



EC World
运通网城 REIT

3QFY2021 Results Presentation

9 November 2021



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Agenda

Section A	3QFY2021 Key Highlights
Section B	Financial Review
Section C	Portfolio Update



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Section A: 3QFY2021 Key Highlights



3QFY2021 Key Highlights



Financials and Distributions

- **10.9% increase in gross revenue year-on-year** mainly due to positive straight line adjustment and strengthening of RMB by 5.2% year-on-year
- Distribution to Unitholders of **S\$13.4 million is S\$2.3 million or 20.3% higher** compared to 3QFY2020 **due to higher NPI and lower retention ratio of 5%** (3QFY2020: 9%)
- **DPU of 1.662 cents for 3QFY2021 is 19.7% higher** than 3QFY2020



Asset Management

- **Stable occupancy of 99.0%**
- Weighted average lease to expiry (**WALE**) of **2.8 years** (by gross rental income)



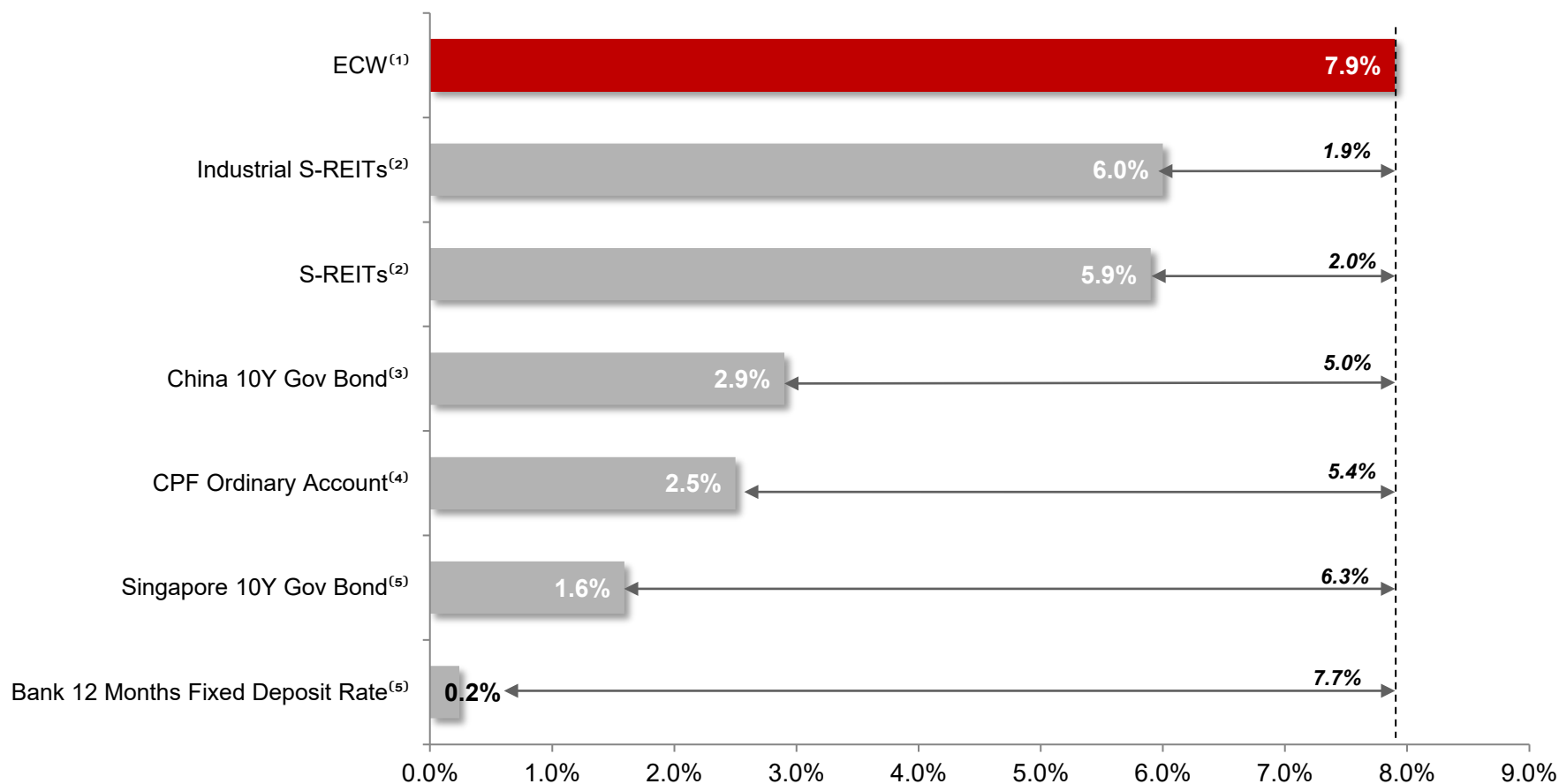
Stable Capital and Debt Structure

- **All-in running interest rate** for 3QFY2021 of **4.0%**
- Weighted Average Term of Debt Expiry of **0.88 years**



Distribution Yield

Attractive Yield Compared to Peers



(1) Based on annualized YTD3QFY2021 DPU of 6.319 Singapore cents and closing price of S\$0.80 per unit as at 30 September 2021.

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Source: Monetary Authority of Singapore

3QFY2021 Distribution Timetable

Distribution Timetable

Last Day of Trading on “cum” Basis	:	3 December 2021 (Friday)
Ex-date	:	6 December 2021 (Monday)
Record Date	:	7 December 2021 (Tuesday)
Distribution Payment Date (Est)	:	29 December 2021 (Wednesday)



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Section B: Financial Review



3QFY2021 Summary Results

Year-on-Year Comparison	3QFY2021	3QFY2020	Variance (%)
Gross revenue (S\$'000)	31,556	28,455	10.9
Net property income (S\$'000)	28,595	26,131	9.4
Finance Cost (S\$'000)	(10,011)	(9,721)	3.0
Total amount available for distribution (S\$'000)	14,146	12,283	15.2
Distribution Amount Available per Unit (Singapore cents) ¹	1.749	1.525	14.7
Amount retained (S\$'000) ²	707	1,111	n.m.
Distribution to Unitholders (S\$'000)	13,439	11,172	20.3
Applicable number of units for computation of DPU (million)	808.6	804.9	0.5
Distribution Per Unit (Singapore cents)	1.662	1.388	19.7

(1) Based on 100% distribution

(2) Retention of 5% and 9% of total income available for distribution in 3QFY2021 and 3QFY2020 respectively

- Increase in **gross revenue** and **NPI** were mainly due to **positive straight-line adjustments** and **strengthening of RMB by 5.2% year-on-year**
- After the relevant distribution adjustments, **gross revenue in RMB terms** was **0.9% higher** compared to 3QFY2020, mainly due to organic rental escalations and Late Fee income. **NPI in RMB terms** was **0.9% lower**, mainly due to **higher operating expenses**
- Finance cost was 3.0% higher mainly due to loan agency fees paid in the quarter
- Distribution to Unitholders was **S\$2.3 million or 20.3% higher compared to 3QFY2020** due to **higher NPI and lower retention ratio** of 5% (3QFY2020: 9% retention)
- Resultant DPU for 3QFY2021 of 1.662 cents

3QFY2021 Summary Results

Quarter-over-Quarter Comparison	3QFY2021	2QFY2021	Variance (%)
Gross revenue (S\$'000)	31,556	31,187	1.2
Net property income (S\$'000)	28,595	27,938	2.4
Finance Cost (S\$'000)	(10,011)	(9,919)	0.9
Total amount available for distribution (S\$'000)	14,146	11,582	22.1
Distribution Amount Available per Unit (Singapore cents) ¹	1.749	1.433	22.1
Amount retained (S\$'000)	707	1,158	n.m.
Distribution to Unitholders (S\$'000)	13,439	12,375 ²	8.6
Applicable number of units for computation of DPU (million)	808.6	807.8	0.1
Distribution Per Unit (Singapore cents)	1.662	1.532²	8.5

(1) Based on 100% distribution

(2) Includes payout of distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amounting to ~S\$2.0 million

- Marginal increase in gross revenue and NPI due to **strengthening of RMB in 3QFY2021 vs 2QFY2021** and lower operating expenses
- Total amount available for distribution increased 22.1% largely due to absence of withholding tax for the repatriation of income from China to Singapore for distribution
- Retention of 5% of total amount available for distribution in 3QFY2021 for withholding tax payment upon future profit repatriation.
- Resultant **DPU for 3QFY2021 of 1.662 cents, 8.5% higher than 2QFY2021**

3QYTD FY2021 Summary Results

Year-on-Year Comparison	3QYTD FY2021	3QYTD FY2020	Variance (%)
Gross revenue (S\$'000)	93,545	80,194	16.6
Net property income (S\$'000)	84,212	73,104	15.2
Finance Cost (S\$'000)	(29,633)	(29,208)	1.5
Total amount available for distribution (S\$'000)	39,464	34,447	14.6
Distribution Amount Available per Unit (Singapore cents) ¹	4.884	4.283	14.0
Amount retained (S\$'000)	1,289	2,835	n.m.
Distribution to Unitholders (S\$'000)	38,175	31,612 ²	20.8
Applicable number of units for computation of DPU (million)	808.6	804.9	0.5
Distribution Per Unit (Singapore cents)	4.726	3.932²	20.2

(1) Based on 100% distribution

(2) Includes distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amounting to ~S\$2.0 million

- Increase in **gross revenue** and **NPI 3QYTD FY2021** mainly due to **absence of one-off rental rebates** provided to tenants in 1QFY2020 in efforts to mitigate the adverse impact of the COVID-19 situation on tenants' operations and **strengthening of RMB**
- After the relevant distribution adjustments, gross revenue and NPI in **RMB terms** was **7.2%** and **4.9% higher** due to absence of rental rebate as mentioned earlier
- **Distribution to Unitholders increase 20.8% mainly due to absence of rental rebates** in 1QFY20 as well as **payout of distribution previously retained in 4QFY2019, 1QFY2020 and 2QFY2020 (partial) amount to ~S\$2 million in 2QFY2021**

Stable Balance Sheet

S\$'000	As at 30 September 2021	As at 31 December 2020
Cash and cash equivalents⁽¹⁾	152,737	151,692
Investment Properties	1,689,050	1,623,653
Total Assets	1,899,713	1,815,654
Borrowings	715,322	683,831
Total Liabilities	1,131,887	1,100,144
Net Assets attributable to Unitholders	767,826	715,510
NAV per unit (S\$)	0.95	0.89

(1) Includes RMB195.1 million (S\$41.0 million) cash security deposits received from the master leases and cash deposits of RMB615.2 million (S\$129.4 million) placed as collateral for standby letter of credit ("SBLC") issuance.

Prudent Capital Management

Proactive Capital Management

3QFY2021 Summary

- ❑ **3QYTD FY2021 and 3QFY2021** running interest rate of **4.1%** and **4.0% respectively**
- ❑ Aggregate leverage of **37.9% as at 30 September 2021**
- ❑ **Weighted Average Debt Maturity** of **0.88 years**
- ❑ Interest coverage ratio of **2.91x⁽¹⁾**

Key Debt Figures

Total Debt Drawdown as at 30 September 2021

- Onshore: RMB1,018.0 and RMB77.0 million
- Offshore: S\$305.6 million and US\$86.8 (S\$118.1 million)
- S\$107.9 million RCF ⁽²⁾

3QFY2021 Blended Running Interest Rate⁽³⁾

- Onshore – 5.8% p.a.
- Offshore – 4.0% p.a.
- RCF – 1.2% to 1.7% p.a.

Hedging Profile Forex (SGD/RMB) for 3QFY2021 distribution

- Hedged through call vanilla option
- Strike price at CHN 4.76

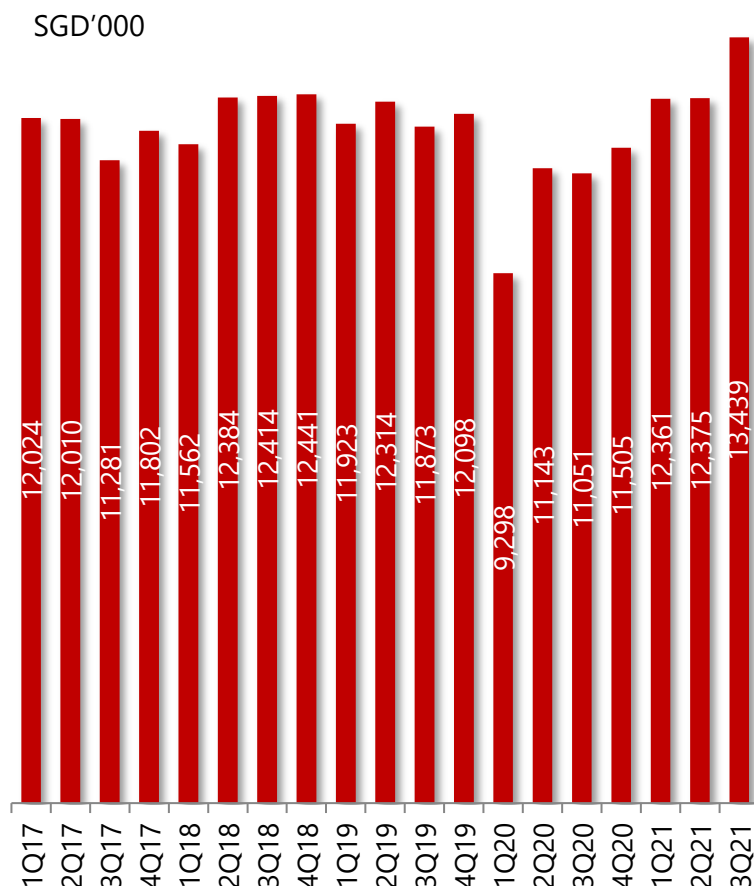
(1) Calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.

(2) S\$107.9 million drawn down from the S\$130.0 million revolving credit facility

(3) Including amortized upfront fee, the blended all-in interest rate of the aggregate facilities for the quarter and 9 months ended 30 September 2021 was 4.9%.

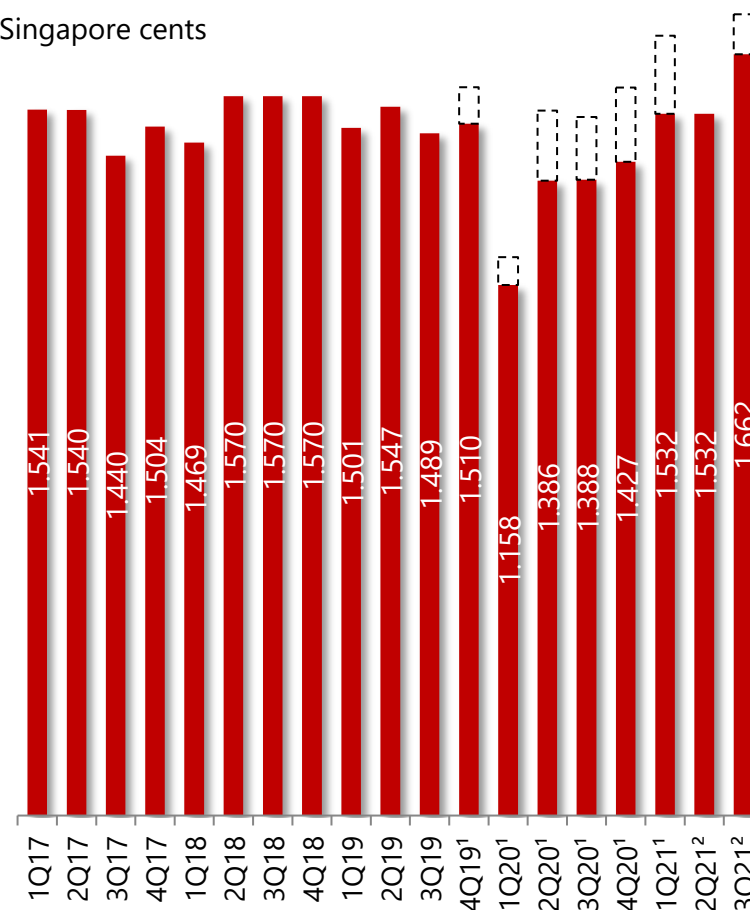
Distributions to Unitholders

Distribution to Unitholders



DPU

Singapore cents



- (1) For 4QFY2019 and 1QFY2020, ECW distributed 95% of total amount available for distribution to Unitholders. Based on 100% distribution, DPU would have been 1.590 cents and 1.219 cents for 4QFY2019 and 1QFY2020 respectively. For 2QFY20, ECW distributed 90% of total amount available for distribution to Unitholders. For 3QFY20, ECW retained 9% of total amount available for distribution. For 4QFY2020 and 1QFY2021, ECW retained 10% of total amount available for distribution. Based on 100% distribution, DPU would have been 1.539 cents, 1.525 cents, 1.589 cents and 1.702 cents for 2QFY2020, 3QFY20, 4QFY2020 and 1QFY2021 respectively.
- (2) For 2QFY2021, ECW retained 10% of total amount available for distribution and paid out distribution previously retained in 4QFY2019, 1QFY2020 and 2QFY2020 (partial) of ~S\$2.0 million. Based on 100% distribution and excluding payout of distribution previously retained, DPU would have been 1.433 cents. For 3QFY2021, ECW has retained 5% of total amount available for distribution. Based on 100% distribution, DPU would have been 1.749 cents



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Section C: Portfolio Update



Stable Portfolio with Embedded Organic Growth

Healthy Occupancy

E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy ¹	Key Highlight
Fu Heng	Master Lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 2.0% annually from 1 st Jan 2021.	100%	Coveted property; entire suite of facilities supporting e-commerce 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 sizable integrated e-commerce logistics asset
Stage 1 Properties of Bei Gang	Master lease: 1 Nov 2015 to 31 Oct 2024 Annual rental escalation of 1% from Nov 2020 to Oct 2024	100%	One of the largest e-commerce developments in the region
Wuhan Meiluote	Multi Tenanted	79.4%	First acquisition in 2018. Houses mainly e-commerce players

Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted.	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 2.0% annually from 1 st 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) 26 Apr 2020 to 25 Apr 2021 (no escalation) and (2) 7.5% every 3 years from Oct 2014 to Oct 2029	100%	Adjacent to port ; for cement related products

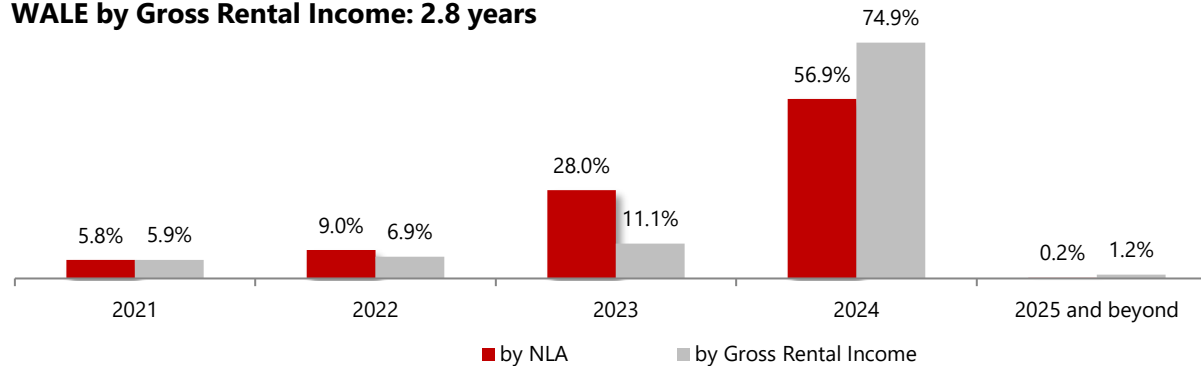
Quality and Differentiated Asset Portfolio

✓ Healthy portfolio occupancy of **99.0%** as at 30 September 2021

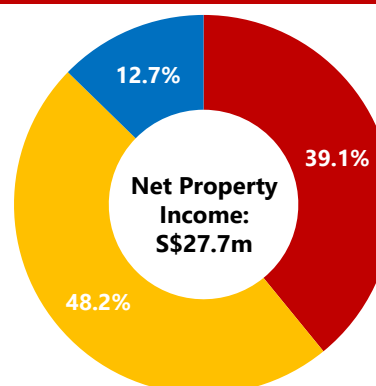
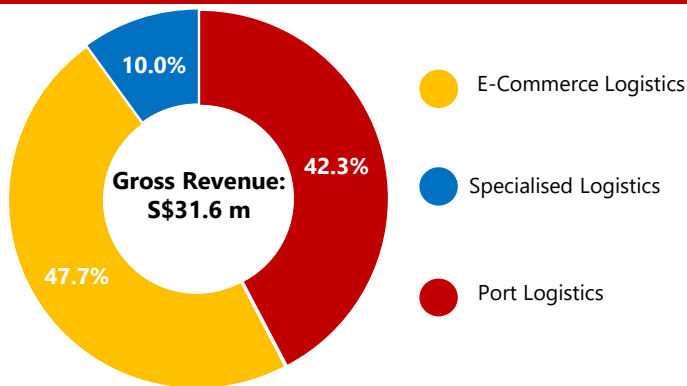
Lease Expiry Profile of Portfolio ⁽¹⁾

WALE by NLA: 2.5 years

WALE by Gross Rental Income: 2.8 years

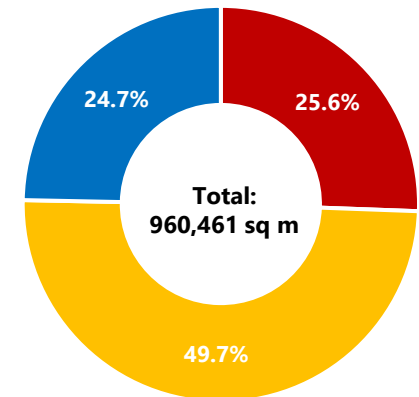


Contribution by segments ⁽²⁾

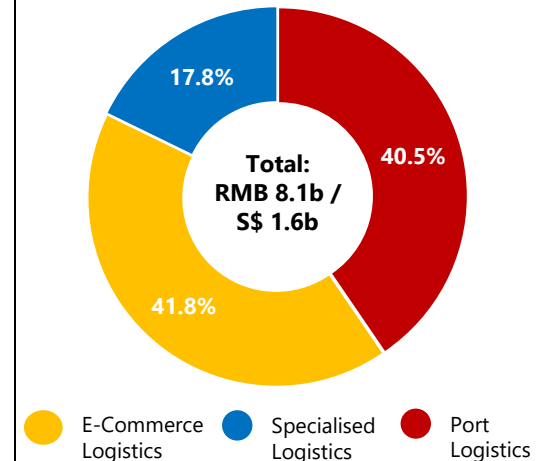


Portfolio Diversification ⁽¹⁾

By Net Lettable Area



By Valuation



(1) As at 30 September 2021

(2) For the period 1 July 2021 to 30 September 2021



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Thank You

