termination compensation to be paid in FY22, we have also assumed an increase in all-in financing costs when maturing loans are refinanced during the year.

Key Risks to Our View:

Key risks include those that are sponsor-related such as failure to extend master-lease agreements and challenges in underlying occupancy.

At A Glance

Issued Capital (m shrs)	809
Mkt. Cap (S\$m/US\$m)	498 / 357
Major Shareholders (%)	
Forchn Holdings Group Co Ltd	44.5
China Cinda Asset Management Co Ltd	10.1
DAZHONG CAPITAL	5.4
Free Float (%)	40.0
3m Avg. Daily Val (US\$m)	0.34
GIC Industry : Real Estate / Equity Real Estate Investment (REITs)	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

WHAT'S NEW

Attractive yields to balance out surprise compensation

Organic growth in earnings reported in 1Q22. Gross Revenue and NPI increased 0.7% and 3.2% q-o-q, mainly due to rental escalations. The higher earnings were also due to late fee income and the strengthening of the RMB against SGD. On 1 Jan 2022, rents at Fu Heng and Chongxian Port Investment underwent a 2.0% annual rent escalation.

10% decline in DI due to tax expenses and pre-termination compensation. 1Q22 DI fell by 10% q-o-q to S\$11.2m due to higher income tax expenses and provisions for pre-termination compensation at Fu Zhuo Industrial.

Income tax expenses more than doubled in 1Q22 to S\$6.9m due to the repatriation of funds. As income taxes are recognised at the time of repatriation of funds, taxes will revert to normal levels in subsequent quarters.

Compulsory expropriation of Fu Zhuo Industrial has been finalised. The expropriation of Fu Zhuo Industrial by the RPC authorities has been finalised and income contribution from the property has ceased from 1 April 2022. The compensation to ECWREIT for the expropriation of the

asset is RMB108.5m, and ECWREIT will be paid in three tranches.

The compensation from the PRC authorities is 92.8% of the property's latest valuation, or 26.8% higher than its purchase consideration at IPO. We understand that the compensation has also considered the need for the pre-termination compensation to the tenant, which amounts to RMB19.2m.

We understand that ECWREIT is liable for a compensation of RMB19.2m to its tenant for the pre-termination of the lease and it was a mechanism that has been baked into its lease since IPO. The tenant had signed a 15-year lease (Oct 2014 – Oct 2029) and had put in significant capex at the port property which comprises berths and office buildings.

Like the compensation to be paid by the PRC authorities, 30% of the provisions for the pre-termination compensation to the tenant has been recognised in 1Q22. Future provisions will also be recognised together when the PRC authorities pay ECWREIT the remaining two tranches.

Fu Zhuo Industrial ceased income contribution from 1 April 2022



Fu Zhuo Industrial is a port property which comprises berths and office buildings and is located in the west of Chongxian New City, north of Hangzhou, on the east bank of the Beijing-Hangzhou Grand Canal, and next to the National Highway No. 320 and Jiaxing-Huzhou Expressway.

Commencement of Operations	Oct 2014
Net Lettable Area (sqm)	7,128
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	100.0%
Purchase Consideration (RMB'm)	85.6
Independent Valuation (RMB'm)⁽¹⁾	117.0
% of Portfolio Valuation⁽¹⁾	1.48%
Compensation package (RMB'm)	108.5
Provision of Compensation to 3rd party tenant (RMB'm)	19.2

(1) As at 31 March 2022.
 (2) As at 31 March 2022. By Gross Rental Income
 (3) For the financial year ended 31 December 2021

Source: EC World REIT

Organic growth in earnings will make up for absence of contribution; however, pre-termination compensation remains an unwelcome surprise. Based on our estimates, income contribution from Fu Zhuo Industrial amounts to c.S\$2.0m per annum (c.1.6% of revenues). The built-in rental escalations at its other properties will more than make up for the absence on income contribution from Fu Zhuo Industrial, but the RMB19.2m (c.S\$4.1m) in pre-termination compensation is an unwelcome surprise to our estimates.

In our view, ECWREIT's compensation to the tenant for pre-termination seems high and the compensation from the PRC authorities does not seem adequate to account for this. The c.S\$4.1m will be an unwelcome surprise to our projections for ECWREIT, and will hit its earnings in FY22. This will lead to a more than 8.0% reduction in ECWREIT's FY22 distributable income based on our earlier projections. c.S\$1.2m in provisions has been recognised in 1Q22, and we expect the remaining c.S\$2.9m to be recognised over the course of FY22.

Entire offshore borrowings expected to be refinanced before end-May 2022. ECWREIT's leverage improved slightly to 37.3% in 1Q22 following the repayment of some short-term borrowings and its running borrowing costs inched up marginally to 4.2%. of its entire borrowings of S\$706.5m, c.98% (or c.S\$691m) are offshore borrowings that will be maturing at the end of May 2022. The remaining c.2% are onshore borrowings that will only be due in end-July 2029.

New regulations introduced in August 2020 resulted in the tightening of credit to property related companies in China, thereby making lenders more cautious in giving out property related loans. This has been part of the reason for the delays in refinancing its loans that are due this month. However, we understand that ECWREIT is already in the final stages of negotiations and will announce the refinancing in the coming two weeks (before the end of May 2022).

Given the rising interest rate environment, we believe that any refinancing done at this time will likely lead to an increase in all-in borrowing costs, unless the refinancing is done on a shorter tenure (loan tenures of less than 2 years). As such, we have also factored in an increase in financing costs in our projections.

Pre-termination compensation is to be a one-off in FY22, and distributions are expected to rebound in FY23. As highlighted, we have revised our earnings estimates to account for the c.S\$4.1m in pre-termination compensation, as well as our projections for higher financing costs in FY22. Our revised DPU projections of S\$5.65 Scts in FY22 is a c.9.7% decline in DPU compared to FY21. Looking ahead, without the one-off provisions for pre-termination in FY23, we project ECWREIT's distributions to rebound by more than 6%.

Maintain BUY with a lower TP of S\$0.70. Despite the downward revision in our projections, ECWREIT's FY22 forward yield remains attractive at c.9.2% at its current share price. On a normalised basis in FY23 (without the one-off pre-termination compensation), the projected rebound of more than 6% in distributions implies a FY23 yield of c.9.8%.

In our DCF valuation, we have also tapered down our terminal growth assumptions for ECWREIT to 1.0% (from 1.5%) given the economic uncertainties caused by prolonged lockdowns and a downward revision in China's GDP growth forecasts. Having already accounted for these downside risks, we believe ECWREIT still remains attractive on a valuation perspective. Moreover, we anticipate that the successful refinancing of its maturing loans in the coming weeks will lead to the removal of the near-term overhang and allow the REIT to trade closer to its NAV of S\$0.93.

As such, we will be maintaining our BUY recommendation with a revised TP of S\$0.70.

Company Background

ECW is the first specialised and e-commerce logistics REIT listed on the SGX. It has a portfolio of quality properties in China, located within one of the largest e-commerce clusters of Hangzhou in the Yangtze River Delta and Wuhan.

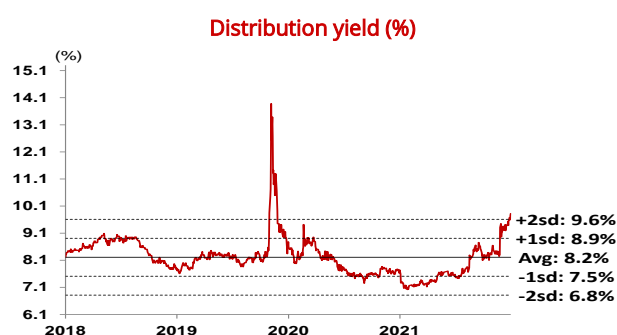
EC World REIT

Quarterly / Interim Income Statement (\$m)

FY Dec	1Q2021	4Q2021	1Q2022	% chg y-o-y	% chg qoq
Gross revenue	30.8	31.9	32.2	c4.4	0.7
Property expenses	(3.1)	(3.1)	(2.4)	(22.6)	(22.8)
Net Property Income	27.7	28.8	29.7	7.4	3.2
Other Operating	(3.3)	(2.0)	(1.9)	(43.3)	(9.1)
Other Non Opg	4.54	0.88	1.55	(65.8)	76.3
Associates & JV Inc	0.0	0.0	0.0	nm	nm
Net Interest (Exp)/Inc	(9.2)	(9.6)	(9.3)	(1.2)	3.3
Exceptional	0.0	0.0	(4.1)	N/A	N/A
Net Income	19.8	18.1	16.0	(18.9)	(11.1)
Tax	(4.9)	(2.9)	(6.9)	40.8	136.1
Minority Interest	0.0	0.0	0.0	N/A	N/A
Net Income after	14.9	15.1	9.16	(38.5)	(39.5)
Total Return	14.9	(14.6)	7.34	(50.7)	(150.1)
Non-tax deductible	(1.2)	27.1	3.86	(435.1)	(85.8)
Net Inc available for	13.7	12.4	11.2	(18.5)	(10.0)
Ratio (%)					
Net Prop Inc Margin	89.9	90.2	92.5		
Dist. Payout Ratio	100.0	100.0	100.0		

Source of all data: Company, DBS Bank

Historical Distribution yield and PB band



Source: Bloomberg Finance L.P., DBS Bank estimates



Source: Bloomberg Finance L.P., DBS Bank estimates

EC World REIT

Income Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Gross revenue	99.1	110	125	125	127
Property expenses	(9.4)	(9.4)	(12.5)	(12.5)	(12.7)
Net Property Income	89.7	100	113	113	114
Other Operating expenses	(6.5)	(5.7)	(9.6)	(9.3)	(9.7)
Other Non Opg (Exp)/Inc	(4.3)	(9.3)	8.55	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(31.1)	(37.2)	(37.6)	(40.8)	(41.4)
Exceptional Gain/(Loss)	0.0	0.09	0.0	(4.1)	0.0
Net Income	47.8	48.2	74.4	58.6	63.1
Tax	(32.9)	(22.2)	(20.2)	(14.7)	(15.8)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Income After Tax	14.9	26.0	54.3	44.0	47.3
Total Return	65.2	15.4	24.5	44.0	47.3
Non-tax deductible Items	(16.4)	31.8	27.4	4.37	4.41
Net Inc available for Dist.	48.9	47.2	51.9	48.3	51.8
Growth & Ratio					
Revenue Gth (%)	3.0	10.7	14.4	(0.1)	1.2
N Property Inc Gth (%)	2.7	11.8	12.7	(0.1)	1.2
Net Inc Gth (%)	(57.4)	74.8	108.6	(19.0)	7.7
Dist. Payout Ratio (%)	98.7	91.3	90.0	95.0	95.0
Net Prop Inc Margins (%)	90.5	91.4	90.1	90.0	90.0
Net Income Margins (%)	15.0	23.7	43.2	35.1	37.3
Dist to revenue (%)	49.3	43.0	41.4	38.5	40.8
Managers & Trustee's fees	6.5	5.2	7.6	7.4	7.7
ROAE (%)	2.2	3.7	7.4	5.8	6.2
ROA (%)	0.9	1.5	2.9	2.3	2.5
ROCE (%)	1.6	3.0	4.2	4.2	4.3
Int. Cover (x)	2.7	2.5	2.8	2.5	2.5

S\$4.1m in provisions for pre-termination compensation to be paid to tenant at Fu Zhuo Industrial.

Source: Company, DBS Bank

EC World REIT

Quarterly Income Statement (\$m)

FY Dec	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022
Gross revenue	30.8	31.2	31.6	31.9	32.2
Property expenses	(3.1)	(3.2)	(3.0)	(3.1)	(2.4)
Net Property Income	27.7	27.9	28.6	28.8	29.7
Other Operating	(3.3)	(1.7)	(2.6)	(2.0)	(1.9)
Other Non Opg (Exp)/Inc	4.54	0.64	2.49	0.88	1.55
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(9.2)	(9.3)	(9.5)	(9.6)	(9.3)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	(4.1)
Net Income	19.8	17.6	19.0	18.1	16.0
Tax	(4.9)	(7.1)	(5.2)	(2.9)	(6.9)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Income after Tax	14.9	10.5	13.7	15.1	9.16
Total Return	14.9	10.5	13.7	(14.6)	7.34
Non-tax deductible Items	(1.2)	3.08	0.41	27.1	3.86
Net Inc available for Dist.	13.7	13.6	14.1	12.4	11.2
Growth & Ratio					
Revenue Gth (%)	4	1	1	1	1
N Property Inc Gth (%)	2	1	2	1	3
Net Inc Gth (%)	88	(29)	31	10	(40)
Net Prop Inc Margin (%)	89.9	89.6	90.6	90.2	92.5
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0

Only S\$1.2m in pre-termination compensation recognised in 1Q22. Remaining S\$3.9m has been written back and will be recognised in subsequent quarters.

Balance Sheet (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Investment Properties	1,568	1,624	1,674	1,650	1,652
Other LT Assets	0.0	0.0	0.0	0.0	0.0
Cash & ST Invt	119	152	169	196	200
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	36.9	40.3	52.1	10.5	10.6
Other Current Assets	0.11	0.01	0.0	0.0	0.0
Total Assets	1,724	1,816	1,895	1,857	1,863
ST Debt	67.9	91.0	708	688	688
Creditor	34.1	30.0	33.5	10.5	10.6
Other Current Liab	16.0	33.2	21.4	21.4	21.4
LT Debt	587	593	13.2	13.2	13.2
Other LT Liabilities	335	353	367	367	367
Unit holders' funds	684	716	752	757	762
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Funds & Liabilities	1,724	1,816	1,895	1,857	1,863
Non-Cash Wkg. Capital	(13.2)	(22.9)	(2.8)	(21.4)	(21.4)
Net Cash/(Debt)	(535)	(532)	(552)	(505)	(501)
Ratio					
Current Ratio (x)	1.3	1.2	0.3	0.3	0.3
Quick Ratio (x)	1.3	1.2	0.3	0.3	0.3
Aggregate Leverage (%)	38.0	37.7	38.1	37.8	37.7

Lower investment properties due to the compulsory expropriation of Fu Zhuo Industrial.

Source: Company, DBS Bank

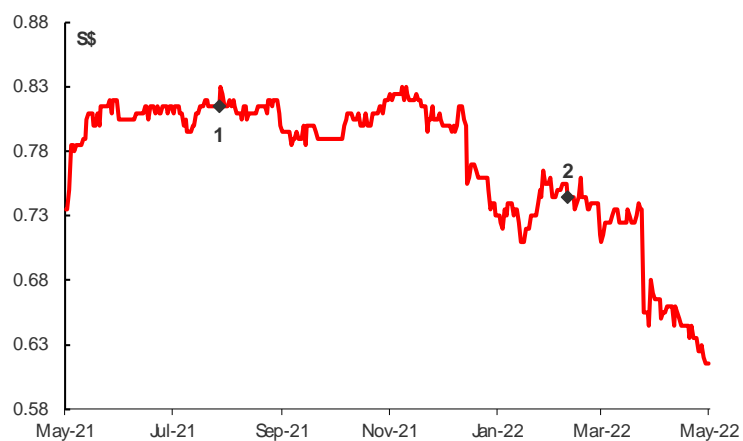
EC World REIT

Cash Flow Statement (\$m)

FY Dec	2019A	2020A	2021A	2022F	2023F
Pre-Tax Income	47.8	48.2	74.4	58.6	63.1
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	17.7	8.35	(6.7)	(14.7)	(15.8)
Associates & JV Inc/(Loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	18.2	(3.4)	(8.2)	18.6	0.0
Other Operating CF	8.59	27.9	10.7	2.57	2.61
Net Operating CF	92.3	81.1	70.2	65.1	50.0
Net Invnt in Properties	(156)	0.0	0.0	23.5	(1.5)
Other Invnts (net)	0.0	1.06	(0.4)	0.0	0.0
Invnts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc. & JVs	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
Net Investing CF	(156)	1.06	(0.4)	23.5	(1.5)
Distribution Paid	(48.5)	(43.7)	(49.7)	(45.9)	(49.2)
Chg in Gross Debt	104	(36.3)	(36.3)	(20.0)	0.0
New units issued	3.47	3.73	4.43	4.37	4.41
Other Financing CF	(3.5)	(3.7)	(4.4)	0.0	0.0
Net Financing CF	55.4	(80.0)	(86.0)	(61.5)	(44.8)
Currency Adjustments	(14.2)	30.1	33.7	0.0	0.0
Chg in Cash	(22.7)	32.2	17.6	27.1	3.70
Operating CFPS (S cts)	9.31	10.5	9.71	5.73	6.11
Free CFPS (S cts)	(8.0)	10.1	8.69	10.9	5.92

Source: Company, DBS Bank

Target Price & Ratings History



Note: Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	10 Aug 21	0.82	0.90	BUY
2:	24 Feb 22	0.75	0.85	BUY

Source: DBS Bank

Analyst: Dale LAI

Derek TAN

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 17 May 2022 06:53:40 (SGT)

Dissemination Date: 17 May 2022 08:01:21 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 30 Apr 2022.

Compensation for investment banking services:

2. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.


Disclosure of previous investment recommendation produced:

3. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a person(s) who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Carol Wu (Reg No. AH8283) at dbsvhk@dbs.com</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.

Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanakul] at [research@th.dbs.com]</p>
United Kingdom	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

EC World REIT

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG

DBS (Hong Kong) Ltd

Contact: Carol Wu
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Janice Chua
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaresearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand