



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

FY2021 Annual General Meeting

27 April 2022



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

Key Highlights

Section B

Financial Review

Section C

Portfolio Management



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Section A: Key Highlights



FY2021 Key Highlights



Financials and Distributions

- **Gross revenue and NPI increased by 14.4% and 12.7% to S\$125.5 million and S\$113.0 million year-on-year respectively mainly** due to absence of rental rebates given to tenants in FY2020
- Distribution to Unitholders of **S\$50.6 million (↑17.4%) mainly due to higher NPI**
- Manager **voluntary provided one-off waiver of performance fee** to the extent of rental rebate provided in FY2020
- **DPU of 6.263 cents for FY2021, 16.9% higher than FY2020**



Asset Management

- **Stable occupancy of 99.2%**
- Weighted average lease to expiry (**WALE**) of **2.7 years** (by gross rental income)
- **Resilient portfolio value:** marginal decline of 1.6% in RMB terms. In SGD terms, ECW's portfolio **increase by 3.1%** due to **by appreciation in RMB**
- **Compulsory Expropriation of Fu Zhuo Industrial**, a port asset by the local government



Capital and Debt Structure

- **All-in running interest rate** for FY2021 of **4.0%**
- Weighted Average Term of Debt Expiry of **0.63 years**
- **Refinancing in progress**

China's Zero Covid Policy

- ❑ The COVID-19 pandemic has **caused major disruptions in global supply chain** with shutdown of industries around the world, causing **lower consumer demand and reduced industrial activity**.
- ❑ Coupled with the war in Ukraine, countries around the world grapple with **supply-demand imbalances and rising inflation**.
- ❑ Even as countries lift their lockdown measures, supply chains that were disrupted still face **huge challenges with manpower and material shortage**. Border controls and **mobility restriction** continues to weigh in on economic recovery.
- ❑ When Covid cases began to spike in China in late February, China continues to adhere to its **zero-Covid policy**
- ❑ At least 373 million people—in cities that represent roughly 40% of China's gross domestic product—have been affected by the most recent wave of lockdowns across China.
- ❑ **Suspension of business operations and production** as well as widespread lockdowns in China are expected to **disrupt the logistics sector significantly**.
- ❑ For 2022, the Chinese government has set a lower **GDP target of 5.5%** vis-à-vis a GDP growth of 8.1% in 2021.
- ❑ However, economists have indicated the **growth target of about 5.5% is increasingly challenging** due to the COVID outbreak as well as the war in Ukraine which has **hampered key economic activities**.

References:

- <https://blogs.imf.org/2022/04/19/war-dims-global-economic-outlook-as-inflation-accelerates/>
- <https://www.cnbc.com/2021/10/18/supply-chain-chaos-is-hitting-global-growth-and-could-get-worse.html>
- <https://www.bbc.com/news/business-61137195>
- <https://fortune.com/2022/04/19/china-covid-lockdown-cripple-global-supply-chain/>
- http://www.stats.gov.cn/english/PressRelease/202201/t20220117_1826409.html
- http://www.stats.gov.cn/english/PressRelease/202201/t20220117_1826409.html
- <https://edition.cnn.com/2022/04/17/economy/china-q1-gdp-intl-hnk/index.html#:~:text=China's%20economy%20grew%208.1%25%20in,the%20lowest%20in%20three%20decades.>

Daily new cases of COVID-19 in mainland China

Seven-day average from January 2021 to March 2022

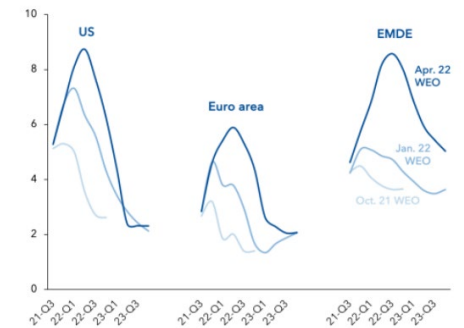


Source: Our World in Data. Last Update: 24 March 2022

Source: <https://www.bbc.com/news/59882774>

Inflation to persist

Headline inflation is revised higher and expected to remain elevated for longer.
(percent; year over year)



Sources: IMF, World Economic Outlook; and IMF staff calculations.
Note: EMDE = Emerging market and developing economies.

IMF

Source: <https://blogs.imf.org/2022/04/19/war-dims-global-economic-outlook-as-inflation-accelerates/>



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



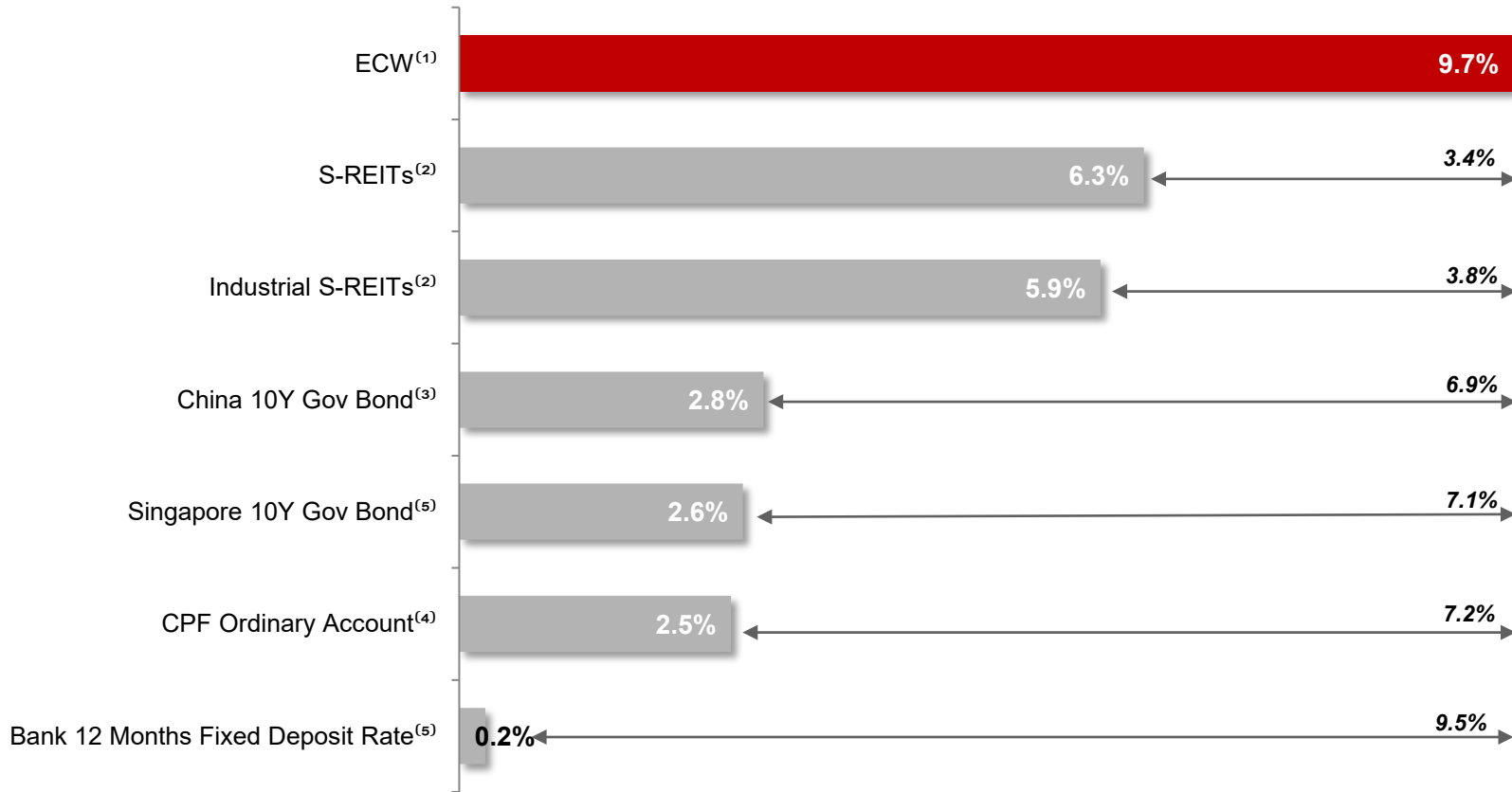
EC World
运通网城 REIT

Section B: Financial Review



Distribution Yield

Attractive Yield Compared to Peers



(1) Based on FY21DPU of 6.263 Singapore cents and closing price of S\$0.645 per unit as at 25 April 2022.

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Source: Monetary Authority of Singapore

Stable Balance Sheet

S\$'000	As at 31 December 2021	As at 31 December 2020
Cash and cash equivalents⁽¹⁾	169,255	151,692
Investment Properties	1,673,893	1,623,653
Total Assets	1,895,263	1,815,654
Borrowings	721,493	683,831
Total Liabilities	1,143,510	1,100,144
Net Assets attributable to Unitholders	751,753	715,510
NAV per unit (S\$)	0.93	0.89

(1) Includes RMB195.1 million (S\$41.4 million) cash security deposits received from the master leases and cash deposits of RMB615.4 million (S\$130.5 million) placed as collateral for standby letter of credit ("SBLC") issuance as at 31 December 2021.

Update on Refinancing Exercise

Refinancing In Progress

- ❑ ECW REIT has an aggregated facilities of S\$612.4m outstanding as at 31 December 2021. Save for a RMB 77.0 million onshore facility which will due in 2029, the rest of the Facilities are due in 2022.
- ❑ New regulations introduced in August 2020 aimed to de-risking the residential sector resulted in **tightening of credit to property developers**.
- ❑ While ECW is not in the residential property sector, the Manager noted that **lenders have become much more cautious** in giving out property related loans, resulting in additional challenges to the REIT's refinancing.
- ❑ At this juncture, the Manager expects that the **refinancing exercise will be completed prior to the maturity dates** of the term loans.

The Facilities

	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• Expire in May 2022	<ul style="list-style-type: none">• RMB1,095.0 million comprising<ul style="list-style-type: none">• Term loan facilities totaling RMB 1,018 million expire in July 2022• Term loan facility totaling RMB77 million expires in July 2029
Total Quantum ¹		S\$640.1 million
Amount Outstanding ²	S\$417.3 million	RMB920.2 million
Total Amount Outstanding ²		S\$612.4 million

(1) For illustrative purpose, facilities are 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.s

(2) Facilities are calculated based on the exchange rates of S\$1.00 to RMB 4.7148 and US\$1.00 to S\$1.3517 as at 31 December 2021.



EC World
运通网城 REIT

Section C: Portfolio Management



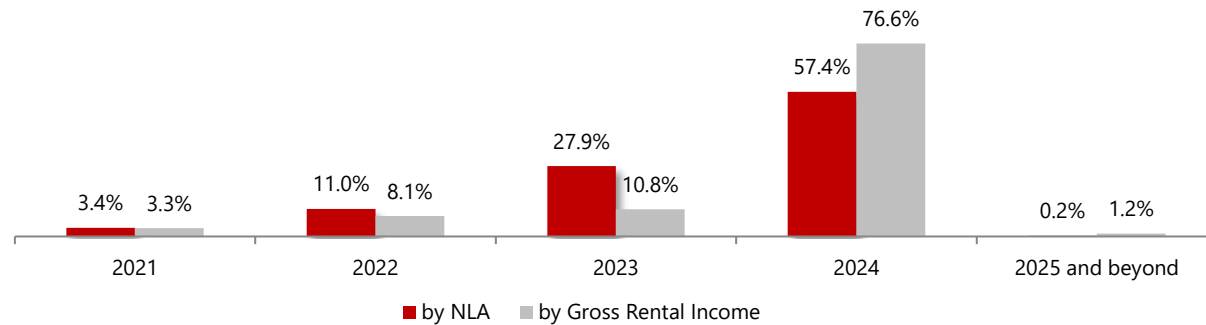
Quality and Differentiated Asset Portfolio

☑ Healthy portfolio occupancy of **99.2%** as at 31 December 2021

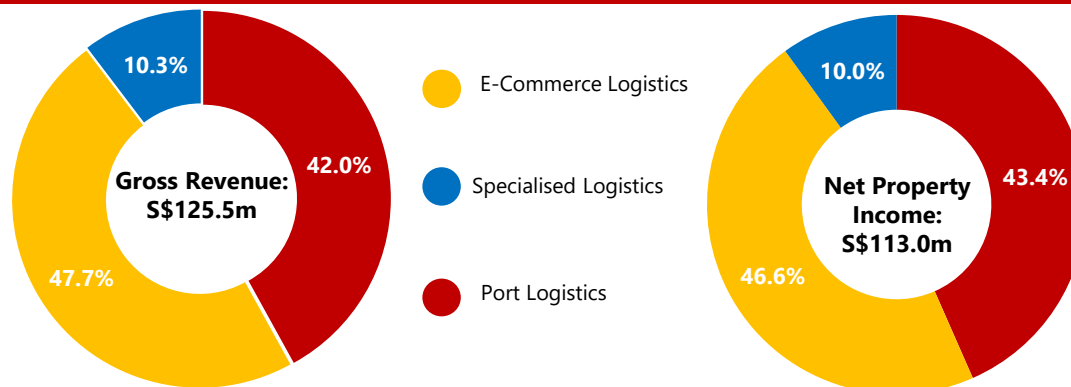
Lease Expiry Profile of Portfolio ⁽¹⁾

WALE by NLA: 2.3 years

WALE by Gross Rental Income: 2.7 years

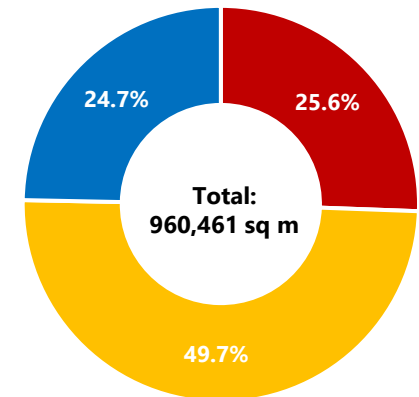


Contribution by segments ⁽²⁾

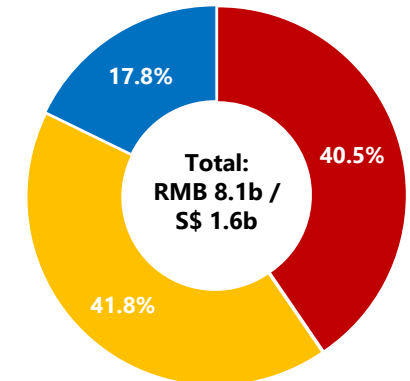


Portfolio Diversification ⁽¹⁾

By Net Lettable Area



By Valuation



● E-Commerce Logistics
 ● Specialised Logistics
 ● Port Logistics

(1) As at 31 December 2021

(2) For the financial year ended 31 December 2021

Compulsory Expropriation of Fu Zhuo Industrial

- On 10 January 2022, ECW informed that Fu Zhuo Industrial has received a **formal notice** (the "Notice") from the People's Government of Linping District, Hangzhou City, People's Republic of China on 6 January 2022 with regard to the **compulsory expropriation**.
- In accordance with the Notice, EC World REIT is entitled to receive **compensation based on the expropriation valuation** of Fu Zhuo Industrial (including the land use right, buildings and equipment).



Fu Zhuo Industrial is a port property which comprises berths and office buildings and is located in the west of Chongxian New City, north of Hangzhou, on the east bank of the Beijing-Hangzhou Grand Canal, and next to the National Highway No. 320 and Jiaxing-Huzhou Expressway.

Commencement of Operations	Oct 2014
Net Lettable Area (sqm)	7,128
Type of Lease	Multi-tenanted
Occupancy⁽¹⁾	100.0%
WALE⁽²⁾ (years)	6.3
Independent Valuation (RMB'm)⁽¹⁾	117.0
% of Portfolio Valuation⁽²⁾	1.48%
% of FY2021 Portfolio Gross Revenue⁽³⁾	1.4%
% of FY2021 Portfolio NPI⁽³⁾	1.6%

(1) As at 31 December 2021.

(2) As at 31 December 2021. By Gross Rental Income

(3) For the financial year ended 31 December 2021

CONNECTING
the E-Commerce World

BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Thank You

