



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

FY19 Results Presentation

27 February 2020



Disclaimer

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither EC World Asset Management Pte. Ltd. (the “Manager”) nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The forecast performance of EC World Real Estate Investment Trust (“EC World REIT”) is not indicative of the future or likely performance of EC World REIT. The forecast financial performance of EC World REIT is not guaranteed.

The value of units in EC World REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). It is intended that unitholders of EC World REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

Agenda

Section A

FY19 Key Highlights

Section B

Financial Review

Section C

Portfolio Update



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Section A: FY19 Key Highlights



FY19 Key Highlights

Successful Delivery of Strategies | Stable Lease Structure



Stable Financials and Distributions

- ✓ Achieved Distribution Per Unit (“DPU”) of **1.510 cents**¹ for 4QFY19, **1.4% higher** than 3QFY19
- ✓ **Attractive annualised yield of 8.1%**²

Disciplined Investment with Acquisition of Yield-Accretive Quality E-Commerce Asset

- ✓ **Acquisition of Fuzhou E-Commerce**, a rare sizable integrated e-commerce logistics asset enlarging EC World REIT’s footprint to the e-commerce sector
- ✓ **Full year revenue contribution** expected in FY2020



Proactive Asset Management with Healthy Operating Metrics

- ✓ **Successfully Extended Lease Expiry** with signing of **3 New Master Leases** with **Built-in Rental Escalation**
- ✓ **Weighted Average Lease to Expiry of 4.1 years** (by gross rental income)
- ✓ **+ 20.6%** in Portfolio Valuation to **RMB8,118 million** largely due to Fuzhou E-Commerce. **Base portfolio** grew by **1.5% year-on-year**



Prudent Capital and Debt Management

- ✓ **Successfully refinanced loans** due in July 2019
- ✓ Significantly extending **debt maturity**
- ✓ Weighted Average Term of Debt Expiry of **2.6 years**
- ✓ **72%** of interest rate risk of **Offshore Facility on fixed rate**

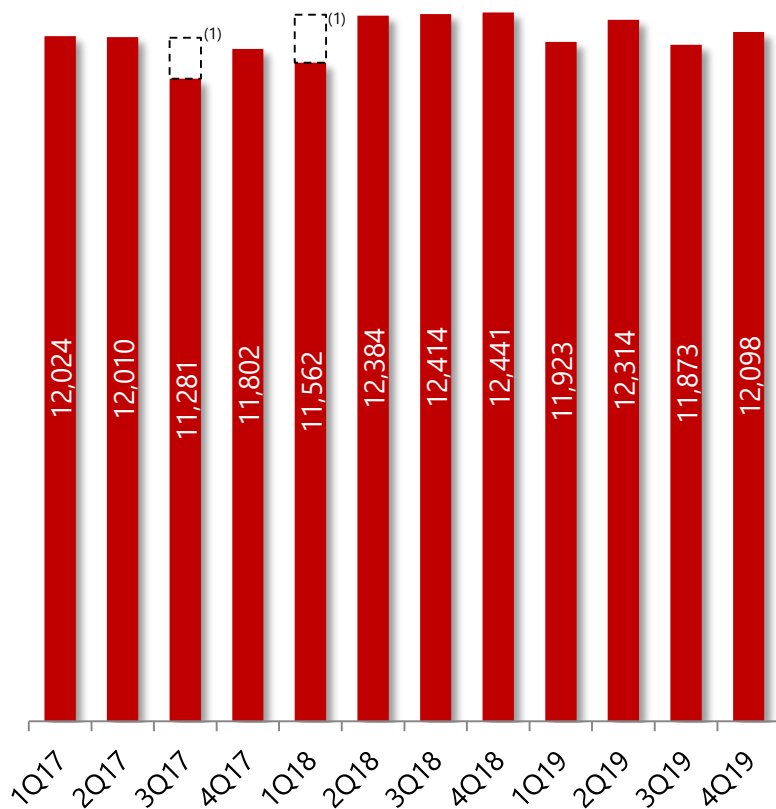
(1) For 4QFY19, the Manager has resolved to distribute 95% of the capital distribution to Unitholders. Total amount available for distribution for 4QFY19 is S\$12.7 million. Based on 100% distribution, DPU would have been 1.590 cents for 4QFY19

(2) Based on FY19 DPU of 6.047 cents and Unit Price of S\$0.745 per Unit as at 31 December 2019

Consistent Returns to Unitholders

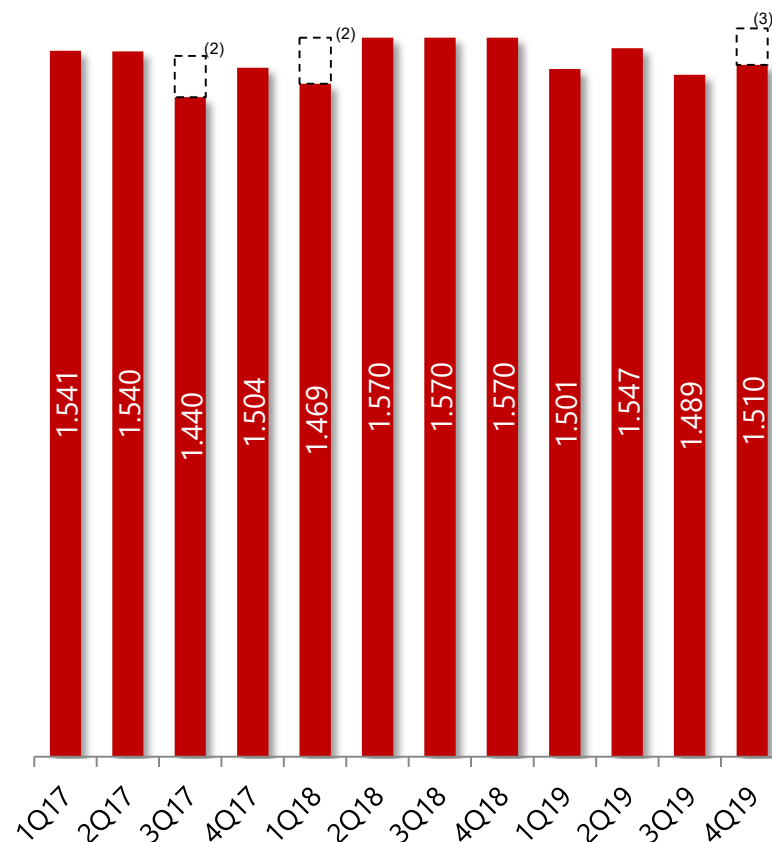
Distribution to Unitholders

SGD'000



DPU

Singapore cents



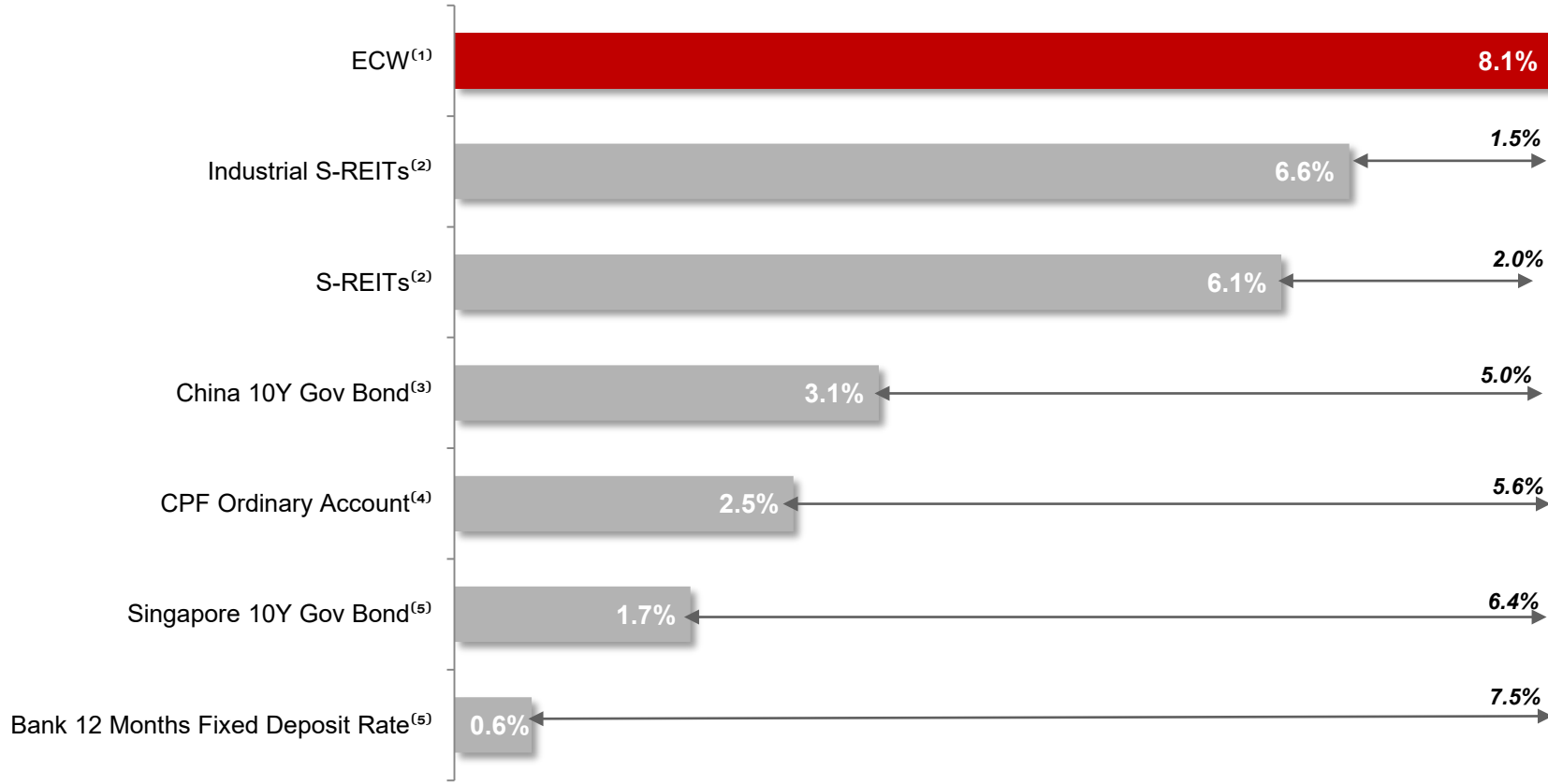
(1) There is a 5% withholding tax expenses incurred during the cash repatriation process for Distribution to Unitholders. Adjusted distribution to Unitholders gross of withholding tax expenses would be about S\$12.0 million and S\$12.4 million for 3Q17 and 1Q18 respectively

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

(3) For 4QFY19, the Manager has resolved to distribute 95% of the capital distribution to Unitholders. Based on a 100% distribution, DPU would have been 1.590 cents for 4QFY19.

Highly Attractive Distribution Yield

Attractive Yield Compared to Peers



(1) Based on FY19 DPU of 6.047 cents and Unit Price of S\$0.745 per Unit as at 31 December 2019

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Source: Monetary Authority of Singapore



EC World
运通网城 REIT

Section B: Financial Review



4QFY19 and FY19 Summary Results

- For 4QFY19, the Manager has resolved to distribute 95% of the capital distribution to Unitholders. Total amount available for distribution for 4QFY19 is S\$12.7 million. Based on a 100% distribution, DPU would have been 1.590 cents for 4QFY19.

Year on Year Comparison	4QFY19	4QFY18	Variance (%)	Quarter on Quarter Comparison	4QFY19	3QFY19	Variance (%)
Gross revenue (S\$'000)	25,862	23,473	10.2	Gross revenue (S\$'000)	25,862	25,675	0.7
Net property income (S\$'000)	24,475	20,840	17.4	Net property income (S\$'000)	24,475	22,920	6.8
Distribution to Unitholders (S\$'000)	12,098	12,441	(2.8)	Distribution to Unitholders (S\$'000)	12,098	11,873	1.9
Distribution per unit (Singapore cents)	1.51	1.57	(3.8)	Distribution per unit (Singapore cents)	1.51	1.489	1.4

Full Year Comparison	FY19	FY18	Variance (%)
Gross revenue (S\$'000)	99,128	96,229	3.0
Net property income (S\$'000)	89,737	87,336	2.7
Distribution to Unitholders (S\$'000)	48,208	48,801	(1.2)
Distribution per unit (Singapore cents)	6.047	6.179	(2.1)

4QFY19 Distribution Timetable

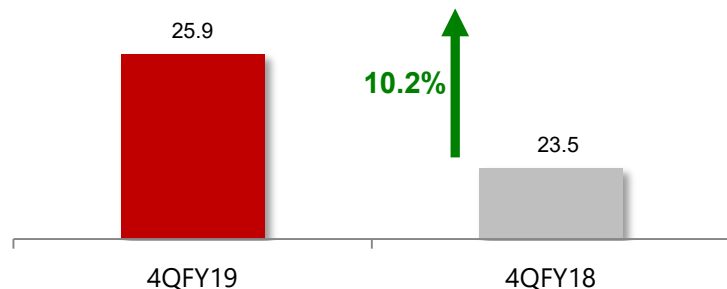
Distribution Timetable

Last Day of Trading on “cum” Basis	:	12 th March 2020 (Thursday)
Ex-date	:	13 th March 2020 (Friday)
Record Date	:	16 th March 2020 (Monday)
Distribution Payment Date	:	27 th March 2020 (Friday)

Review of Performance (4QFY19 vs 4QFY18)

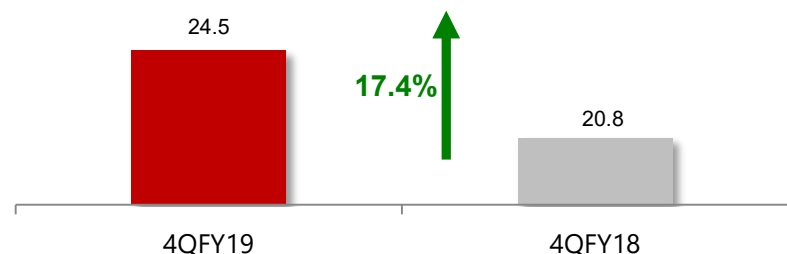
Gross Revenue

S\$ m



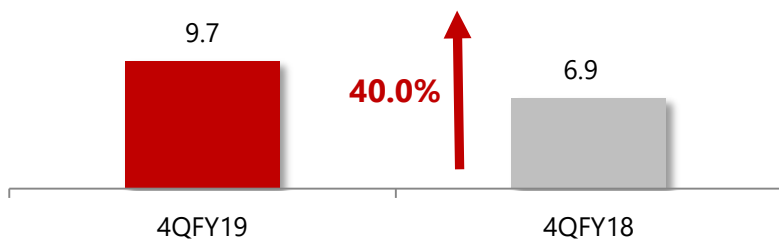
Net Property Income

S\$ m



Finance Cost

S\$ m



- Gross revenue for 4QFY19 grew by 10.2% to S\$25.9 million underpinned by built-in annual rental escalations in master lease agreements and contribution from Fuzhou E-Commerce acquired in August 2019.
- In RMB terms, the gross revenue was 13.2% higher respectively compared to 4Q18.
- NPI of S\$24.5 million in 4QFY19 is 17.4% higher than 4QFY18 largely due to contribution from Fuzhou E-Commerce
- In RMB terms, NPI would have been 20.5% higher compared to 4Q18
- Finance cost increased 40% to S\$9.7 million mainly due to higher loan quantum due to the acquisition of Fuzhou E-Commerce in August 2019
- Received notification from a tenant for the non-renewal of 24,929 sqm of space at Wuhan Meiluote in 2QFY20.
- Due to the COVID-19, Manager expects demand for space in Wuhan to be muted. Wuhan Meiluote accounts for 1.6% of the REIT's portfolio net property income in FY19.
- Several landlords in China has committed to certain rental rebates^{1,2}, ECW anticipates similar requests. Will evaluate requests on a case-by-case basis

1) <https://www.scmp.com/business/companies/article/3048118/chinese-mall-landlords-offer-rent-free-periods-merchants>

2) <https://www.zdnet.com/article/china-tech-giants-chip-in-to-combat-coronavirus-global-shows-impacted/>

Prudent Capital Management

Proactive Capital Management

FY19 Summary

- ❑ 4QFY19 and FY19 blended running interest rate of 4.4% and 4.5% respectively¹
- ❑ Successfully **refinance IPO loans** in July 2019 extending **Weighted Average Debt Expiry to 2.6 years**
- ❑ **72% of offshore facilities** has been swapped into **fixed rate**
- ❑ Aggregate leverage of **38.7%**
- ❑ Entered into FX option contract to lock in SGDRMB for our RMB income source for 1QFY20 distribution

Key Debt Figures

Total Debt Drawdown as at 31 Dec 2019

- RMB975 million onshore
- S\$300 million and US\$86.8 million offshore
- S\$62.7 million RCF ⁽²⁾

FY19 Blended Running Interest Rate

- Onshore – 5.6% p.a.
- Offshore – 4.1% p.a.
- RCF – 1.9% to 2.6% p.a.

Hedging Profile Forex (SGD/RMB) 1QFY20

- Hedged through call vanilla option
- Strike price at CHN 5.20

(1) Including amortized upfront fee, the all-in interest rate for 4QFY19 and FY19 is 5.2% and 5.4% respectively

(2) S\$62.72 million drawn down from the S\$120.0 million revolving credit facility

Healthy Balance Sheet

S\$'000	As at 31 Dec 2019	As at 31 Dec 2018
Cash and cash equivalents⁽¹⁾	119,469	142,127
Investment Properties	1,567,586	1,335,034
Total Assets	1,724,041	1,515,824
Borrowings	654,514	474,705
Total Liabilities	1,040,116	827,272
Net Assets attributable to Unitholders	683,925	688,552
NAV per unit (S\$)	0.85	0.87

(1) Includes RMB194.7 million (S\$37.6 million) cash security deposits received from the master leases and cash deposits of RMB359.8 million (S\$69.5 million) placed as collateral for standby letter of credit ("SBLC") issuance.



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Section C: Portfolio Update



Stable Portfolio with Augmented Growth Potential

Built-in Rental Escalations | Exposure to E-Commerce Logistics Sector

E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Fu Heng	Master Lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 3.0% on 1st Jan 2020, 2.0% annually from 1st Jan 2021.	100%	Coveted property; entire suite of facilities supporting ecommerce fulfilment
Fuzhou E-Commerce	Master Lease: 8 Aug 2019 to 7 Aug 2024 Rental escalation of 2.25% per annum	100%	Situated next to Fu Heng. A rare sizable integrated e-commerce logistics asset
Stage 1 Properties of Bei Gang	Master lease: 1 Nov 2015 to 31 Oct 2024 Rental escalation of 1% on 1st Jan 2020 and 1% from Nov 2020 to Oct 2024	100%	One of the largest e-commerce developments in the region
Wuhan Meiluote	Multi Tenanted	99.4%	First acquisition in 2018. Tenanted to e-commerce players

Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted: 2 main leases.	100%	Customised environment control warehouse space for major SOE tenant China Tobacco

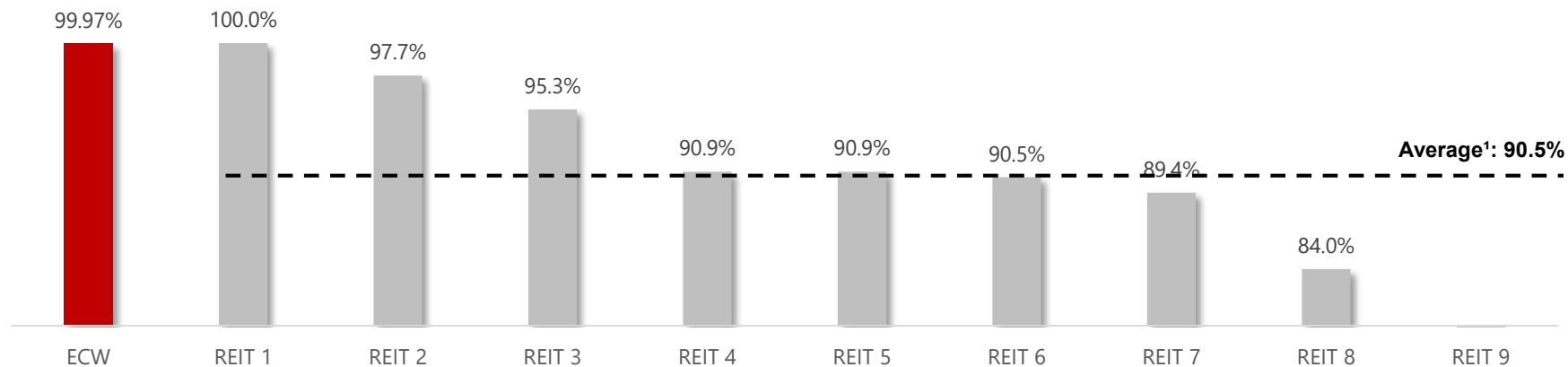
Port Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Chongxian Port Investment	Master lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 3.0% on 1st Jan 2020 and 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) Apr 2015 to Apr 2020: 10% annually in first 3 years, 15% from Year 4 from and (2) 7.5% every 3 years from Oct 2014 to Oct 2029	100%	Adjacent to port ; for cement related products

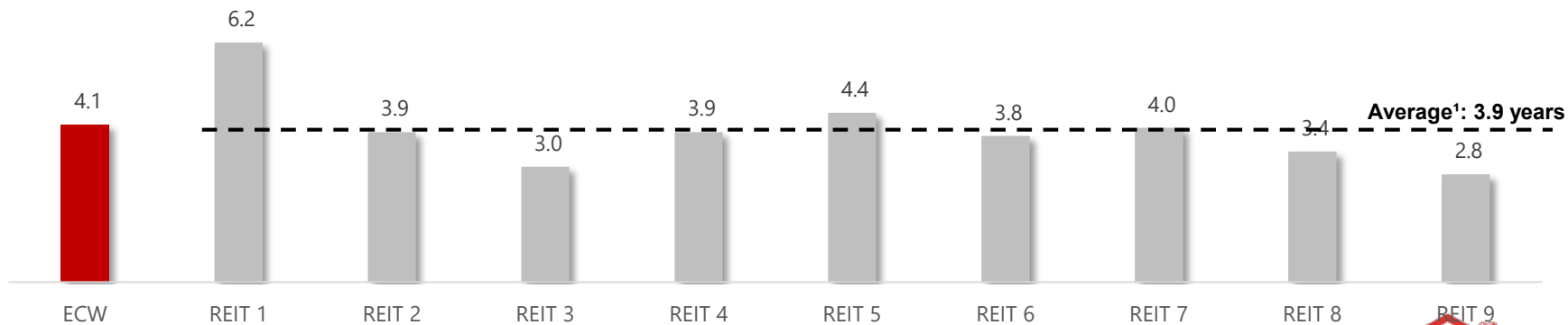
Resilient Asset Portfolio and Healthy Lease Structure

- ✓ Market leading occupancy rate
- ✓ Healthy WALE of 4.1 years by Gross Rental Income
- ✓ Defensive lease structure provides stability and visibility of future cash flows

Portfolio Occupancy (Industrial S-REITs)



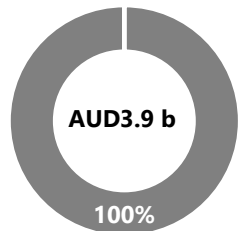
Portfolio WALE² (Years) (Industrial S-REITs)



Unique Exposure to the Booming China E-Commerce Sector

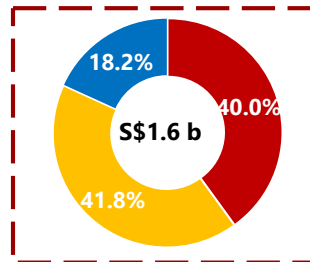
Only S-REIT Offering Substantial Access to E-Commerce Logistics Business

REIT 1



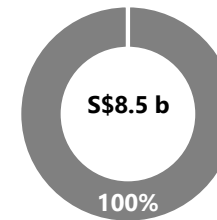
■ Logistics

ECW REIT



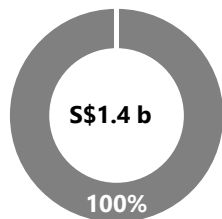
● E-Commerce Logistics ● Specialised Logistics ● Port Logistics

REIT 2



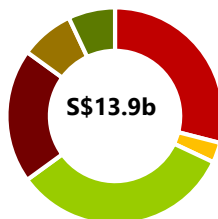
■ Logistics

REIT 3



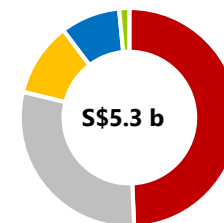
■ Logistics

REIT 4



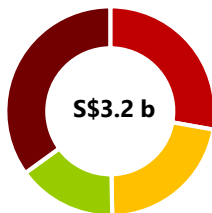
■ Logistics & Distribution Centres
■ Business & Science Parks
■ Light Industrial & Flatted Factories
■ Suburban Offices
■ Hi-Specs Industrial & Data Centres
■ Integrated Development, Amenities & Retail

REIT 5



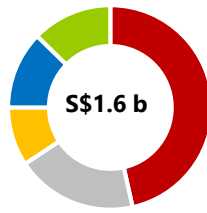
■ Hi-Tech Industrial
■ Business Park
■ Light Industrial
■ Flatted Factories
■ Stack-up/Ramp-up

REIT 6



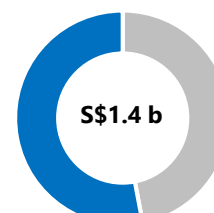
■ Business Parks
■ Logistics / Warehouse
■ Hi-Specs Industrial
■ General Industrial

REIT 7



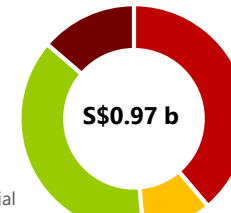
■ Logistics & Warehouse
■ Business Park
■ Light Industrial
■ Hi-Tech Space
■ General Industrial

REIT 8



■ Industrial
■ Business Park

REIT 9



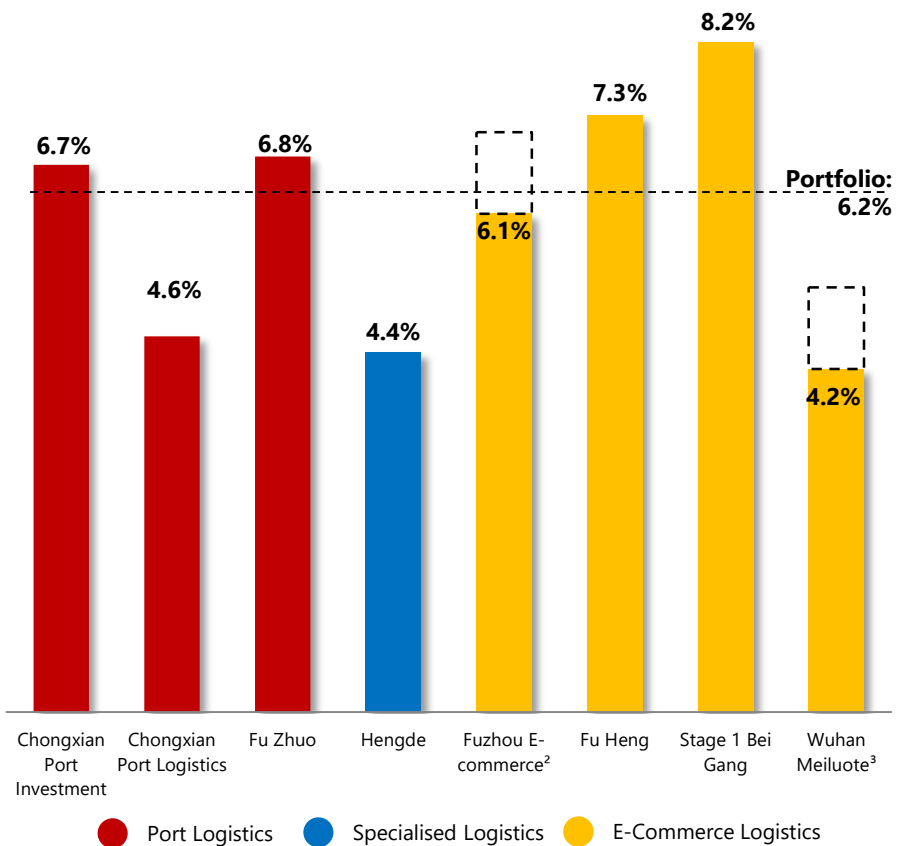
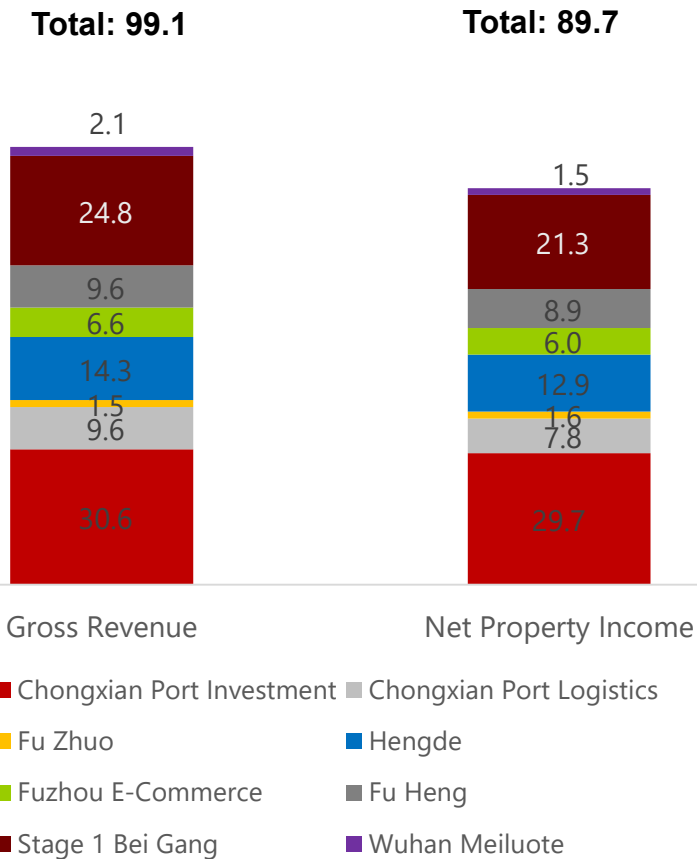
■ Hi-Tech Industrial
■ Chemical Warehouse & Logistics
■ Warehouse & Logistics
■ General Industrial

Source: Quarterly Presentation. REIT 4 and 6 breakdown by Gross Rental Income. REIT 9 breakdown by Net Lettable Area

Summary Assets Performance

FY19 Breakdown by Gross Revenue and NPI (SGD m)

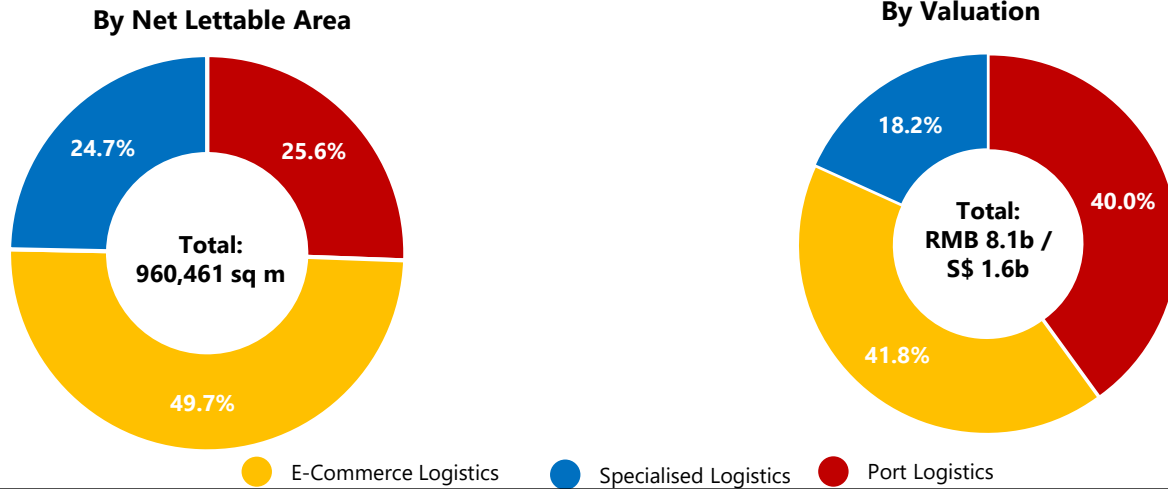
FY19 NPI Yield ⁽¹⁾



(1) In RMB terms
 (2) Using acquisition price of RMB1,112.5 million, FY19 NPI yield would be 7.1%
 (3) Using acquisition price of RMB145 million, FY19 NPI yield will be 5.2%

High Quality and Differentiated Asset Portfolio

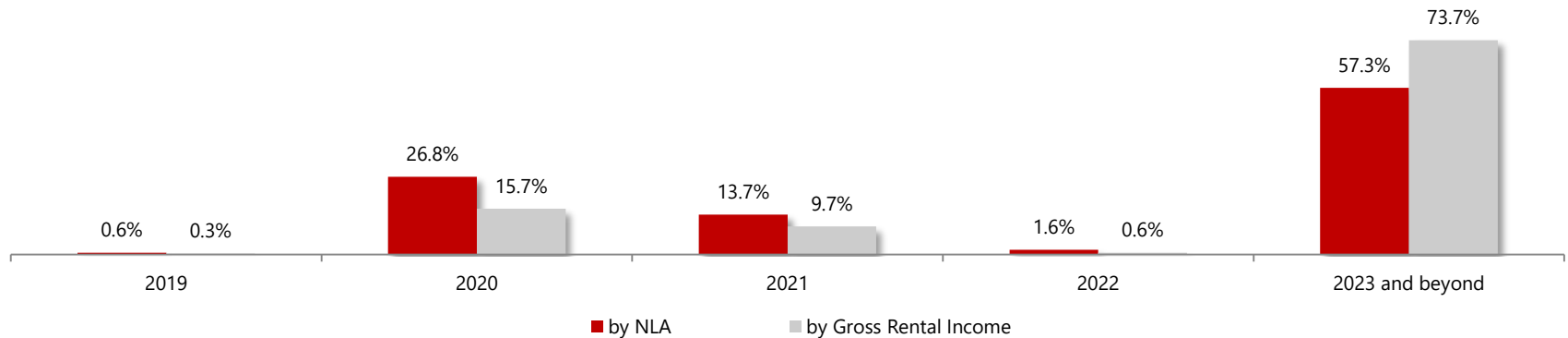
Portfolio Diversification ⁽¹⁾



Lease Expiry Profile of Portfolio ⁽¹⁾

WALE by NLA: 3.2 years

WALE by Gross Rental Income: 4.1 years



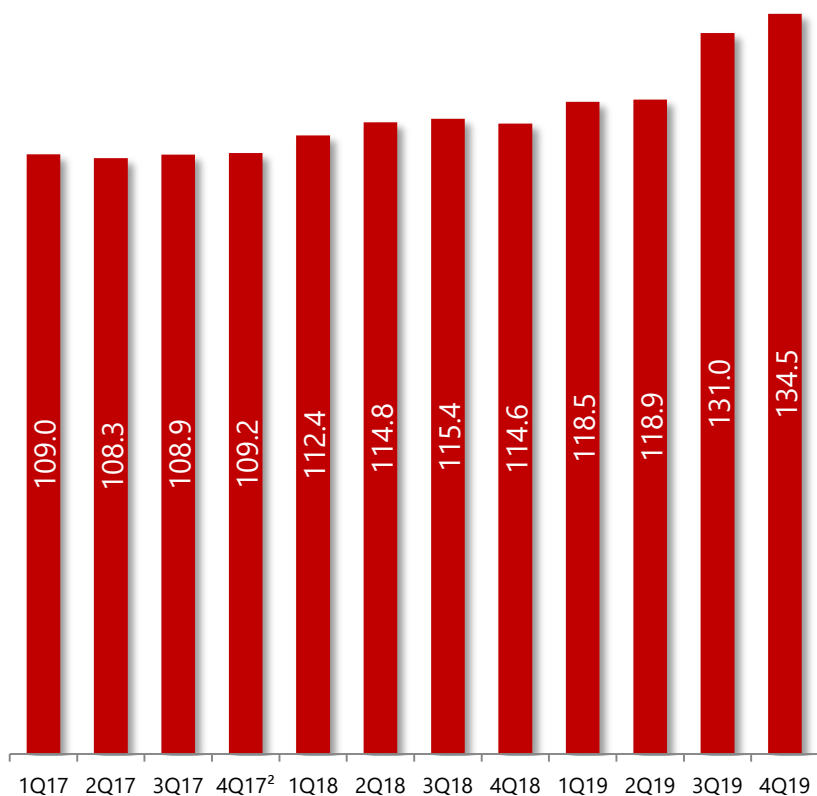
(1) As at 31 December 2019

Strong Asset Portfolio Performance

Portfolio Continues to Deliver Strong Operating Performance Despite Macro Uncertainties

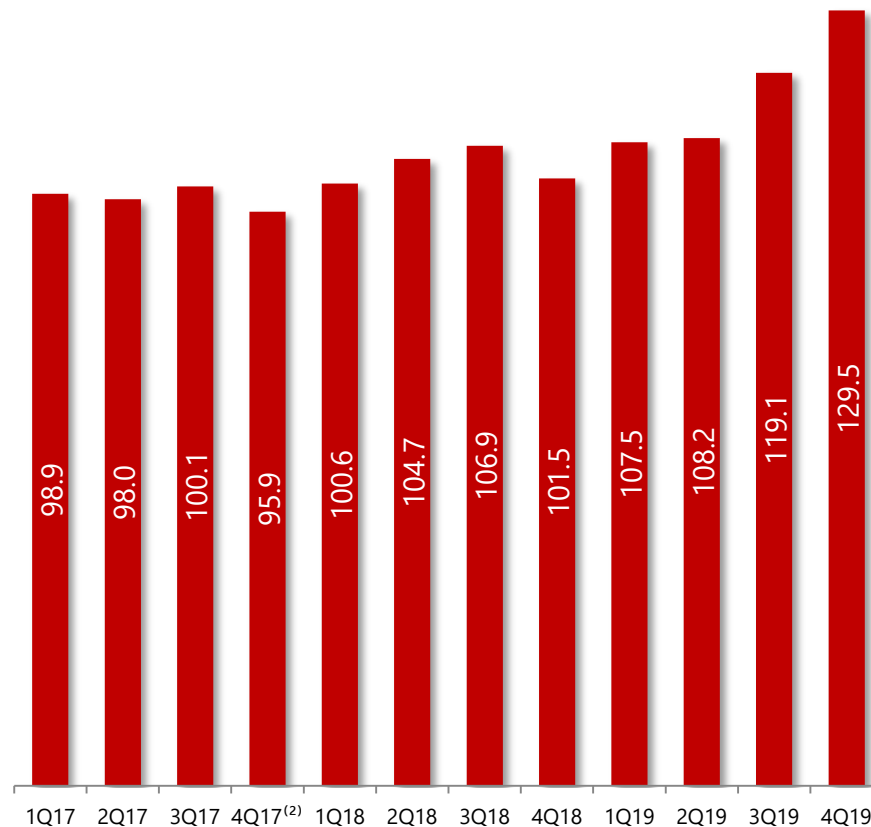
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million



(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 as at 31 Dec 2017. There was no impact to DPU for FY17



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets

For queries, please contact:

Sabrina Tay
Senior Manager, Investor Relations
Tel: +65 6221 9018
sabinatay@ecwreit.com
www.ecwreit.com



Thank You

