



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

2QFY19 Results Presentation

6 August 2019



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

2QFY19 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: 2QFY19 Key Highlights



2QFY19 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 expected to complete in 3QFY19
- ✓ **Yield accretive transaction**, increasing exposure to **fast growing** e-commerce logistics fulfillment sector



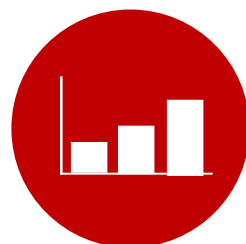
Resilient and stable distributions

- ✓ Achieved Distribution Per Unit ("DPU") of **1.547 cents** for 2QFY19, 3.1% higher than 1QFY19
- ✓ **Attractive annualised yield of 7.9%**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

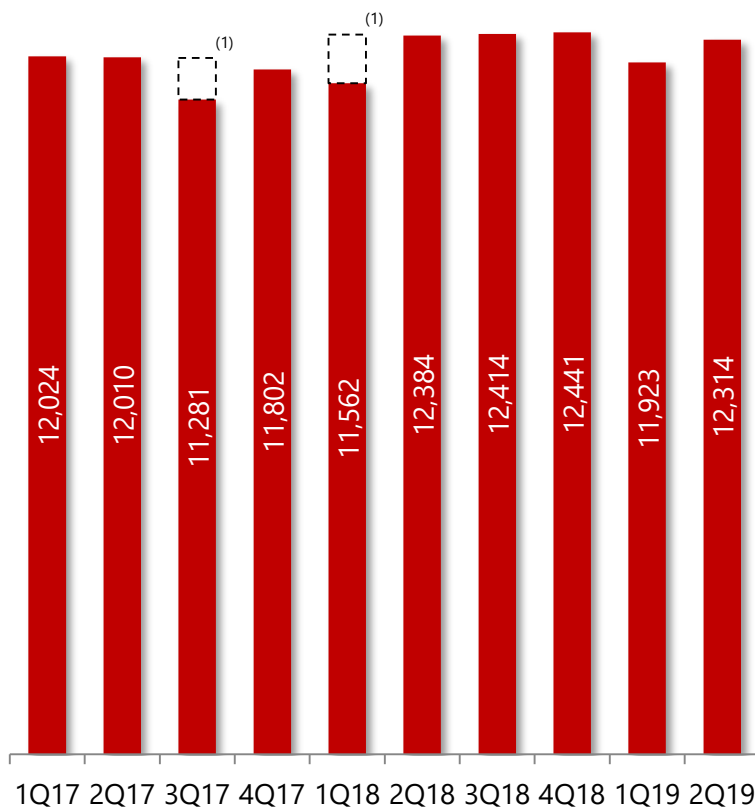
(1) Based on 1HFY2019 annualised DPU of 6.147 cents and Unit Price of S\$0.78 per Unit as at 30 June 2019

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

Consistent Returns to Unitholders

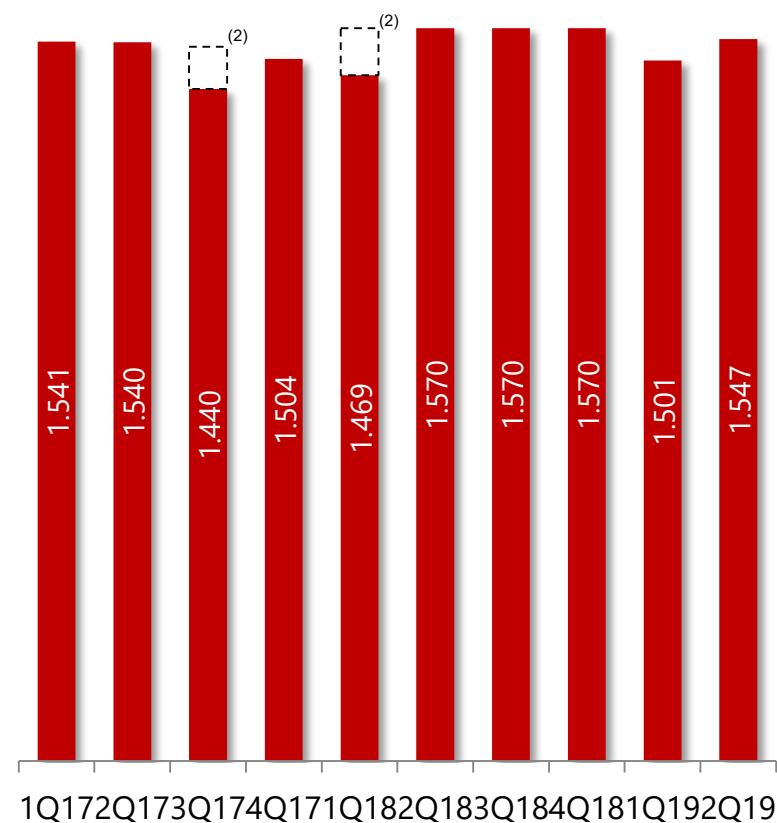
Distribution to Unitholders

SGD'000



DPU

Singapore cents

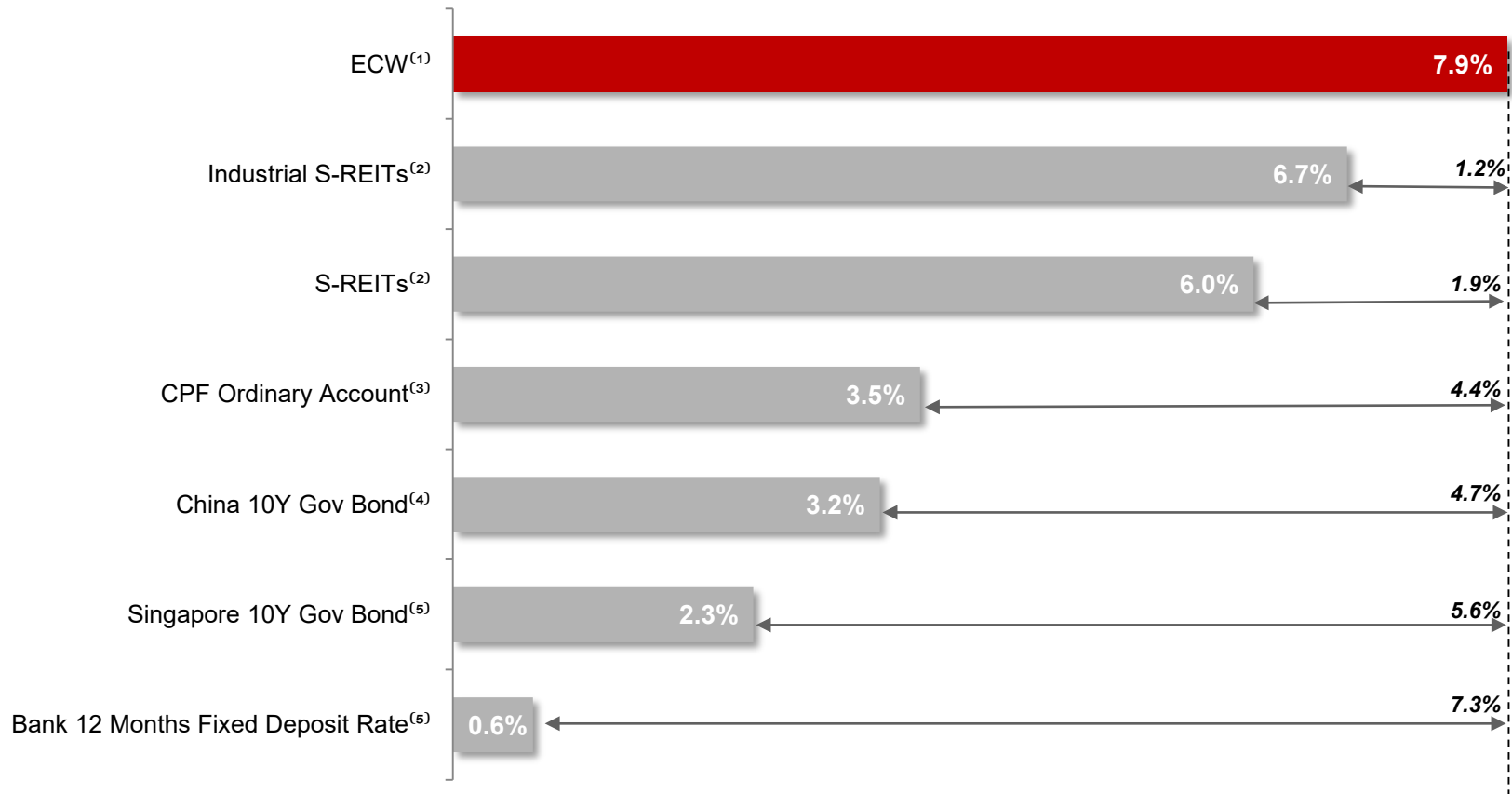


(1) There is a 5% withholding tax expenses incurred during the cash repatriation process for Distribution to Unitholders. Adjusted distribution to Unitholders gross of withholding tax expenses would be about S\$12.0 million and S\$12.4 million for 3Q17 and 1Q18 respectively

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

Highly Attractive Distribution Yield

Attractive Yield Compared to Peers



(1) Based on 1HFY2019 annualised DPU of 6.147 cents and Unit Price of S\$0.78 per Unit as at 30 June 2019

(2) Based on Broker Research

(3) Source: CPF Board

(4) Source: Bloomberg

(5) Source: Monetary Authority of Singapore



EC World
运通网城 REIT

Section B: Financial Review



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	118,891	114,799	3.6	Gross revenue (RMB'000)¹	118,891	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) After straight-line, security deposit accretion and other relevant distribution adjustments which have no impact on distributions

2QFY19 Distribution Timetable

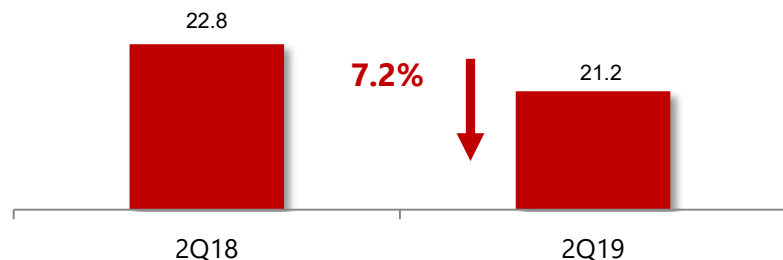
Distribution Timetable

Last Day of Trading on “cum” Basis	:	30 August 2019
Ex-date	:	2 September 2019
Books Closure Date	:	3 September 2019
Distribution Payment Date	:	26 September 2019

Review of Performance between 2QFY19 and 2QFY18

Net Property Income

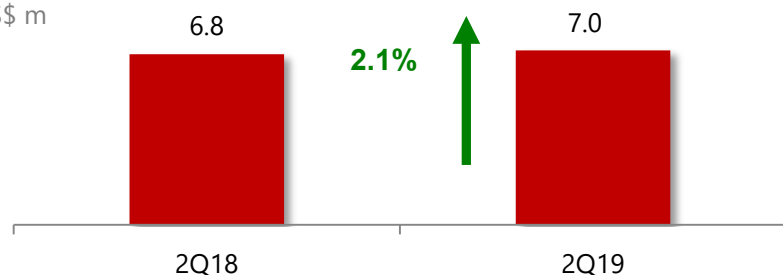
S\$ m



- NPI decline by 7.2% to S\$21.2 million. After straight-line, security deposit accretion and other relevant distribution adjustments, the NPI in RMB terms would be 3.4% higher due to full quarter contribution from Wuhan Meiluote which was acquired in April 2018 and in-built rental escalation.

Finance Cost

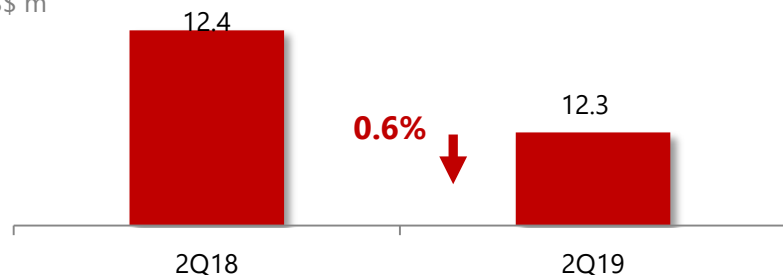
S\$ m



- Higher finance cost mainly due to higher SBLC loan quantum in 2Q19 compared to 2Q18.

Distribution to Unitholders

S\$ m



- Distribution to Unitholders decreased 0.6% due to lower income impacted by exchange rate difference.

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\$354.62 million	RMB977.65 million
Total Drawdown ²	S\$547.12 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\$1.0 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

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.



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

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

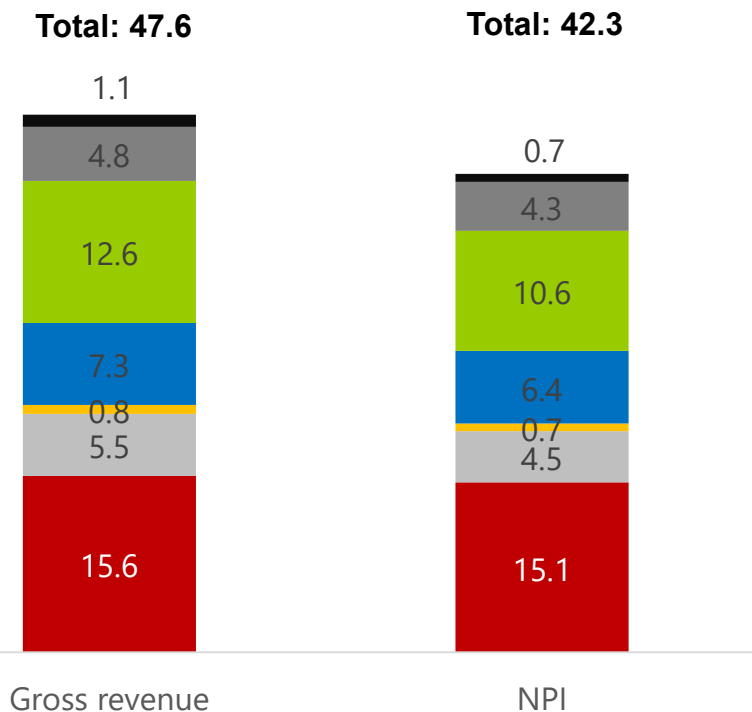
Port Logistics Assets

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) The acquisition of Fuzhou E-Commerce is expected to complete in 3QFY19

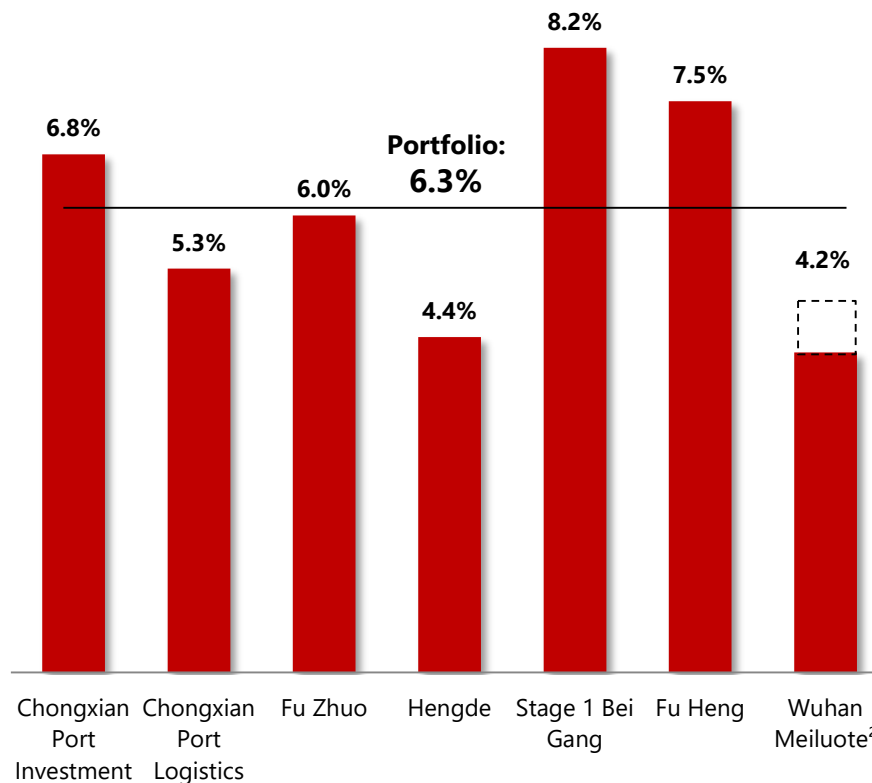
Summary Assets Performance

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

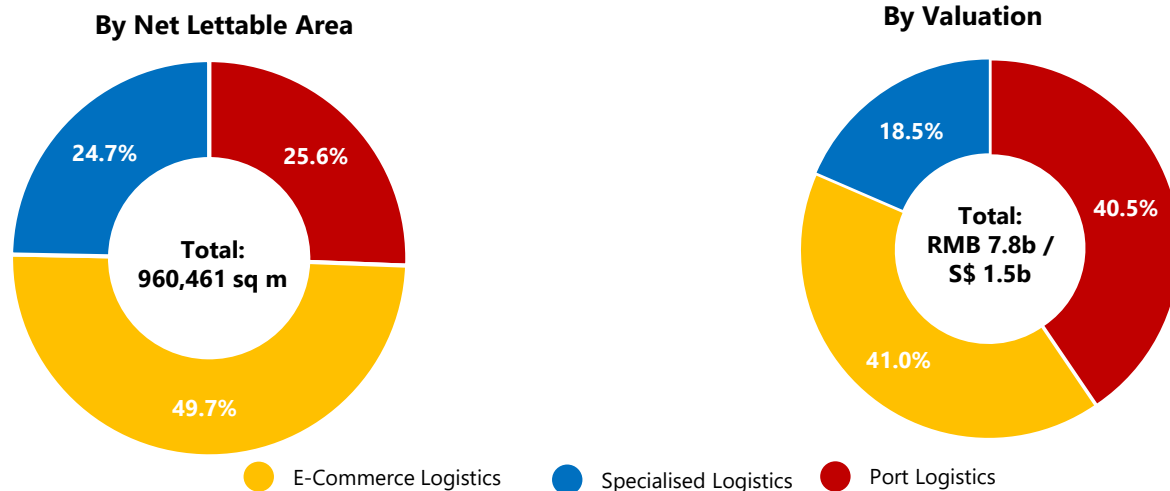
1HFY19 NPI Yield ⁽¹⁾



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

High Quality and Differentiated Asset Portfolio

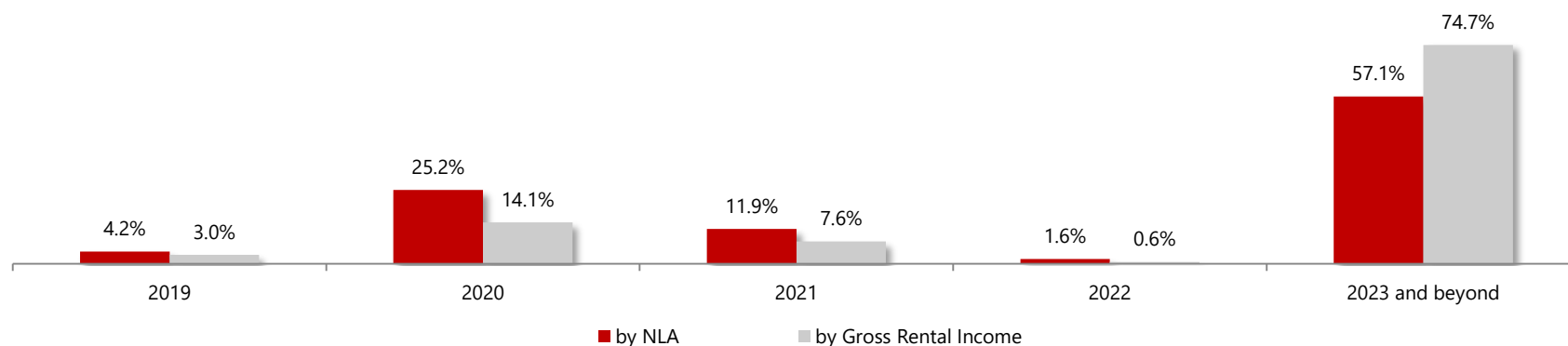
Portfolio Diversification ⁽¹⁾



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 is expect to complete in 3QFY19

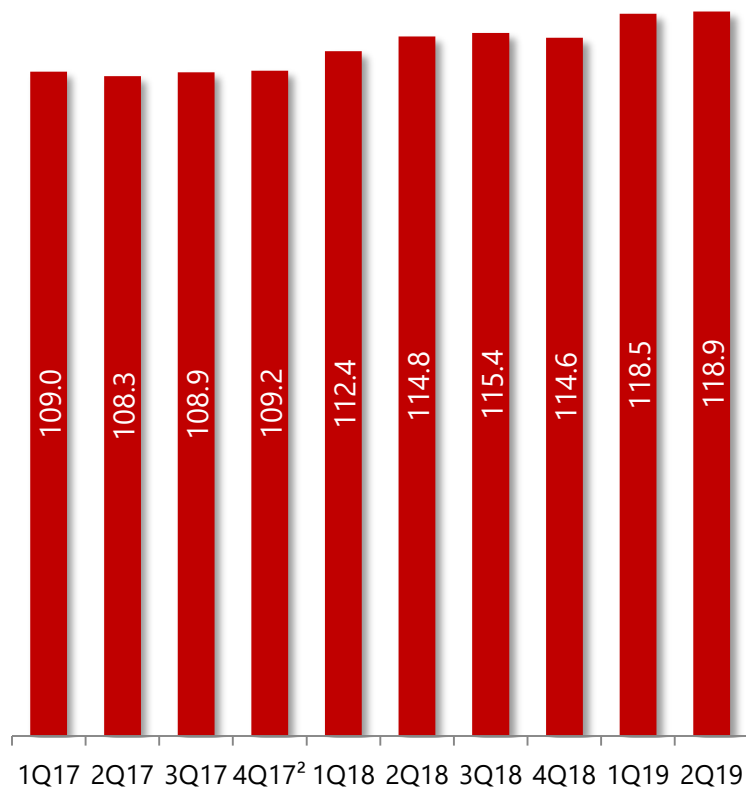
(2) As at 30 June 2019. Including leases for Fuzhou E-Commerce which is expect to complete in 3QFY19

Strong Asset Portfolio Performance

Portfolio Continues to Deliver Strong Operating Performance Despite Macro Uncertainties

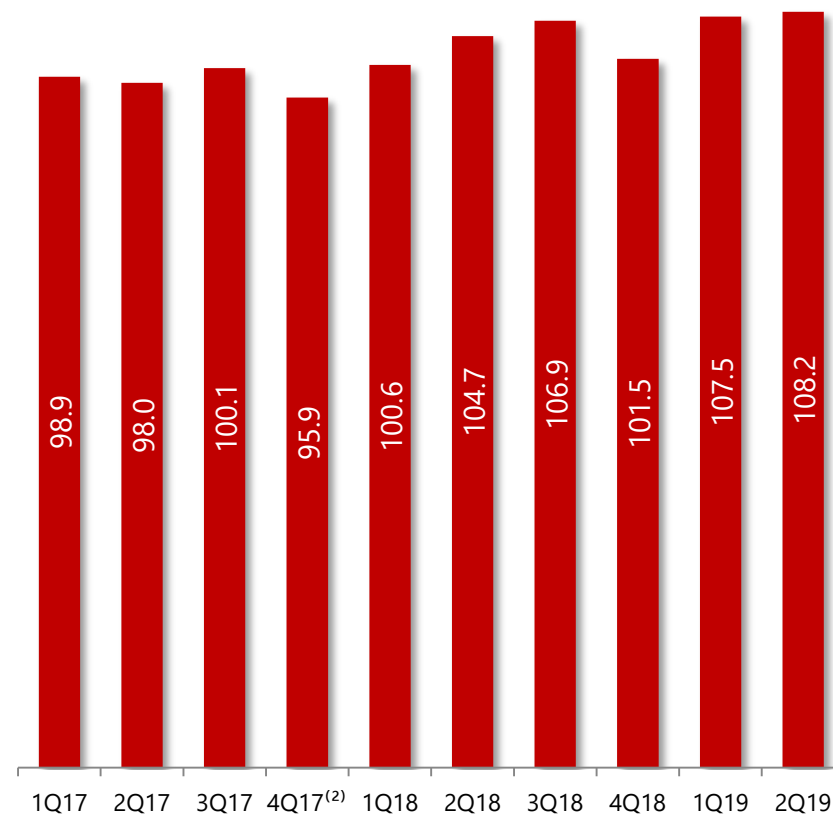
Gross Revenue ⁽¹⁾

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
Investor Relations Manager
Tel: +65 6221 9018
sabrinatay@ecwreit.com
www.ecwreit.com





CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT



Thank You

