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the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

1QFY19 Results Presentation

10 May 2019



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Agenda

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1QFY19 Key Highlights

Section B

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Section C

Portfolio Update



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Section A: 1QFY19 Key Highlights



1QFY19 Key Highlights

Resilient Financials and Stable Operational Performance



1QFY19 DPU of 1.501 cents translating to an annualized **DPU yield of 8.0%**¹

Distribution to Unitholders increased 3.1% compared to 1QFY18



Continued growth in Gross Revenue and NPI by 3.0% and 1.9% in RMB terms primarily due to (i) contracted rental escalation (ii) contribution from Wuhan Meiluote acquired in April 2018

Committed occupancy of 99.97%



Entry into New Master Lease Agreements **Extending WALE and enhancing income stability**

- ✓ Obtained unitholders' Approval for the Proposed Entry into New Master Lease Agreements
- ✓ **Significantly extends weighted average lease to expiry ("WALE")** from 1.8 years to 4.7 years (by gross revenue) as at 31 March 2019

Proposed **Acquisition of Fuzhou E-Commerce**

- ✓ Acquisition of a **rare sizable integrated e-commerce logistics asset** for RMB1,112.5 million
- ✓ **Yield accretive transaction, increasing exposure to the fast growing e-commerce sector**



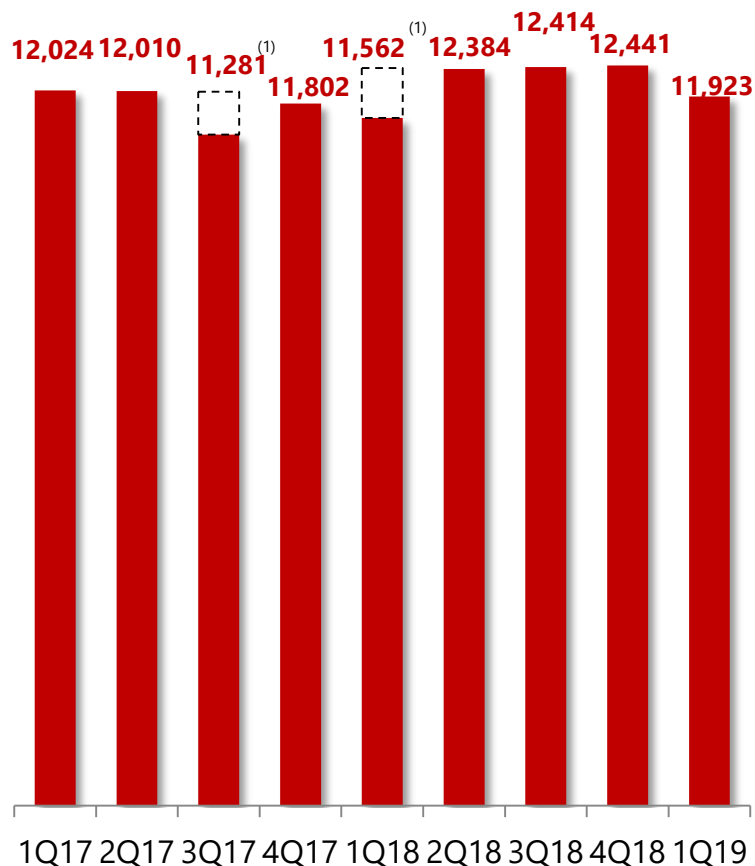
(1) Based on annualised 1QFY19 DPU of 6.087 Singapore cents and the closing price of S\$0.76 per Unit on 31 March 2019

(2) By Gross Revenue

Consistent Returns to Unitholders

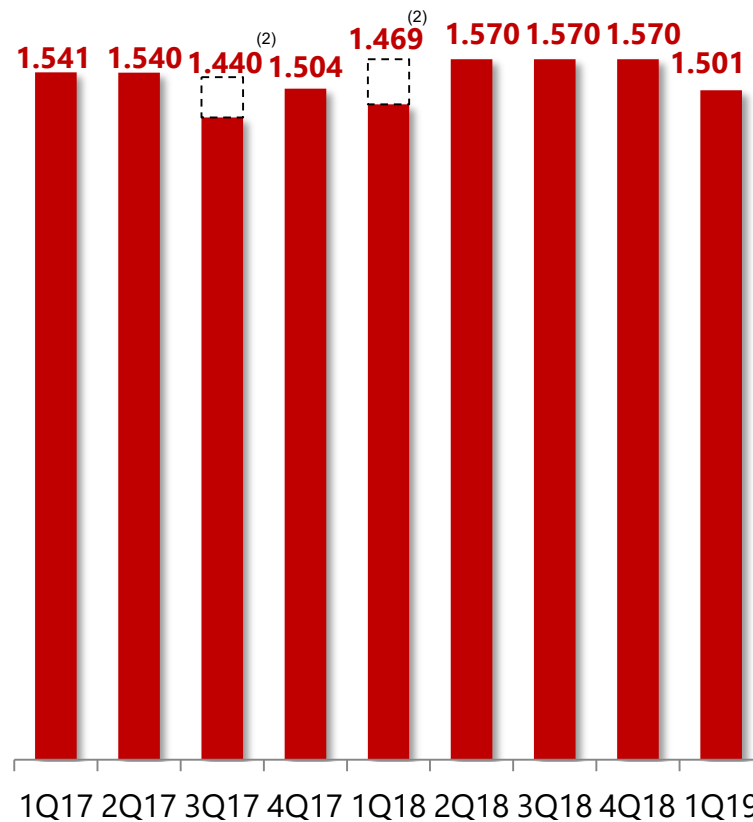
Distribution to Unitholders

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

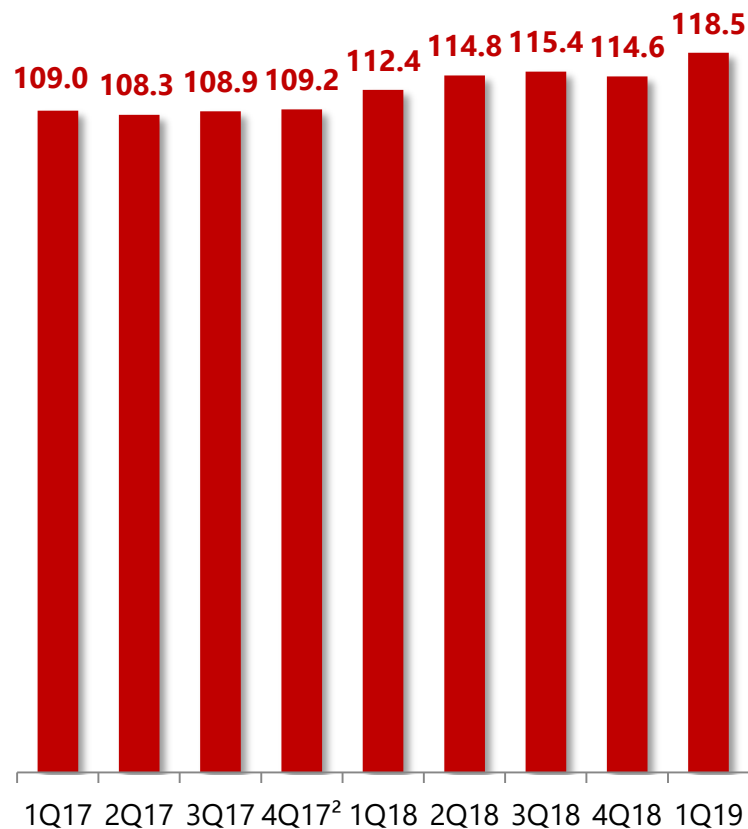
(2) Adjusted DPU gross of withholding tax expenses for 3Q17 and 1Q18 would be 1.530 and 1.570 Singapore cents respectively

Strong Asset Portfolio Performance

Portfolio continues to deliver strong operating performance despite macro uncertainties

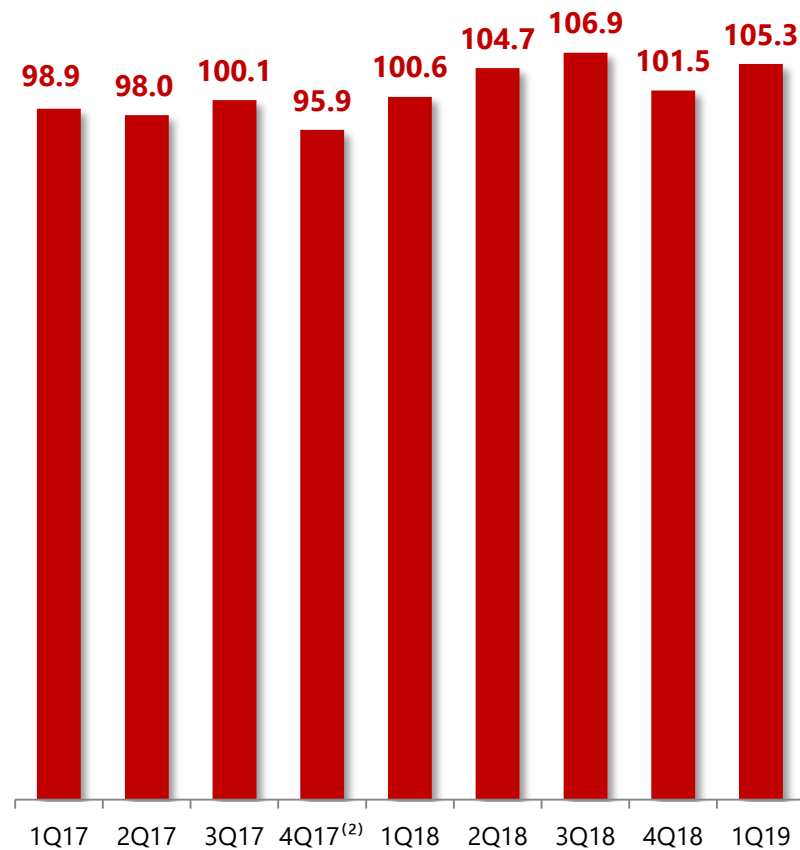
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million

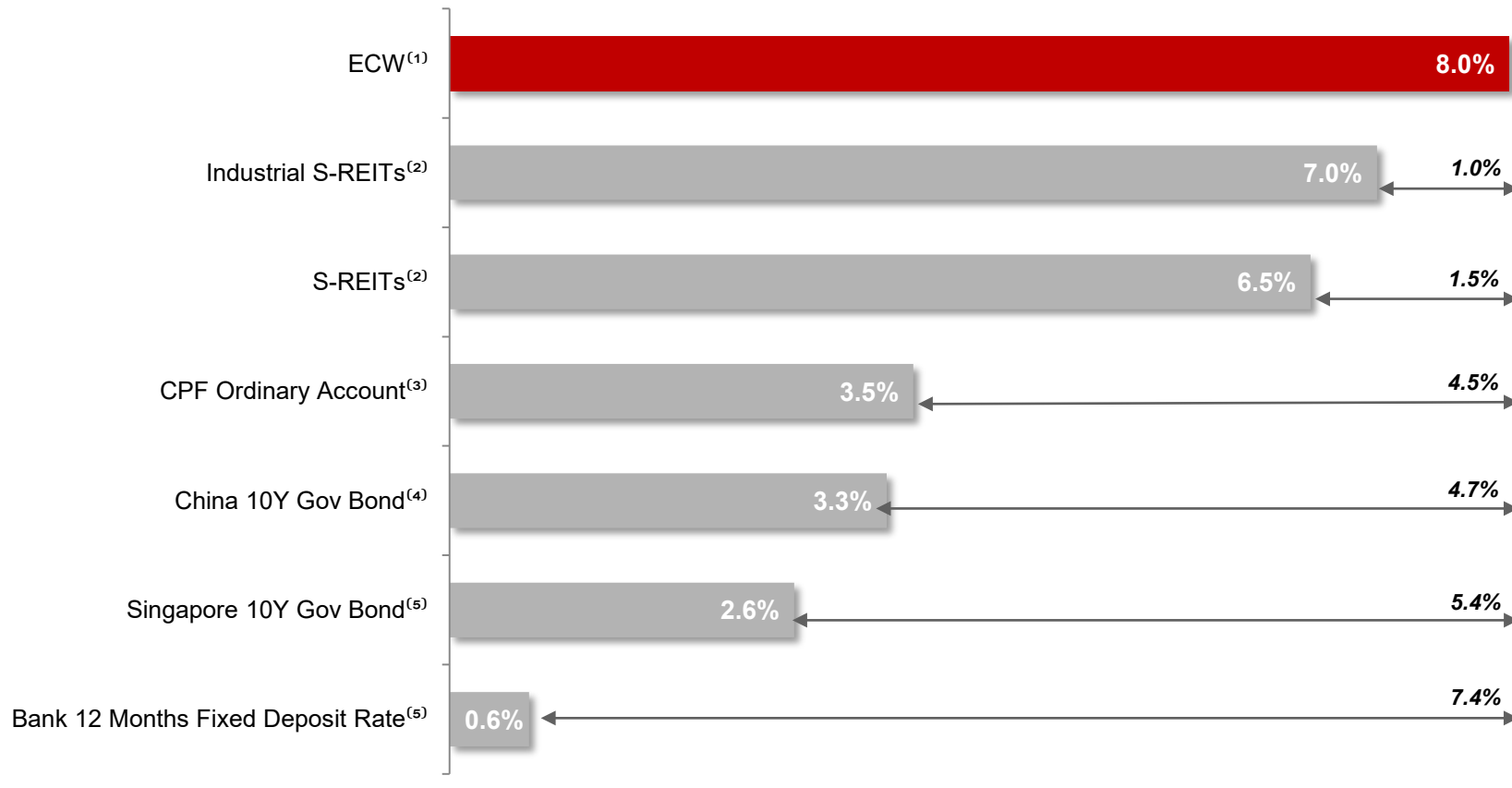


(1) Excluding straight-line and security deposit accretion accounting adjustments

(2) Including a provision of impairment (RMB5.2m) of receivables at Fu Zhuo as at 31 Dec 2017. There was no impact to DPU for FY17

Highly Attractive Distribution Yield

Attractive Yield Compared to Peers



(1) Based on annualised 1QFY19 DPU of 6.087 Singapore cents and the closing price of S\$0.76 per Unit on 31 March 2019

(2) Based on Broker Research

(3) Source: CPF Board

(4) Source: Bloomberg

(5) Source: Monetary Authority of Singapore

Stable 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: 1 Nov 2015 to 31 Oct 2024	1% on 1 st Jan 2019 and 2020. 1% annually from Nov 2020 to Oct 2024
Fu Heng		94,287	Master lease: 1 Jan 2016 to 31 Dec 2024	4.0% and 3.0% on 1st Jan 2019 and 2020 respectively. 2.0% annually from 1 st Jan 2021
Wuhan Meiluote		48,695	Multi-tenanted	Between 4.5% to 5% per annum
Hengde Logistics	Specialised Logistics	237,066	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 2024	4.0% and 3.0% on 1 st Jan 2019 and 2020 respectively. 2.0% annually from 1 st Jan 2021
Chongxian Port Logistics		125,826	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		746,177		



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Section B: Financial Review



FY1Q19 Summary Results

Financial Performance

Year on Year Comparison	1QFY19	1QFY18	Variance (%)	Quarter on Quarter Comparison	1QFY19	4QFY18	Variance (%)
Gross revenue (S\$'000)	23,857	23,939	(0.3)	Gross revenue (S\$'000)	23,857	23,473	1.6%
Net property income (S\$'000)	21,185	21,490	(1.4)	Net property income (S\$'000)	21,185	20,840	1.7%
Distribution to Unitholders (S\$'000)	11,923	11,562	3.1	Distribution to Unitholders (S\$'000)	11,923	12,441	(4.2)
Distribution per unit (Singapore cents)	1.501	1.469	2.2	Distribution per unit (Singapore cents)	1.501	1.570	(4.4)

1QFY19 Distribution Timetable

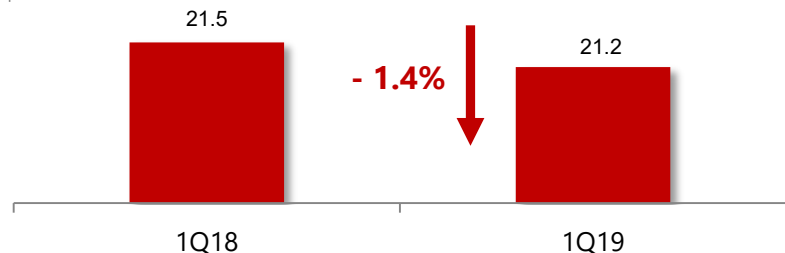
Distribution Timetable

Last Day of Trading on “cum” Basis	:	24 May 2019
Ex-date	:	27 May 2019
Books Closure Date	:	28 May 2019
Distribution Payment Date	:	28 June 2019

Review of Performance between 1QFY19 and 1QFY18

Net Property Income

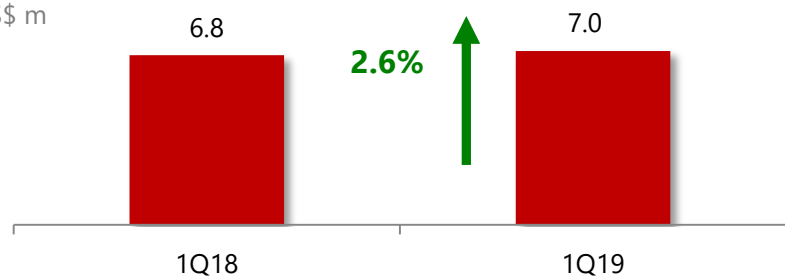
S\$ m



- NPI decline by 1.4% to S\$21.2 million impacted by exchange rate. In RMB terms, NPI would be 1.9% higher compared to 1Q18

Finance Cost

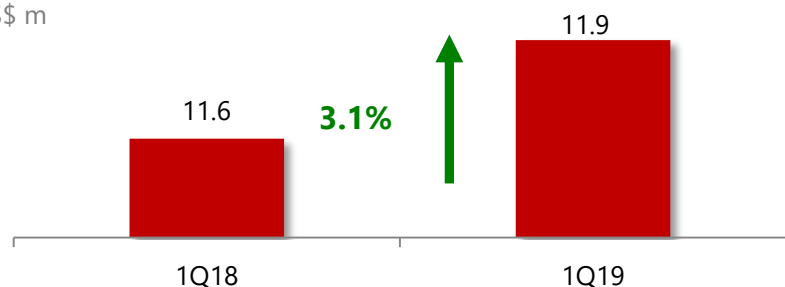
S\$ m



- Higher finance cost mainly due to higher SBLC loan quantum in 1Q19

Distribution to Unitholders

S\$ m



- Distribution to Unitholders increased 3.1% due to higher withholding tax incurred in 1QFY18

Prudent Capital Management

- ✓ Annualized running interest rate: 4.1% ⁽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 1QFY19 distributions. Continues to maintain a rolling 6 month FX hedging strategy

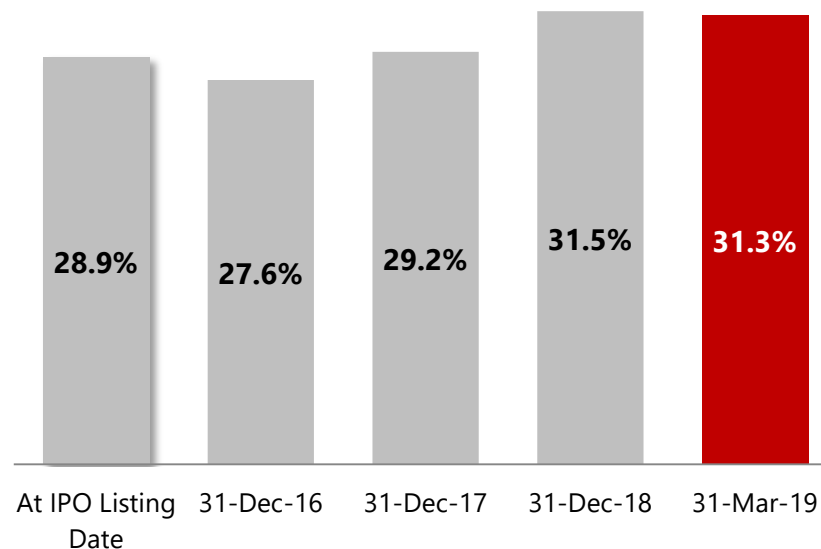
Key Debt Figures

Total Debt Drawdown as at 31 Mar 2019	<ul style="list-style-type: none"> • RMB 977.7 million onshore • S\$ 200.0 million offshore • S\$ 84.2 million RCF ⁽³⁾
Tenure	Matures in Jul 2019
1QFY19 Running Interest Rate	<ul style="list-style-type: none"> • Onshore – 5.3% p.a. • Offshore – 4.1% p.a. • RCF – 1.1% p.a.

Forex (SGD/RMB)

4Q 2018	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 5.020 • Sell CNH put at 5.050
1Q 2019	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 5.050 • Sell CNH put at 5.080
2Q 2019	Hedged through put spread <ul style="list-style-type: none"> • Buy CNH put at 4.960 • Sell CNH put at 4.990

Healthy Aggregate Leverage



(1) Including amortized upfront fee, the all-in interest rate is 4.9%
 (2) Excluding RCF
 (3) \$84.2 million drawn down from the S\$90.0 million revolving credit facility

Healthy Balance Sheet

S\$'000	As at 31 Mar 2019	As at 31 Dec 2018
Cash and cash equivalents⁽¹⁾	143,432	142,127
Investment Properties	1,356,023	1,335,034
Total Assets	1,539,677	1,515,824
Borrowings	480,018	474,705
Total Liabilities	837,642	827,272
Net Assets attributable to Unitholders	702,035	688,552
NAV per unit (S\$)	0.88	0.87

(1) Includes RMB151.7 million (S\$30.6 million) cash security deposits received from the master leases and cash deposits of RMB468.0 million (S\$94.3 million) placed as collateral for standby letter of credit ("SBLC") issuance.



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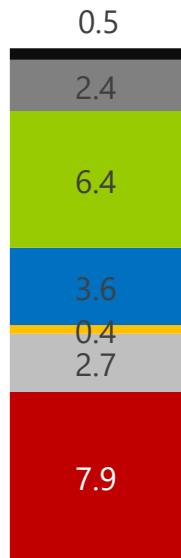
Section C: Portfolio Update



Summary Assets Performance

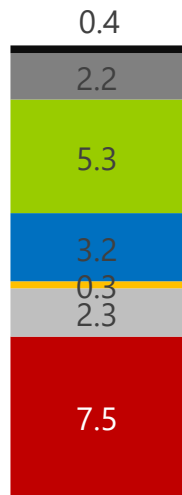
1QFY19 Breakdown by Gross Revenue and NPI (SGD m)

Total: 23.9



Gross revenue

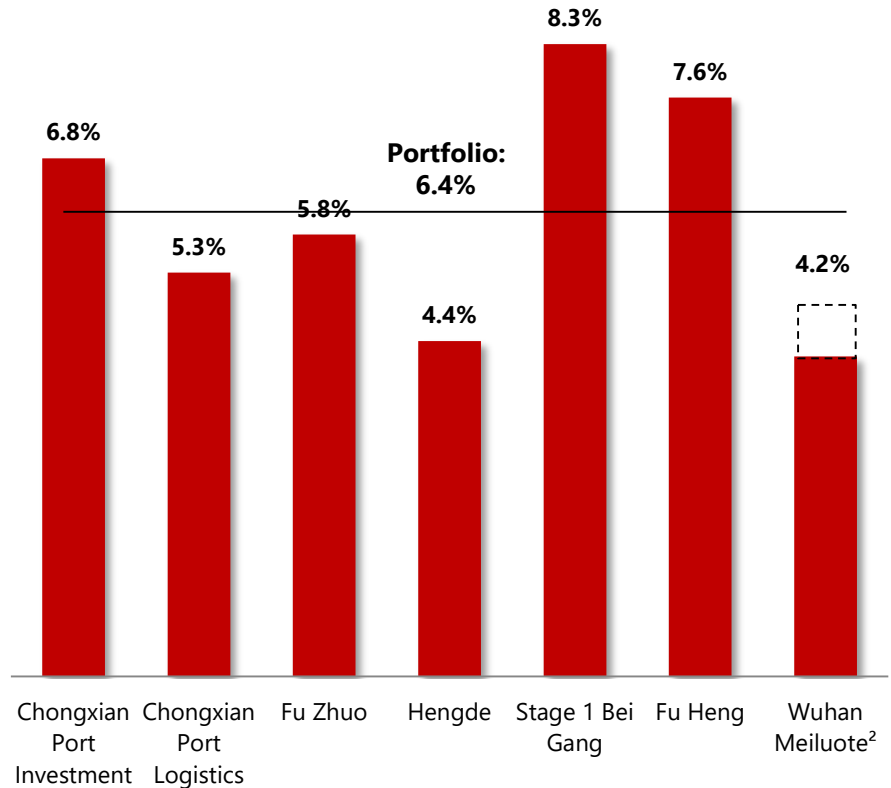
Total: 21.2



NPI

- Chongxian Port Investment
- Fu Zhuo
- Stage 1 Bei Gang
- Wuhan Meiluote
- Chongxian Port Logistics
- Hengde
- Fu Heng

1QFY19 NPI Yield ⁽¹⁾



(1) In RMB terms

(2) Using acquisition price of RMB145 million, 1QFY19NPI yield would be 4.9%

Successful Entry into New Master Lease Agreements

Provide Stable Income Stream with Organic Growth



Healthy WALE of 4.7 years

(by Gross Revenue)



Predictable and stable income stream



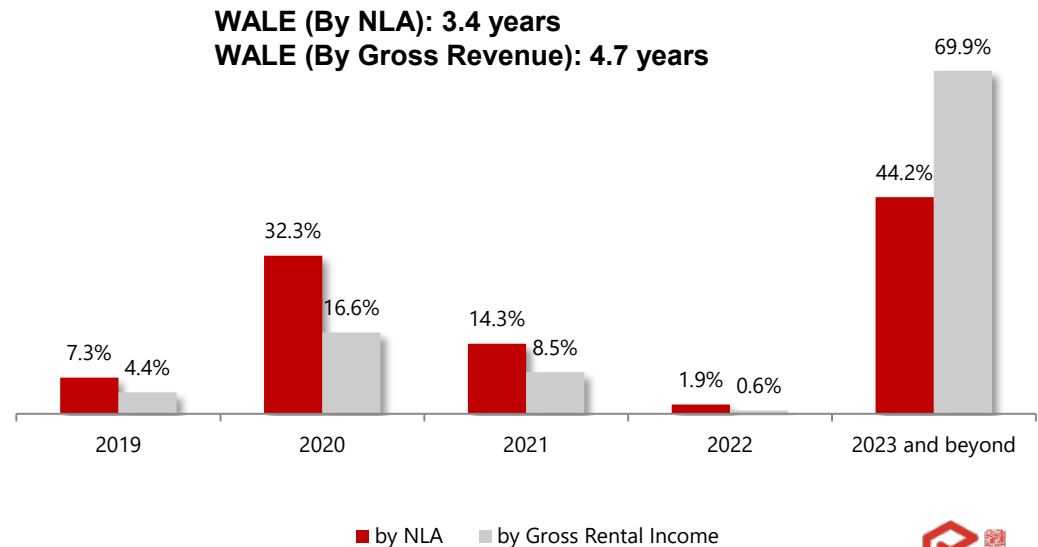
Organic Growth with built-in rental escalation of between 1% to 2% p.a



Strong Support from Sponsor + Alignment of Interest

- ✓ Enhances **cash flow and income viability**, ensuring **stable and sustainable returns** to Unitholders
- ✓ **Limit downside risks** and provide predictability in returns
- ✓ **Built-in escalation** provides **organic growth**
- ✓ Demonstrates **strong support from Sponsor** and **alignment of interest** between Sponsor and Unitholders

**Lease Expiry Profile as at 31 March 2019
(Including Entry into New Master Lease Agreements)**



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Thank You

