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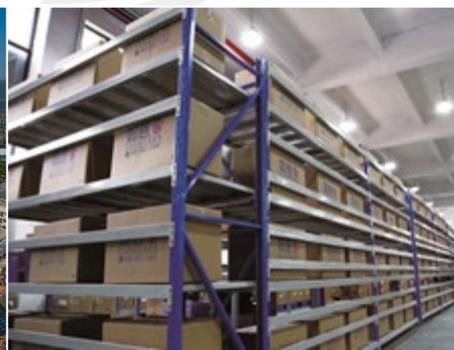
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**EC World**  
运通网城 REIT

# 2QFY2021 Results Presentation

6 August 2021



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# Agenda

## Section A

2QFY2021 Key Highlights

## Section B

Financial Review

## Section C

Portfolio Update



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# Section A: 2QFY2021 Key Highlights



## 2QFY2021 Key Highlights



### Financials and Distributions

- **10.6% increase in gross revenue year-on-year** mainly due to positive straight line adjustment and strengthening of RMB by 3.6% year-on-year
- Manager continue to strive to **provide stable predictable distribution**.
- **Retained** 10% of total amount available for distribution in 2QFY2021 of **~S\$1.2 million** in view in view of uncertainties arising from prolonged COVID-19 pandemic globally
- Distribution of retained income from **4QFY2019, 1QFY2020 and 2QFY2020 (partial)** amounting to **~S\$2.0 million**
- **DPU of 1.532 cents for 2QFY2021** which will be paid out on 28 September 2021



### Asset Management

- **Stable occupancy of 99.1%**
- Weighted average lease to expiry (**WALE**) of **3.0 years** (by gross rental income)
- On 30 April 2021, incident of displacement and collapse of a berth at Chongxian Port Investment. The Manager and Property Manager working closely with insurer on claims assessment.

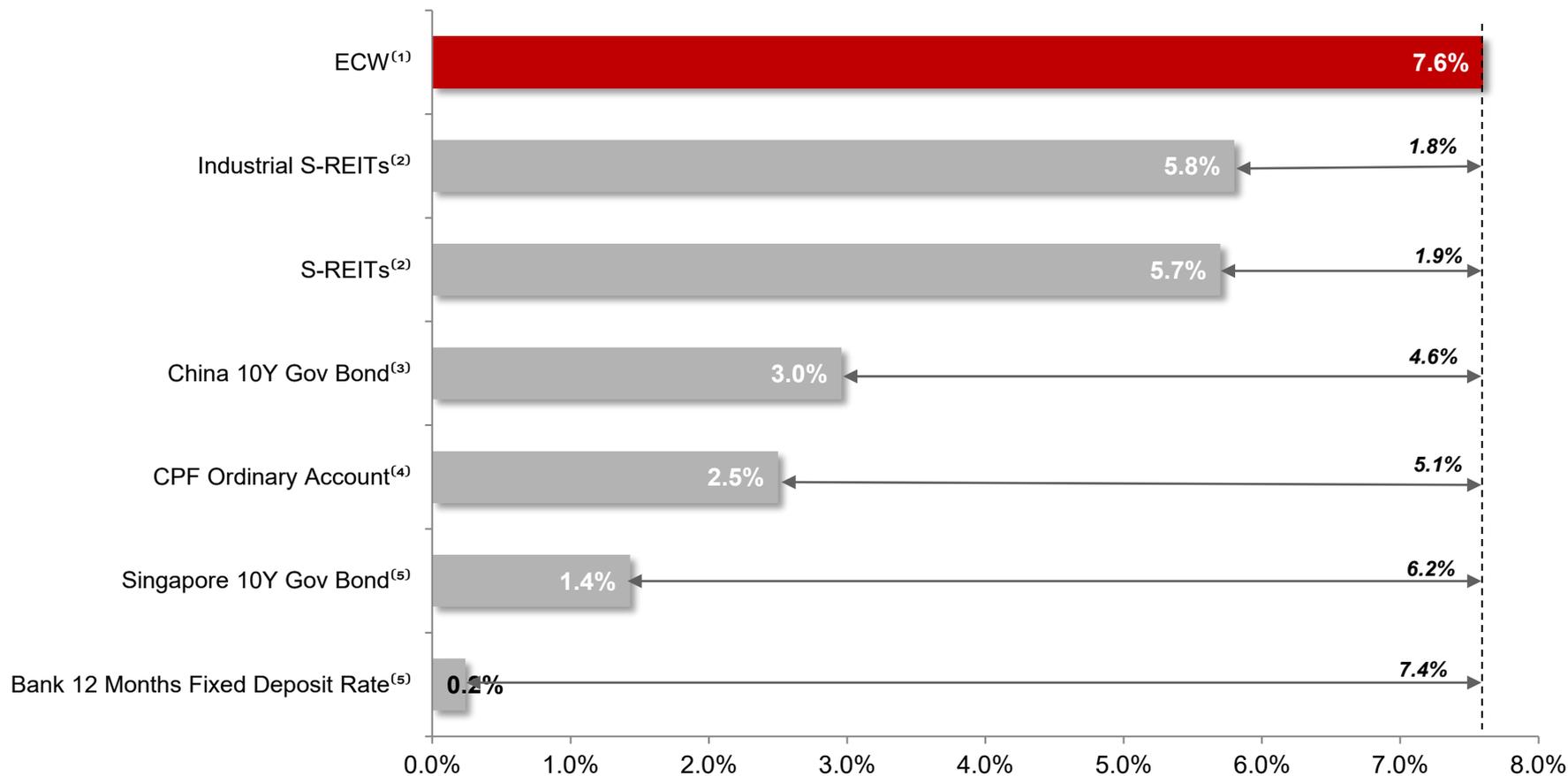


### Stable Capital and Debt Structure

- **All-in running interest rate** for 2QFY2021 of **4.2%**
- Weighted Average Term of Debt Expiry of **1.13 years**

# Distribution Yield

## Attractive Yield Compared to Peers



(1) Based on annualized 1HFY2021 DPU of 6.179 Singapore cents and closing price of S\$0.815 per unit as at 30 June 2021.

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Source: Monetary Authority of Singapore

# 2QFY2021 Distribution Timetable

## Distribution Timetable

<b>Last Day of Trading on “cum” Basis</b>	:	10 September 2021 (Friday)
<b>Ex-date</b>	:	13 September 2021 (Monday)
<b>Record Date</b>	:	14 September 2021 (Tuesday)
<b>Distribution Payment Date</b>	:	28 September 2021 (Tuesday)



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## Section B: Financial Review



## 2QFY2021 Summary Results

Year on Year Comparison	2QFY2021	2QFY2020	Variance (%)
Gross revenue (S\$'000)	31,187	28,205	10.6
Net property income (S\$'000)	27,938	25,835	8.1
Finance Cost (S\$'000)	(9,919)	(9,751)	1.7
Total amount available for distribution (S\$'000)	11,582	12,376	(6.4)
Amount retained (S\$'000) <sup>1</sup>	1,158	1,234	(6.2)
Amount previously retained (S\$'000) to be distributed <sup>2</sup>	1,951	-	n.m.
Distribution to Unitholders (S\$'000)	12,375	11,142	11.1
Applicable number of units for computation of DPU (million)	807.8	803.9	0.5
<b>Distribution Per Unit (Singapore cents)</b>	<b>1.532</b>	<b>1.386</b>	<b>10.5</b>

(1) Retention of total amount available for distribution in view of uncertainties arising from prolonged COVID-19 pandemic globally

(2) ECW will pay out distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amounting to ~S\$2.0 million

- Increase in **gross revenue** and **NPI** were mainly due to **positive straight-line adjustments** and **strengthening of RMB by 3.6%** year-on-year.
- After the relevant distribution adjustments, **gross revenue in RMB terms** was **1.9% higher** compared to 2Q2020, mainly due to organic rental escalations and Late Fee income. **NPI in RMB terms** was **1.0% lower**, mainly due **higher operating expenses**
- Finance cost was 1.7% higher mainly due to higher option premium
- In view of uncertainties arising from prolonged COVID-19 pandemic globally, **10% of total amount available of distribution** for 2QFY2021 is retained
- **Payout of amount previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial)** amounting to ~S\$2.0 million in 2QFY2021
- Resultant **DPU for 2QFY2021 of 1.532 cents** or 10.5% higher than 2QFY2020

## 2QFY2021 Summary Results

Year on Year Comparison	2QFY2021	1QFY2021	Variance (%)
Gross revenue (S\$'000)	31,187	30,802	1.2
Net property income (S\$'000)	27,938	27,679	0.9
Finance Cost (S\$'000)	(9,919)	(9,703)	2.2
Total amount available for distribution (S\$'000)	11,582	13,736	(15.7)
Amount retained (S\$'000) <sup>1</sup>	1,158	1,375	(15.8)
Amount previously retained (S\$'000) to be distributed <sup>2</sup>	1,951	-	n.m.
Distribution to Unitholders (S\$'000)	12,375	12,361	0.1
Applicable number of units for computation of DPU (million)	807.8	806.8	0.1
<b>Distribution Per Unit (Singapore cents)</b>	<b>1.532</b>	<b>1.532</b>	-

(1) Retention of total amount available for distribution in view of uncertainties arising from prolonged COVID-19 pandemic globally

(2) ECW will pay out distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amounting to ~S\$2.0 million

- Marginal increase in gross revenue and NPI due to **strengthening of RMB in 2QFY2021 vs 1QFY2021**
- Total amount available for distribution **declined 15.7% mainly due to higher withholding tax** for the repatriation of income from China to Singapore for distribution
- Continue to retain **10% of total amount available of distribution** for 2QFY2021
- **Payout of amount previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial)** amounting to ~S\$2.0 million in 2QFY2021
- Resultant **DPU for 2QFY2021 of 1.532 cents**

# 1HFY2021 Summary Results

Year on Year Comparison	1HFY2021	1HFY2020	Variance (%)
Gross revenue (S\$'000)	61,989	51,739	19.8
Net property income (S\$'000)	55,617	46,973	18.4
Finance Cost (S\$'000)	(19,622)	(19,487)	0.7
Total amount available for distribution (S\$'000)	25,318	22,164	14.2
Amount retained (S\$'000) <sup>1</sup>	2,533	1,724	46.9
Amount previously retained (S\$'000) to be distributed <sup>2</sup>	1,951	-	n.m.
Distribution to Unitholders (S\$'000)	24,736	20,440	21.0
Applicable number of units for computation of DPU (million)	807.8	803.9	0.5
<b>Distribution Per Unit (Singapore cents)</b>	<b>3.064</b>	<b>2.544</b>	<b>20.4</b>

(1) Retention of total amount available for distribution in view of uncertainties arising from prolonged COVID-19 pandemic globally

(2) ECW will pay out distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amounting to ~S\$2.0 million

- Increase in **gross revenue** and **NPI for 1HFY2021** mainly due to **absence of one-off rental rebates** provided to tenants in 1QFY2020 in efforts to mitigate the adverse impact of the COVID-19 situation on tenants' operations and **strengthening of RMB**
- After the relevant distribution adjustments, gross revenue and NPI in **RMB terms** was **10.6%** and **8.1% higher** compared to 1HFY2020, due to absence of rental rebate as mentioned earlier
- **Distribution to Unitholders increase 21.0% mainly due to absence of rental rebates** in 1QFY20 as well as **payout of distribution previously retained in 4QFY19, 1QFY20 and 2QFY20 (partial) amount to ~S\$2 million**

# Stable Balance Sheet

<b>S\$'000</b>	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
<b>Cash and cash equivalents<sup>(1)</sup></b>	<b>154,905</b>	<b>151,692</b>
<b>Investment Properties</b>	<b>1,670,937</b>	<b>1,623,653</b>
<b>Total Assets</b>	<b>1,877,837</b>	<b>1,815,654</b>
<b>Borrowings</b>	<b>701,330</b>	<b>683,831</b>
<b>Total Liabilities</b>	<b>1,124,818</b>	<b>1,100,144</b>
<b>Net Assets attributable to Unitholders</b>	<b>753,019</b>	<b>715,510</b>
<b>NAV per unit (S\$)</b>	<b>0.93</b>	<b>0.89</b>

(1) Includes RMB195.1 million (S\$40.6 million) cash security deposits received from the master leases and cash deposits of RMB598.8 million (S\$124.7 million) placed as collateral for standby letter of credit ("SBLC") issuance.

# Prudent Capital Management

## Proactive Capital Management

### 2QFY2021 Summary

- ❑ **1HFY2021 and 2QFY2021** running interest rate of **4.2%**
- ❑ Aggregate leverage of **37.6% as at 30 June 2021**
- ❑ **Weighted Average Debt Maturity** of **1.13 years**
- ❑ Interest coverage ratio of **2.86x<sup>(1)</sup>**
- ❑ Proactive monitoring of exchange rate.

### Key Debt Figures

#### Total Debt Drawdown as at 30 June 2021

- Onshore: RMB1,018.0 and RMB77.0 million
- Offshore: S\$305.6 million and US\$86.8 (S\$116.7 million)
- S\$95.9 million RCF <sup>(2)</sup>

#### 2QFY2021 Blended Running Interest Rate<sup>(3)</sup>

- Onshore – 5.8% p.a.
- Offshore – 4.1% p.a.
- RCF – 1.2% to 1.7% p.a.

#### Hedging Profile Forex (SGD/RMB) for 2QFY2021 distribution

- Hedged through call vanilla option
- Strike price at CHN 4.80

(1) 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.

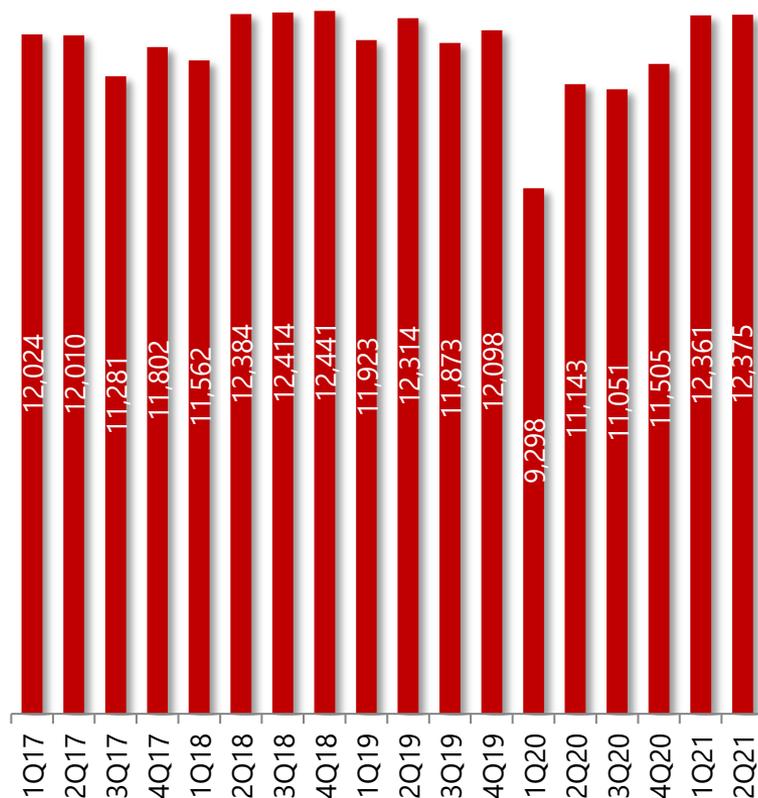
(2) S\$95.9 million drawn down from the S\$130.0 million revolving credit facility

(3) Including amortized upfront fee, the all-in interest rate is 5.0% for 2QFY2021

# Distributions to Unitholders

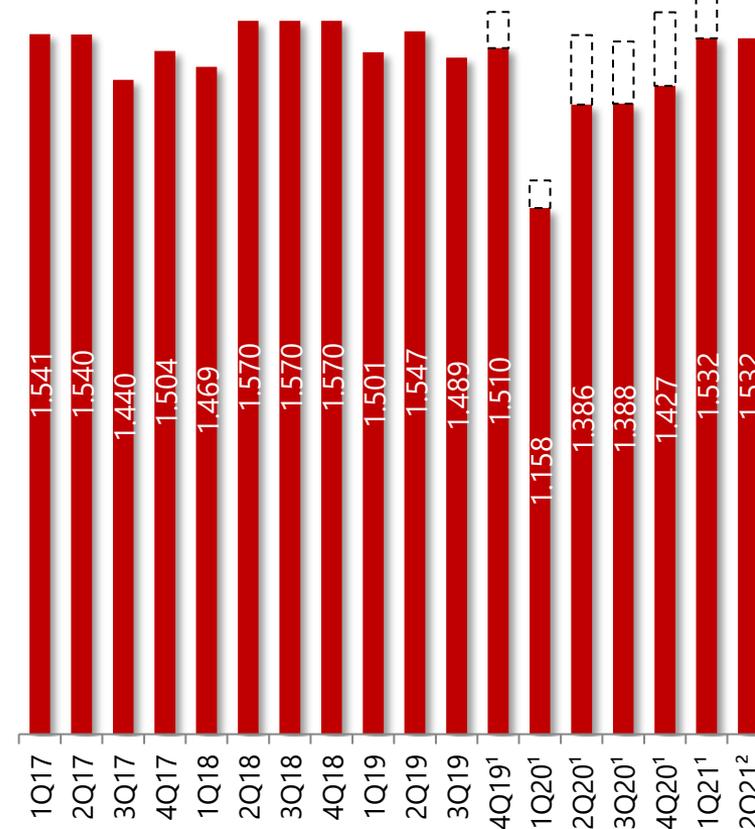
## Distribution to Unitholders

SGD'000



## DPU

Singapore cents



- (1) For 4QFY2019 and 1QFY2020, ECW distributed 95% of total amount available for distribution to Unitholders. Based on a 100% distribution, DPU would have been 1.590 cents and 1.219 cents for 4QFY2019 and 1QFY2020 respectively. For 2QFY20, ECW distributed 90% of total amount available for distribution to Unitholders. For 3QFY20, ECW retained 9% of total amount available for distribution. For 4QFY2020 and 1QFY2021, ECW retained 10% of total amount available for distribution. Based on 100% distribution, DPU would have been 1.539 cents, 1.525 cents, 1.589 cents and 1.702 for 2QFY2020, 3QFY20, 4QFY2020 and 1QFY2021 respectively.
- (2) ECW will retain 10% of total amount available for distribution in 2Q2021 and pay out distribution previously retained in 4Q2019, 1Q2020 and 2Q2020 (partial) of S\$2.0 million. Based on 100% distribution and excluding payout of distribution previously retained, DPU would have been 1.433 cents



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## Section C: Portfolio Update



# Stable Portfolio with Embedded Organic Growth

## Healthy Occupancy

### E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy <sup>1</sup>	Key Highlight
Fu Heng	Master Lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 2.0% annually from 1 <sup>st</sup> Jan 2021.	100%	Coveted property; <b>entire suite of facilities</b> 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 <b>sizable integrated e-commerce</b> logistics asset
Stage 1 Properties of Bei Gang	Master lease: 1 Nov 2015 to 31 Oct 2024 Annual rental escalation of 1% from Nov 2020 to Oct 2024	100%	One of the <b>largest e-commerce developments</b> in the region
Wuhan Meiluote	Multi Tenanted	81.3%	First acquisition in 2018. Houses mainly e-commerce players

### Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted.	100%	Customised environment control warehouse space for major SOE tenant <b>China Tobacco</b>

### 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 <sup>st</sup> Jan 2021	100%	Leading river port with <b>60% market share</b> for steel products in Hangzhou
Chongxian Port Logistics	Multi Tenanted	100%	<b>Integrated operations</b> , storage processing and logistics distribution for steel products
Fu Zhuo Industrial	Two main tenancies: (1) 26 Apr 2020 to 25 Apr 2021 (no escalation) and (2) 7.5% every 3 years from Oct 2014 to Oct 2029	100%	<b>Adjacent to port</b> ; for cement related products

(1) As at 30 June 2021

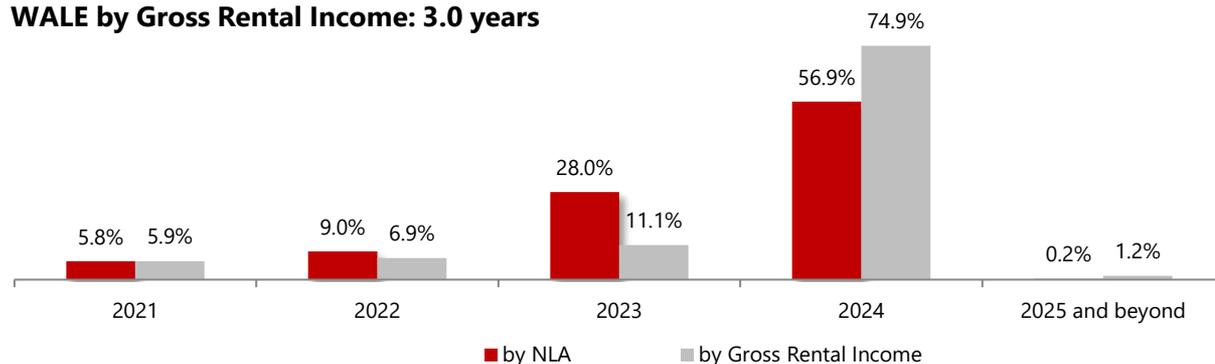
# Quality and Differentiated Asset Portfolio

- ✓ Healthy portfolio occupancy of **99.1%** as at 30 June 2021
- ✓ Stable income contribution across all sectors

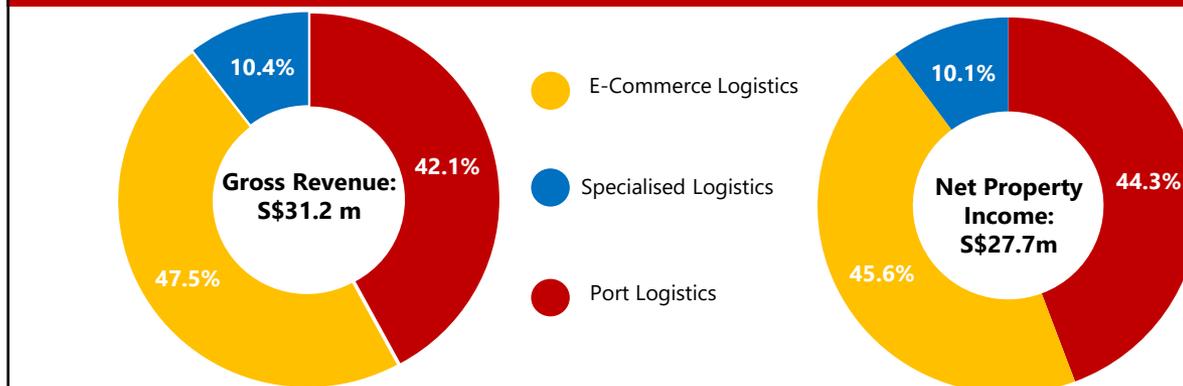
## Lease Expiry Profile of Portfolio <sup>(1)</sup>

WALE by NLA: 2.7 years

WALE by Gross Rental Income: 3.0 years

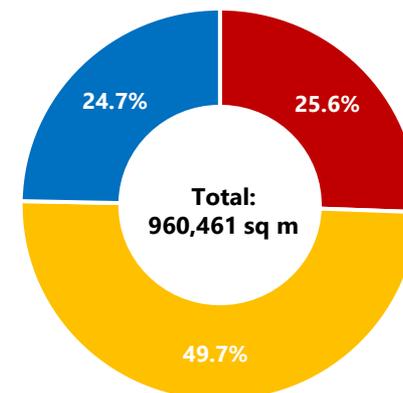


## Contribution by segments <sup>(2)</sup>

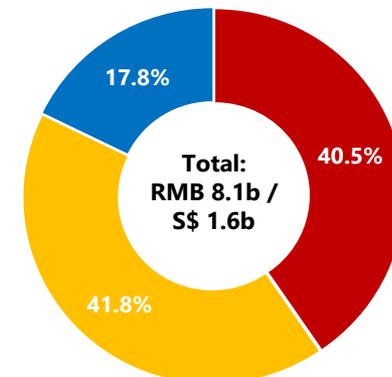


## Portfolio Diversification <sup>(1)</sup>

By Net Lettable Area



By Valuation



● E-Commerce Logistics
 ● Specialised Logistics
 ● Port Logistics

(1) As at 30 June 2021

(2) For the period 1 April 2021 to 30 June 2021



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**For queries, please contact:**

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**Thank You**

