



EC World
运通网城 REIT

3Q18 Results Presentation

7 Nov 2018



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Agenda

Section A	3Q18 Key Highlights
Section B	Financial Review
Section C	Portfolio Update



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Section A: 3Q18 Key Highlights



3Q18 Key Highlights

1

EC World REIT DPU¹ increased by 9.0% y-o-y

Gross Revenue

S\$23.9 million

NPI

S\$22.2 million

DPU (cents) ⁽¹⁾

1.570

DPU Yield ⁽²⁾

8.7%

2

Strong and Resilient Financial and Portfolio Performance

- ✓ Committed occupancy is at **99.2%**, with the underlying end-tenant occupancy of **96.9%**
- ✓ NPI increased 0.5% primarily due to contribution from newly acquired Wuhan Meiluote partly offset by weaker RMB
- ✓ Distribution to Unitholders increased 10% to S\$12.4 million compared to 3Q17, due to higher NPI, absence of withholding tax for distribution in 3Q18 ⁽³⁾ and lower trust expenses

3

Inclusion of EC World REIT In FTSE Indices

- ✓ FTSE ST China Index – one of 20 constituents – included as part of the Index semi-annual review
- ✓ FTSE Singapore Shariah Index – one of 48 constituents – launched in Oct 2018, EC World REIT is the Only Chinese-listed REIT included in the Index

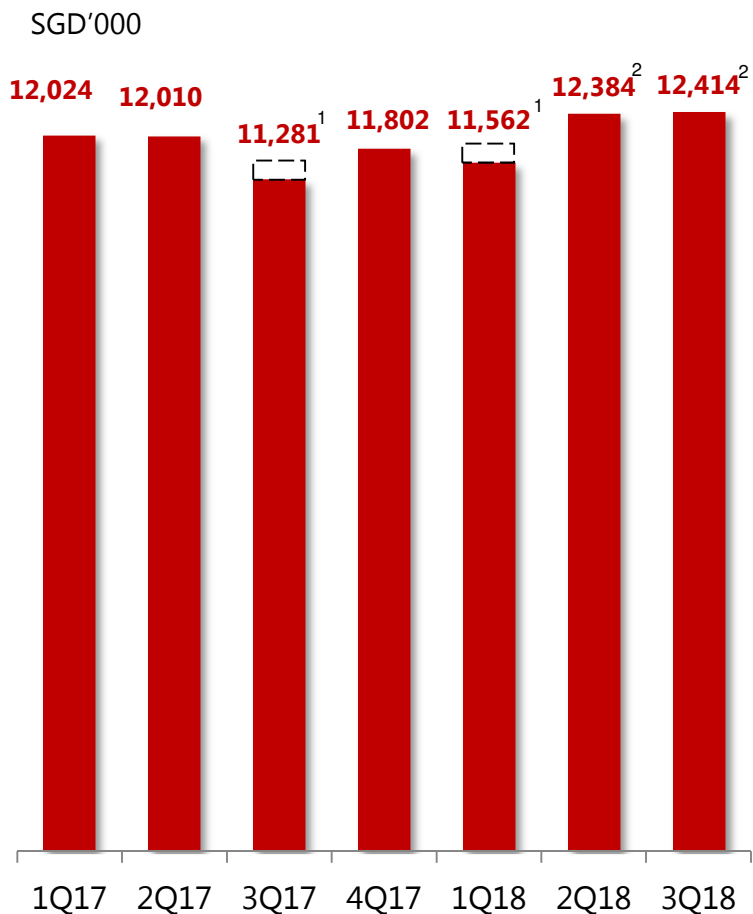
(1) For 3Q18, the Manager has resolved to distribute 99.1% of the capital distribution to Unitholders.

(2) Annualized based on 9MYTD18 DPU of 4.609 Singapore cents and the closing price of S\$0.705 on 30 September 2018

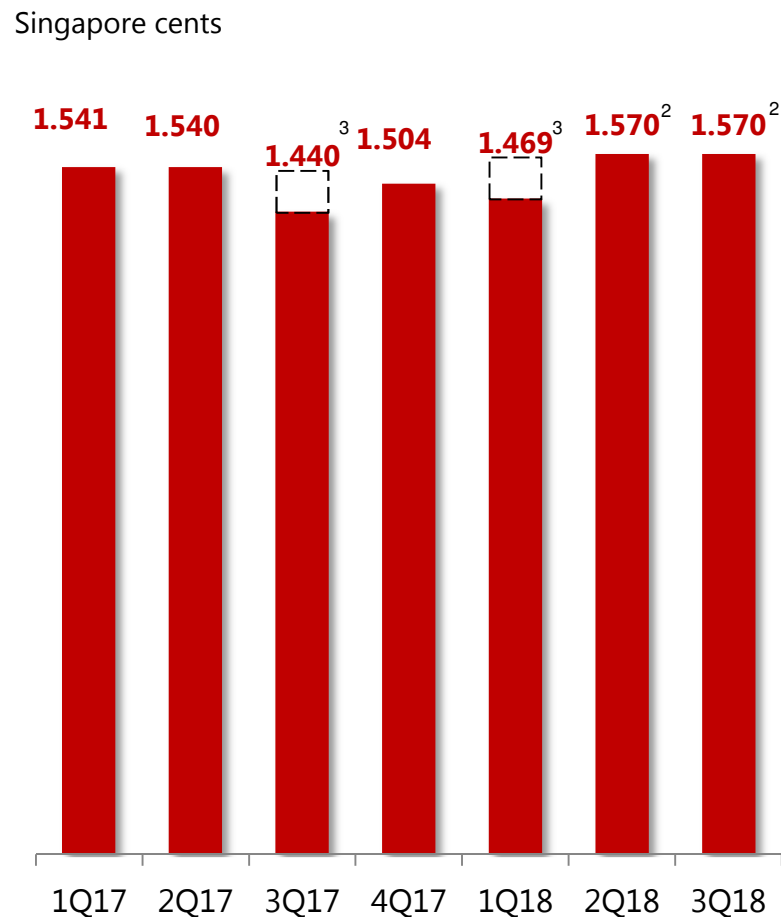
(3) Distribution to Unitholders would have been 3.3% higher than 3Q17 Distribution to Unitholders gross of withholding tax incurred on the cash repatriated from the PRC asset companies for distribution

Consistent Returns to Unitholders

Distributable Income



DPU



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

(2) The Manager has resolved to distribute 99.3% and 99.1% of the capital distribution to Unitholders for 2Q18 and 3Q18 respectively

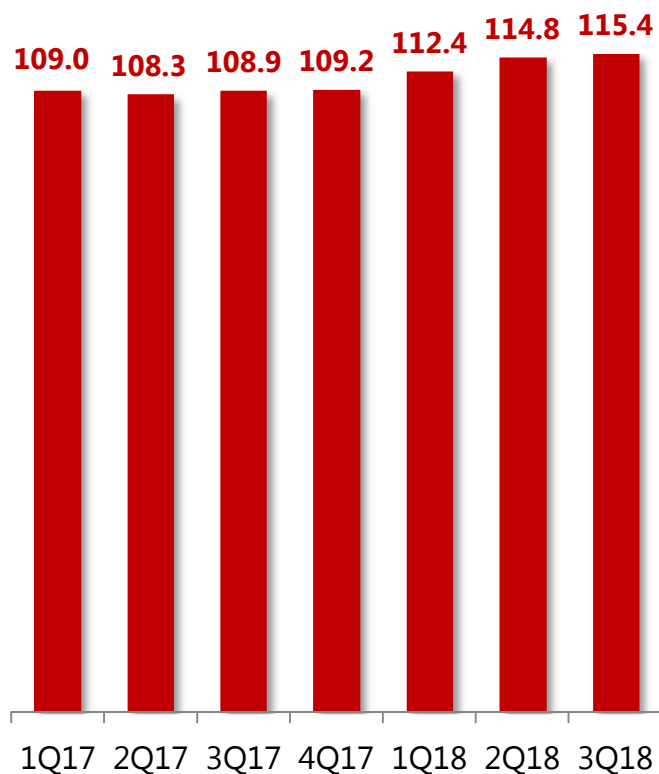
(3) Adjusted DPU gross of withholding tax expenses for 3Q17 and 1Q18 would be 1.530 and 1.570 Singapore cents respectively

Strong Asset Portfolio Performance

Portfolio continues to deliver strong operating performance despite macro uncertainties

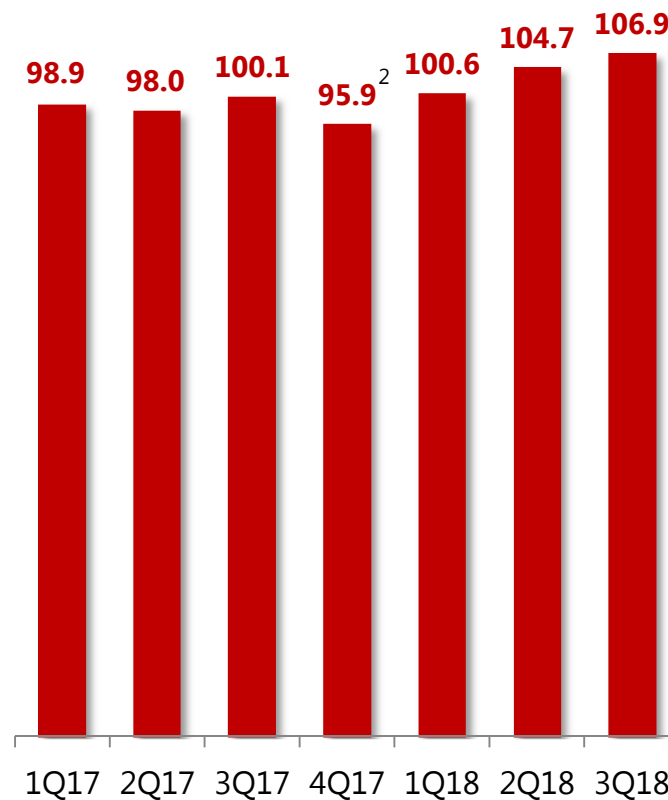
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million

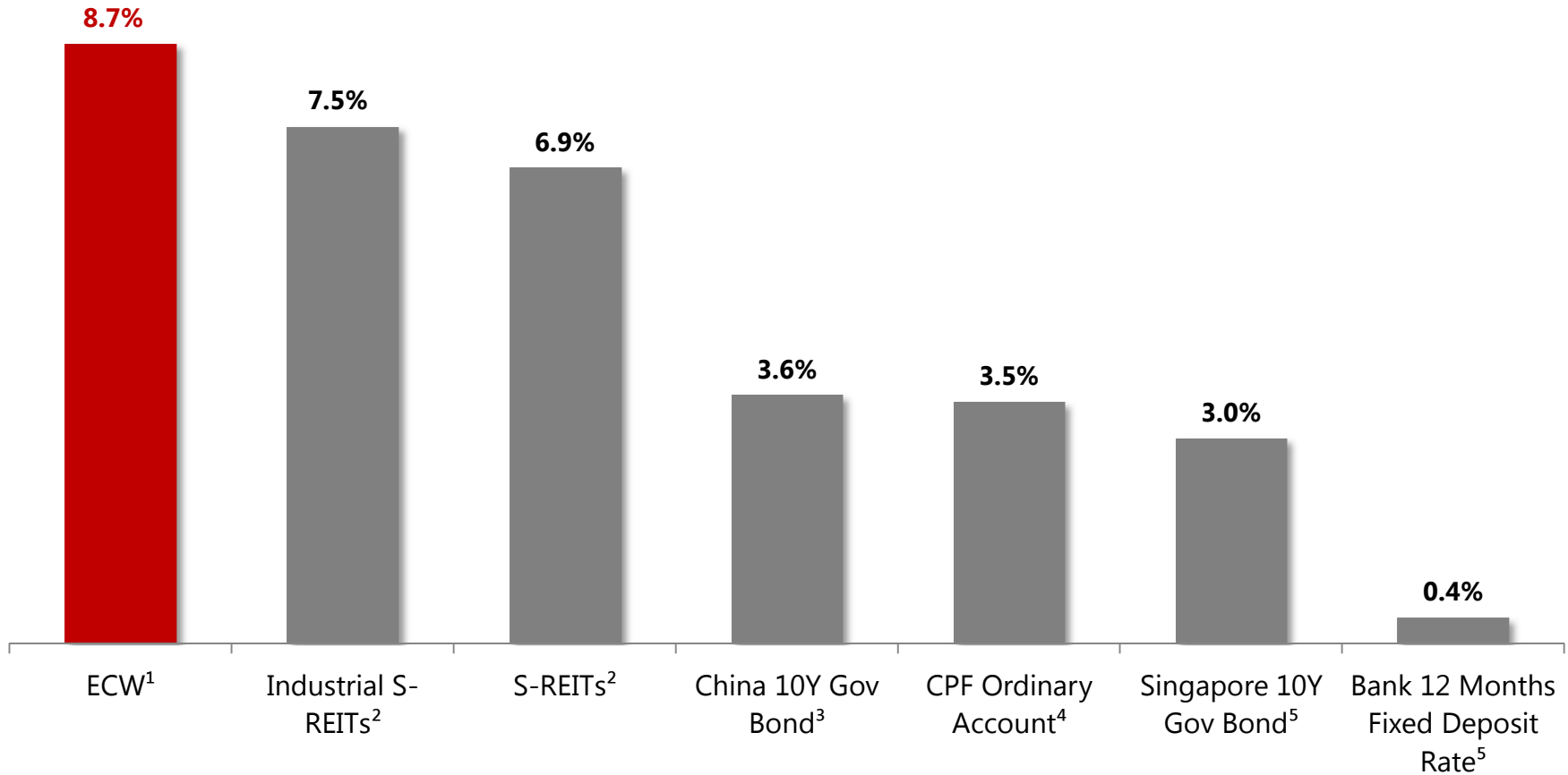


(1) Excluding straight-line and security deposit accretion accounting adjustments

(2) Including a provision of impairment (RMB5.2m) of receivables at Fu Zhuo. There was no impact to DPU for FY17

Highly Attractive Distribution Yield

EC World REIT is one of the highest yielding investment instruments available to investors



(1) Annualized based on 9MYTD18 DPU of 4.609 Singapore cents and the closing price of S\$0.705 on 30 September 2018
(2) Based on Broker Research
(3) Source: Bloomberg
(4) Source: CPF Board
(5) Source: Monetary Authority of Singapore

Defensive Portfolio with Augmented Growth Potential

Portfolio Competitive Advantages

- ✓ Diversified portfolio comprising port, specialized and e-commerce logistics assets with **high income visibility** and **growth potential**
- ✓ Strategically located in the vibrant cities of Hangzhou and Wuhan with exposure to **strong economic fundamentals** and **fast growing e-commerce** and **logistics sectors**
- ✓ Comprehensive service capability across supply chain with **high-quality warehousing and distribution** at its core

Property	Type	NLA (sq m)	Lease term	Rental Escalation
Stage 1 Properties of Bei Gang Logistics	E-commerce Logistics	120,449	Master lease: From 1 Nov 2015 to 31 Oct 2020	1% on 1 st Jan 2019 and 2020
Fu Heng		94,287	Master lease: 1 Jan 2016 to 31 Dec 2020	4.0% and 3.0% on 1st Jan 2019 and 2020 respectively
Wuhan Mei Luo Te ⁽⁵⁾		48,695	Multi-tenanted	Between 4.5% to 5% per annum
Hengde Logistics	Specialised Logistics	238,032	1) 15 Oct 2015 to 14 Oct 2020 2) 9 May 2016 to 8 May 2021	2 main leases. Up to 10% upon renewal
Chongxian Port Investment	Port Logistics	112,726	Master lease: 1 Jan 2016 to 31 Dec 2020	4.0% and 3.0% on 1 st Jan 2019 and 2020 respectively
Chongxian Port Logistics		125,856	Multi-tenanted	For 72% of leases: increase of 10% in first 3 years, 12% from Year 4
Fu Zhuo Industrial		7,128	1) 25 Ap 2015 to 24 Apr 2020 2) 8 Oct 2014 to 7 Oct 2029	1) 10% in first 3 years, 15% from Year 4 2) 7.5% every 3 years
Total		747,173		



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Section B: Financial Review



3Q18 Summary Results

Financial Performance

Year on Year Comparison	3Q18	3Q17	Variance (%)	Quarter on Quarter Comparison	3Q18	2Q18	Variance (%)
Gross revenue (S\$'000)	23,891	23,866	0.1	Gross revenue (S\$'000)	23,891	24,926	(4.2)
Net property income (S\$'000)	22,199	22,086	0.5	Net property income (S\$'000)	22,199	22,807	(2.7)
Distributable income (S\$'000)⁽¹⁾	12,414	11,281	10.0	Distributable income (S\$'000)⁽¹⁾	12,414	12,384	(0.2)
Distribution per unit (Singapore cents)⁽¹⁾	1.570	1.440	9.0	Distribution per unit (Singapore cents)⁽¹⁾	1.570	1.570	-

(1) The Manager has resolved to distribute 99.3% and 99.1% of the capital distribution to Unitholders for 2Q18 and 3Q18 respectively

3Q18 Distribution Timetable

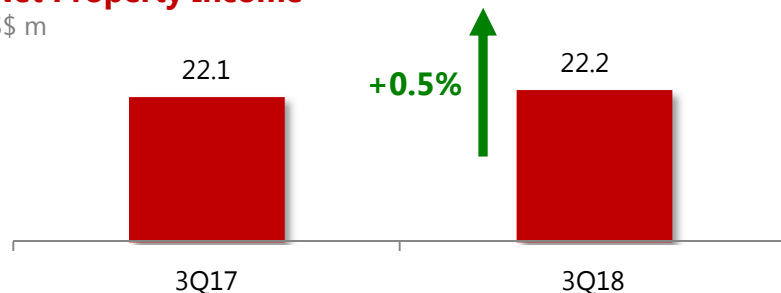
Distribution Timetable

Last Day of Trading on "cum" Basis	:	27 Nov 2018
Ex-date	:	28 Nov 2018
Books Closure Date	:	30 Nov 2018
Distribution Payment Date	:	28 Dec 2018

Review of Performance between 3Q18 and 3Q17

Net Property Income

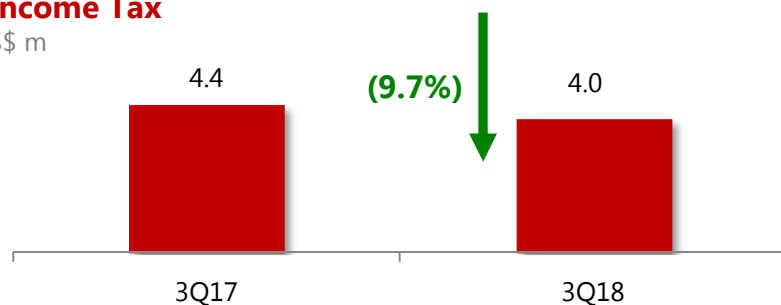
S\$ m



- NPI increased by 0.5% in 3Q18 Y-o-Y mainly due to contribution from the newly acquired Wuhan Meiluote which was partially offset by a weaker RMB.

Income Tax

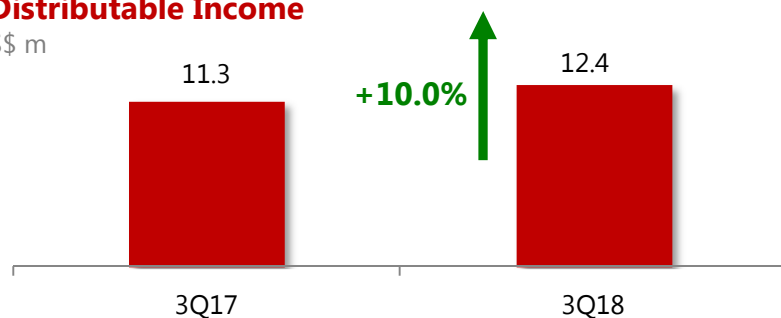
S\$ m



- In 3Q17, there was a 5% withholding tax expenses incurred during the cash repatriation from the PRC companies for distribution to Unitholders

Distributable Income

S\$ m



- Distributable Income increased 10.0% attributable to higher NPI, absence of withholding tax on cash repatriation for distribution in 3Q18 and lower trust expenses

Prudent Capital Management

- ✓ Annualized running interest rate: 4.4% ⁽¹⁾
- ✓ 100% of offshore SGD facilities on fixed rate ⁽²⁾
- ✓ Entered into FX option contract to lock in SGDRMB for our RMB income source for 4Q18 distributions . Continues to maintain a rolling 6 month FX hedging strategy

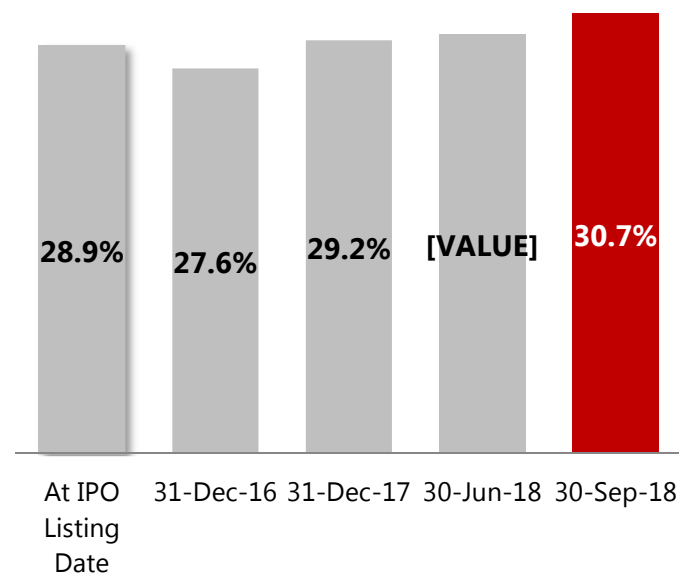
Key Debt Figures

Total Debt Drawdown as at 30 Sep 2018	<ul style="list-style-type: none"> • RMB 983.0 million onshore • S\$ 200.0 million offshore • S\$ 61.9 million RCF ⁽³⁾
Tenure	Matures in Jul 2019
Annualized Running Interest Rate	<ul style="list-style-type: none"> • Onshore – 5.5% p.a. • Offshore – 4.1% p.a. • RCF – 2.1% p.a.

Forex (SGD/RMB)

2Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 4.8134 • Sell CNH put at 4.8634
3Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 4.920 • Sell CNH put at 4.950
4Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 5.020 • Sell CNH put at 5.050

Healthy Aggregate Leverage



- (1) Including amortized upfront fee, the all-in interest rate is 5.3%
- (2) Excluding RCF
- (3) \$61.9 million drawn down from the S\$100 million revolving credit facility

Healthy Balance Sheet

S\$'000	As at 30 Sept 2018	As at 30 Jun 2018	As at 31 Dec 2017
Cash and cash equivalents⁽¹⁾	116,698	113,362	138,644
Investment Properties	1,329,958	1,380,783	1,337,010
Total Assets	1,488,288	1,536,828	1,511,239
Borrowings	453,923	449,035	435,501
Total Liabilities	799,272	810,744	793,621
Net Assets attributable to Unitholders	689,016	726,084	717,618
NAV per unit (S\$)	0.87	0.92	0.91

(1) Includes RMB151.7 million (S\$30.1 million) security deposits received from the Master Lease tenants



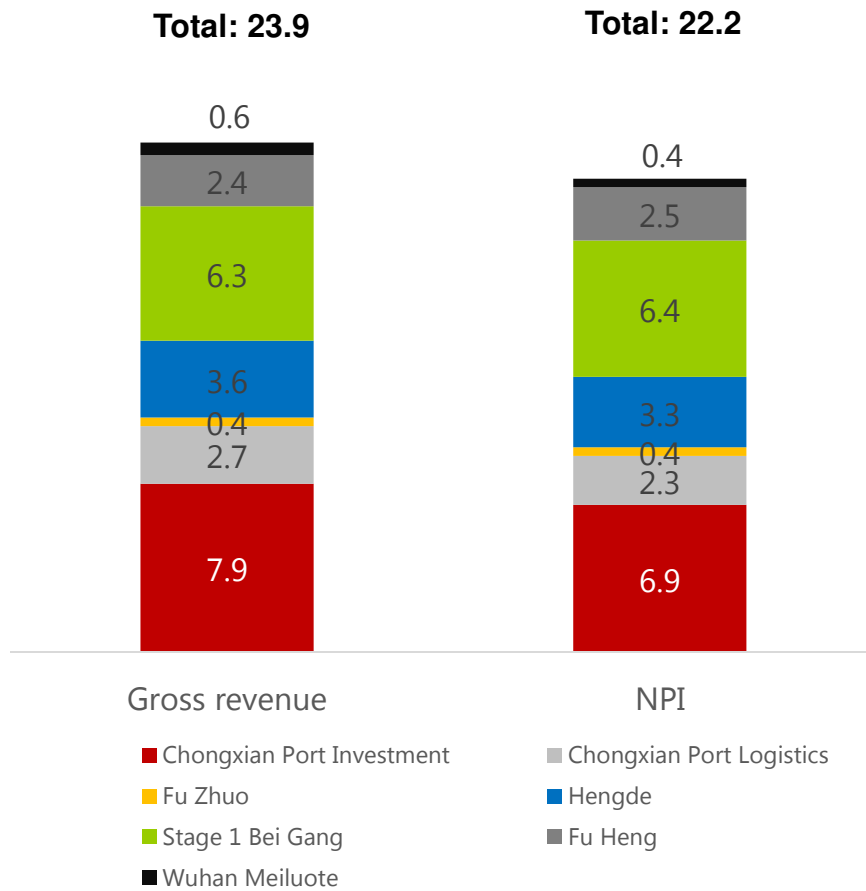
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Section C: Portfolio Update

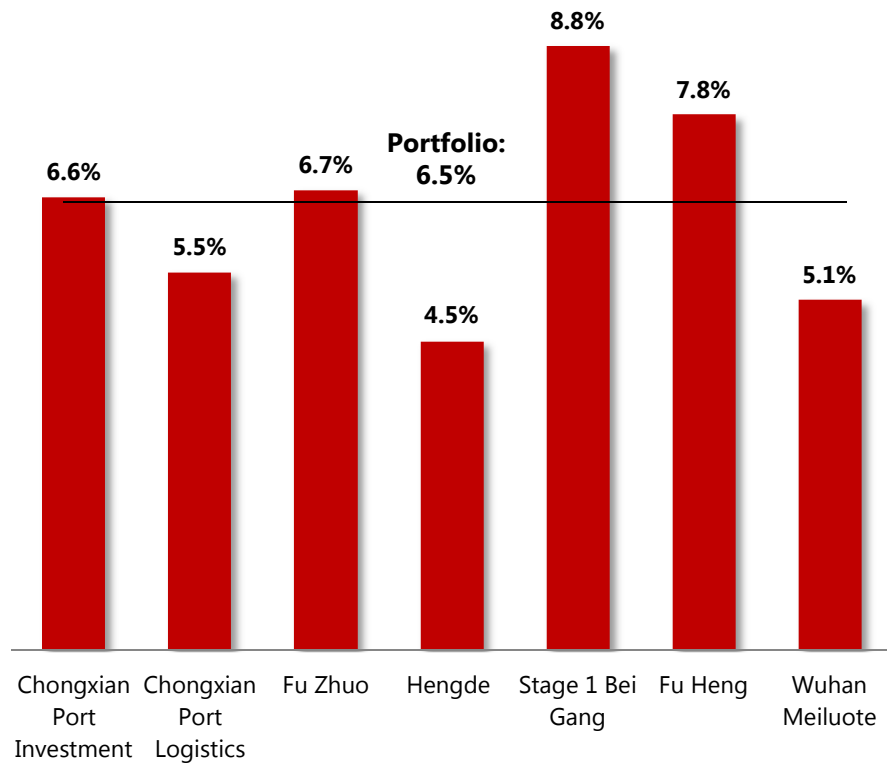


Summary Assets Performance

3Q18 Breakdown by Gross Revenue and NPI (SGD m)

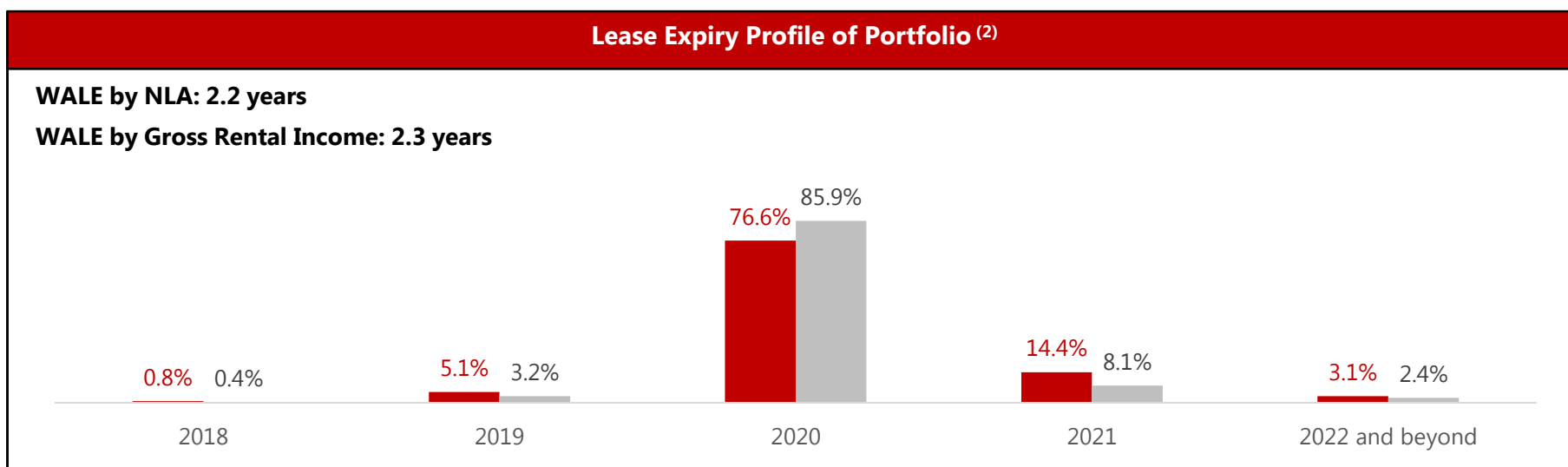
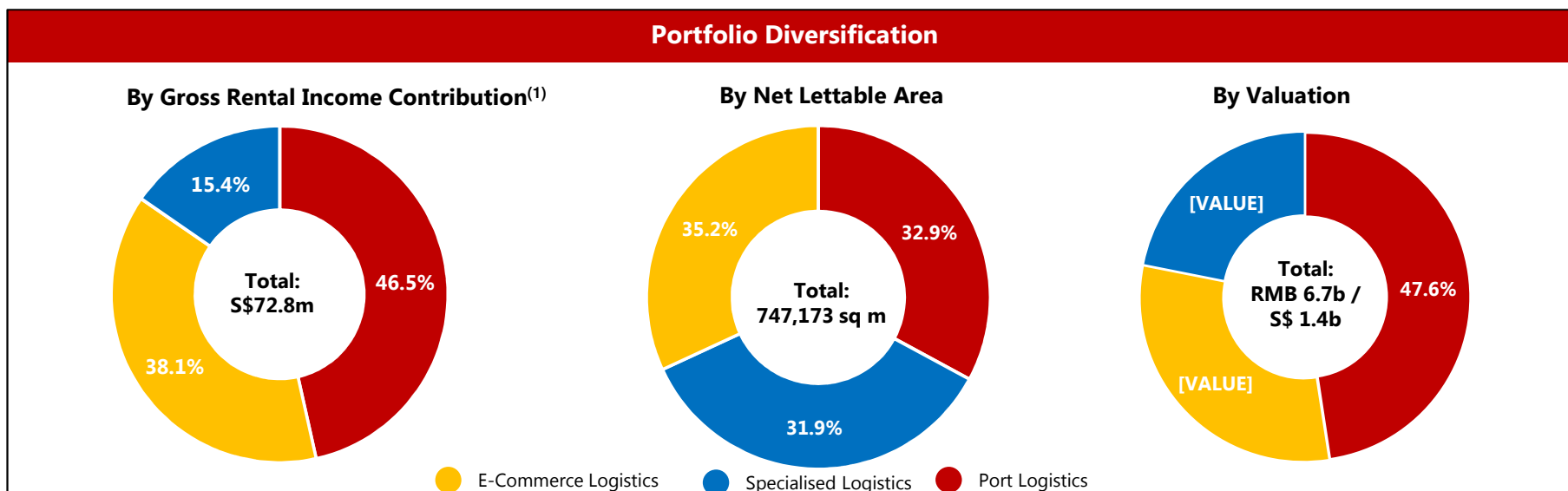


9MYTD18 Annualized NPI Yield ⁽¹⁾



(1) In RMB terms. Based on valuation as at 31 December 2017 except for Wuhan Meiluote which is based on acquisition price of RMB 145 m

High Quality and Differentiated Asset Portfolio



(1) For nine months ended 30 Sep 2018

(2) By Gross Rental Income and committed NLA as at 30 Sep 2018



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Thank You

