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the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

1QFY2023 Results Presentation

12 May 2023



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Agenda

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1QFY2023 Key Highlights

Section B

Financial Review

Section C

Portfolio Update



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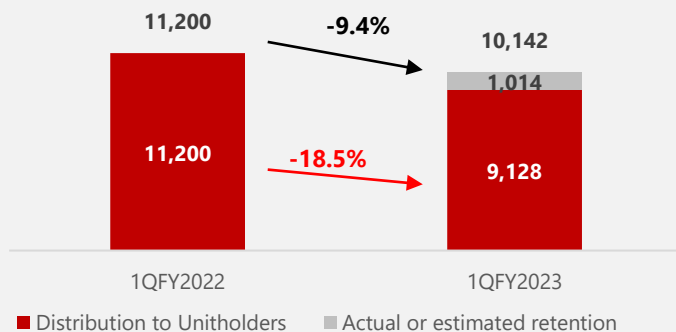
Section A: 1QFY2023 Key Highlights



1QFY2023 Key Highlights

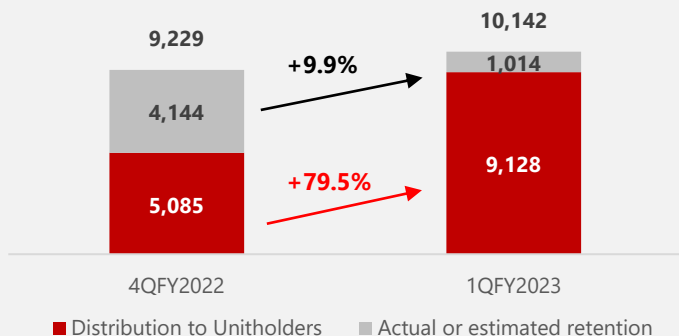
(\$'000)

Distribution to Unitholders
(1Q2023 versus 1Q2022)



(\$'000)

Distribution to Unitholders
(1Q2023 versus 4Q2022)



Financials

- 1QFY2023 gross revenue and NPI were down by **12.5%** and **12.3%** year-on-year respectively due mainly to the **cessation of income contribution from Fu Zhuo Industrial**, lower late fee income and weakening of RMB (by 8.5% yoy). In addition, **higher financing costs** (+1.4 ppt yoy increase in blended running interest rate) led to a 9.4% decline in distributable amount
- On quarterly basis, **distributable amount increased 9.9% to S\$10.1 million**, driven mainly by lower property expenses and lower tax expenses
- Assuming **10% of 1QFY2023 distributable income** retained for general working capital purpose
- Calculated Distribution to Unitholders - down 18.5% yoy; up 79.5% qoq
- Calculated 1QFY2023 DPU of **1.127 cents** represents an annualised yield of **14.3%**

1QFY2023 Key Highlights



Asset Management

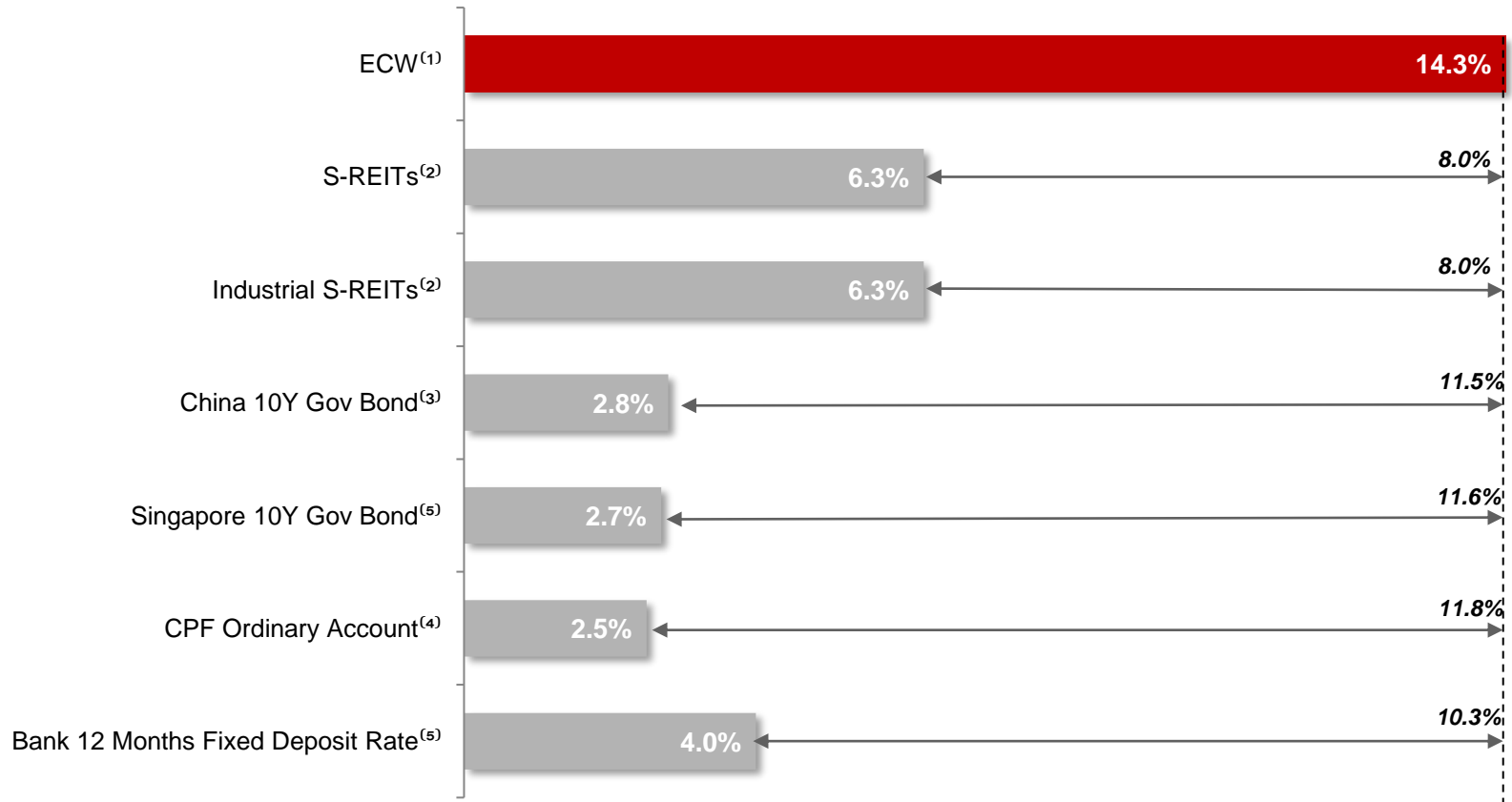
- Portfolio occupancy maintained high, at **96.8%**. **4** out of 7 properties at **full occupancy**
- Resilient income streams from **well-diversified portfolio**, in terms of gross revenue and NLA

Outlook

- China's official 2023 GDP target at a **more modest 5%**, the current year growth outlook is expected to be challenging
- Strength of recovery could be weighed on by **property sector and falling export demand**
- **Offline sales projected to outpace** Online sales for full year 2023
- Global economy is heading for a slowdown amid the **rising inflation and higher commodity prices**
- **Higher interest rates** will continue to prevail in the short term

Distribution Yield

Attractive Yield Compared to Peers



(1) Based on 1QFY2023 annualised DPU of 4.571 Singapore cents and closing price of S\$0.32 per unit as at 31 March 2023.

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Average rate based on media compilation



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Section B: Financial Review



1QFY2023 (Year-on-Year) Summary Results

Year-on-Year Comparison	1QFY2023	1QFY2022	Variance (%)
Gross revenue (S\$'000)	28,134	32,151	(12.5)
Net property income (S\$'000)	26,078	29,734	(12.3)
Finance Costs (S\$'000)	(11,099)	(9,845)	12.7
Income tax expenses (S\$'000)	(6,612)	(6,888)	(4.0)
Total amount available for distribution (S\$'000) ¹	10,142	11,200	(9.4)
Amount retained (S\$'000) ²	1,014	-	-
Calculated Distribution to Unitholders (S\$'000) ²	9,128	11,200	(18.5)
Applicable number of units for computation of DPU (million)	809.8	809.8	-
Calculated Distribution Per Unit (Singapore cents)	1.127	1.383	(18.5)

(1) Based on 100% distribution.

(2) Assuming retention of 10% of total amount available for distribution in 1QFY2023.

- Lower gross revenue and NPI year-on-year, due mainly to **cessation of income contribution** from Fu Zhuo Industrial, lower late fee income and weakening of RMB against SGD, mitigated partly by **organic rental escalations**
- In RMB terms and after the relevant distribution adjustments, gross revenue and NPI saw narrower contraction of **3.3% and 2.9%** respectively, mainly because of **Fu Zhuo Industrial compulsory expropriation, lower late fee income**, partly offset by **organic rental escalations**
- Higher financing costs in line with the **rise in blended running interest rate** by 1.4 percentage points year-on-year
- Assuming **10% of distributable amount in 1QFY2023** retained for general working capital purpose
- **Calculated DPU of 1.127 cents**, represents a **yield of 14.3%**, which will be part of the half yearly distribution for period 1 January 2023 to 30 June 2023

1QFY2023 (Quarter-on-Quarter) Summary Results

Quarter-on-Quarter Comparison	1QFY2023	4QFY2022	Variance (%)
Gross revenue (S\$'000)	28,134	28,414	(1.0)
Net property income (S\$'000)	26,078	25,966	0.4
Finance Costs (S\$'000)	(11,099)	(11,195)	(0.9)
Income tax (expenses)/credit (S\$'000)	(6,612)	(11,845)	(44.2)
Total amount available for distribution (S\$'000)	10,142	9,229	9.9
Estimated / Actual Amount retained (S\$'000) ^{1,2}	1,014	4,144	(75.5)
Calculated / Actual Distribution to Unitholders (S\$'000) ¹	9,128	5,085	79.5
Applicable number of units for computation of DPU (million)	809.8	809.8	-
Calculated / Actual Distribution Per Unit (Singapore cents)	1.127	0.628	79.5

(1) Retention of 10% of total amount available for distribution for the whole FY2022 in 4QFY2022.

(2) Estimated 10% of total amount available for distribution for the quarter to be retained.

- On quarterly basis, gross revenue and NPI were relatively unchanged, supported by **stable stream of income across all properties**
- In RMB terms, after relevant distribution adjustments, gross revenue **held up**, while **NPI rose marginally by 1.5% QoQ**, helped by **lower property expenses** incurred during the quarter
- Finance costs declined 0.9%, due mainly to the **partial settlement of Mandatory Repayment**. Marginal **0.2 percentage points QoQ increase** in blended running interest rate
- Calculated Distribution for 1QFY2023 rose **79.5% to S\$9.1 million**, attributable to lower income tax expenses and a lower distributable amount estimated to be retained in 1QFY2023
- In tandem, calculated **DPU was up 79.5%** over previous quarter to 1.127 cents

Stable Balance Sheet

S\$'000	As at 31 March 2023	As at 31 December 2022
Cash and cash equivalents ⁽¹⁾	117,959	113,330
Investment Properties ⁽²⁾	1,077,227	1,076,874
Assets of Disposal Group classified as held-for-sale	426,099	460,424
Total Assets	1,638,769	1,666,778
Borrowings	544,569	593,136
Liabilities directly associated with Disposal Group classified as held-for-sale	147,211	161,053
Total Liabilities	1,027,500	1,059,784
Net Assets attributable to Unitholders	611,269	606,994
NAV per unit (S\$)	0.75	0.75

(1) Includes RMB71.6 million (S\$13.9 million) cash security deposits received from the master leases, and cash deposits of RMB481.2 million (S\$93.1 million) placed as collateral for standby letter of credit ("SBLC") issuance

(2) The increase in the carrying amount of investment properties was mainly due to the strengthening of RMB against SGD

Capital Management

Key Metrics as at 31 March 2023

Average Leverage	<ul style="list-style-type: none">• 35.4% (31 December 2022: 38.8%)
1QFY2023 Blended Running Interest Rate⁽¹⁾⁽²⁾	<ul style="list-style-type: none">• Aggregate – 5.6% p.a.• Onshore – 5.6% p.a. (4QFY2022: 5.5%)• Offshore – 5.7% p.a. (4QFY2022: 5.5%)• RCF – 4.19% to 5.55% p.a.
Weighted Average Debt Maturity⁽³⁾	<ul style="list-style-type: none">• 0.17 years
Interest coverage ratio⁽⁴⁾	<ul style="list-style-type: none">• 2.63x

Refinancing of Existing Bank Loans in progress

- Negotiations with Lenders are **currently on-going for the refinancing of outstanding loans**, of which comprising the Mandatory Repayment and April 2023 outstanding loans. **Extension of existing loans** to 31 May 2023
- Outstanding Mandatory Repayment amount stands at **S\$75,694,691⁽⁵⁾**
- Refinancing of outstanding loans is **expected to be completed by 31 May 2023**, with new conditions for the settlement of the Mandatory Repayment to be agreed to as part of the Refinancing exercise

(1) S\$89.5 million drawn down from S\$130.0 million revolving credit facility. Including amortized upfront fee, the blended all-in interest rate of the aggregate facilities for the quarter ended 31 March 2023 was 6.7%

(2) Based on outstanding loans as at 31 March 2023

(3) Based on the extension of maturity date of existing bank loans to 31 May 2023

(4) 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

(5) Based on the illustrative exchange rates of RMB1.00 = S\$0.1933 and US\$1.00 = S\$1.3446, which were the exchange rates as at 30 December 2022



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Section C: Portfolio Update



4 out of 7 properties at full occupancy

Strong Occupancy of 96.8%

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 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 ²	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	39.2%	First acquisition in 2018. Houses mainly e-commerce players

Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted	99.9%	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 Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian Port Logistics ²	Multi Tenanted	99.3%	Integrated operations , storage processing and logistics distribution for steel products

(1) As at 31 March 2023

(2) On 3 October 2022, the Manager announced the proposed divestment of its indirect interests in Beigang Logistics Stage 1 and Chongxian Port Logistics. The NLA for the remaining five properties stands at 708,024 sqm.

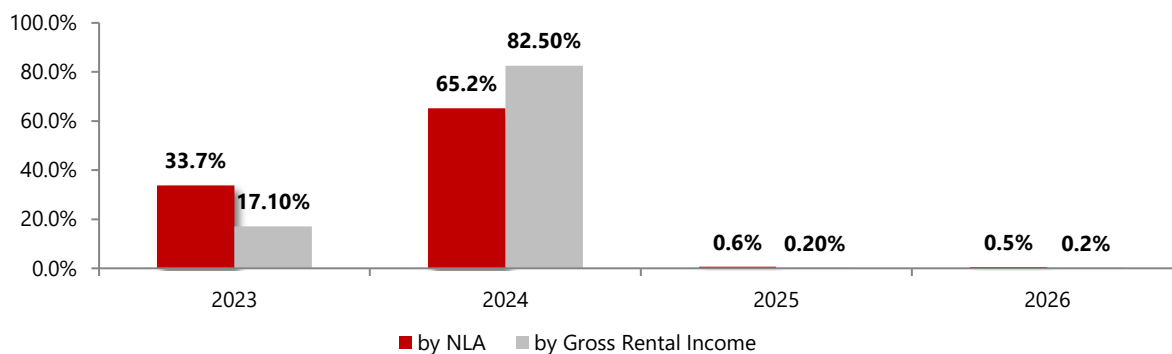
Quality and Differentiated Asset Portfolio

- ✓ Portfolio occupancy of **96.8%** as at 31 March 2023
- ✓ Resilient income contribution across all sectors

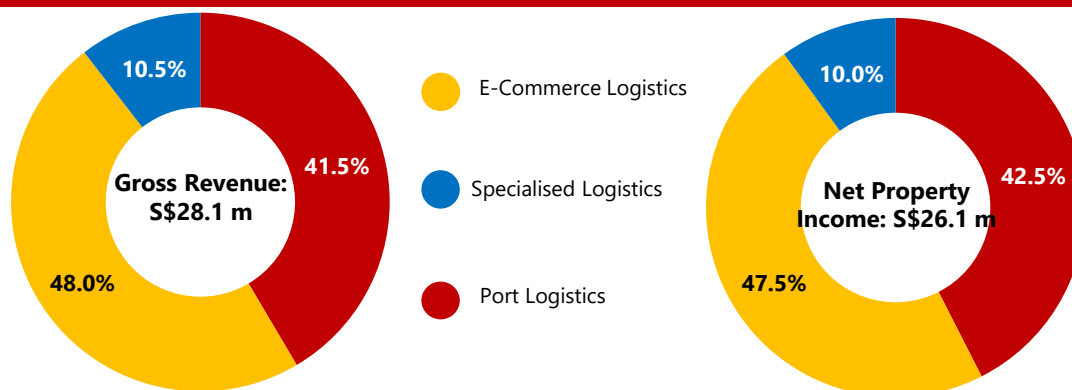
Lease Expiry Profile of Portfolio ⁽¹⁾

WALE by NLA: 1.2 years

WALE by Gross Rental Income: 1.4 years

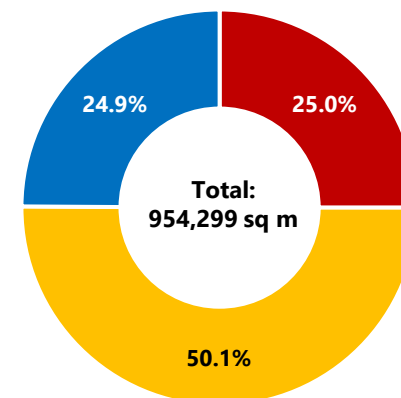


1QFY2023 Contribution by segments

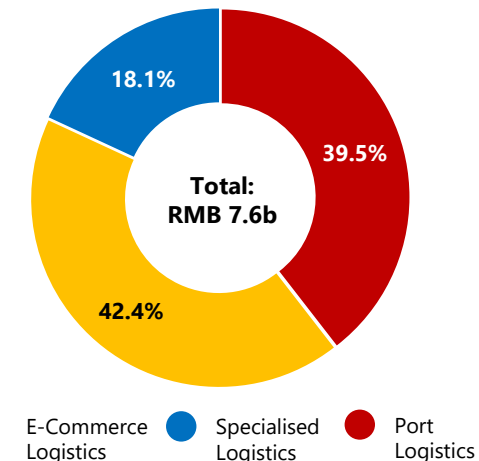


Portfolio Diversification ⁽¹⁾

By Net Lettable Area ⁽²⁾



By Valuation ⁽³⁾



(1) As at 31 March 2023

(2) Excluding Divestment Properties, NLA for remaining five properties would be 708,024 sq m

(3) As at 31 December 2022



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For queries, please contact:

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



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Thank You

