



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

FY2020 Annual General Meeting

20 April 2021



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

One Year On...

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: One Year On...

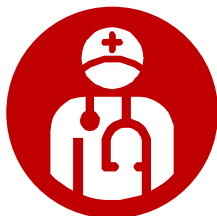


One Year On...

Focused on Stability | Staying on Strategy



- China **GDP grew by 2.3% year-on-year in 2020** aided mainly by growth in industrial production and fixed asset investment.
- **Uncertainties remain** as the global economy's back to pre-pandemic levels of activity remains prone to setbacks as it is largely dependent on **containment measures taken by governments** and **successful roll-out of vaccinations** around the world



- Chinese government continues with its **stringent epidemic measures** to prevent the resurgence of COVID-19 and plans to **vaccinate 40%** of its 1.4 billion population by **end of June 2021**¹



- An **economic growth target at above 6% for 2021** has been set by the Chinese government in March 2021² with plans to increase annual research and development spending and target job creation



- In FY20, ECW provided **rental rebates** to tenants within the portfolio to mitigate impact of COVID-19 situation
- **Occupancy** rate remains **healthy at 99.3%** as at 31 December 2020
- We will continue to **manage asset portfolio actively** to provide sustainable and predictable distributions

(1) <https://fortune.com/2021/03/02/china-covid-vaccine-goal-billion-people/>

(2) <https://www.channelnewsasia.com/news/asia/china-2021-gdp-growth-target-more-than-6-percent-14338650>

FY2020 Key Highlights

Focused on Stability | Staying on Strategy



FY2020 Financials and Distributions

- **10.7% ↑ in gross revenue to S\$109.7 million** mainly due to income from **Fuzhou E-commerce** acquired in August 2019, **organic rental escalations** and **appreciation of RMB vs SGD offset by one-off rental rebates** provided to tenants in **1QFY20** in view of the COVID-19 situation
- In view of the uncertainties from COVID-19, the Manager **retained 8.7% of total amount available for distribution**. Based on a 100% payout ratio, DPU would have been 5.869 cents for FY2020.
- **Paid out DPU of 5.359 cents for FY20** translate to **trading yield of 7.5%¹**



Asset management

- Secured **renewal of major lease of 159,752 sqm** at Hengde Logistics at **competitive rate in October 2020**
- Weighted average lease to expiry of **3.4 years** (by gross rental income) providing **predictability in returns**



Stable Capital and Debt Structure

- **All-in running interest rate** for FY2020 of **4.3%**
- Weighted Average Term of Debt Expiry of **1.6 years**
- **No major refinancing requirement in the short term**

(1) Based on DPU of 5.359 Singapore cents and closing price of S\$0.715 per unit as at 31 December 2020.



EC World
运通网城 REIT

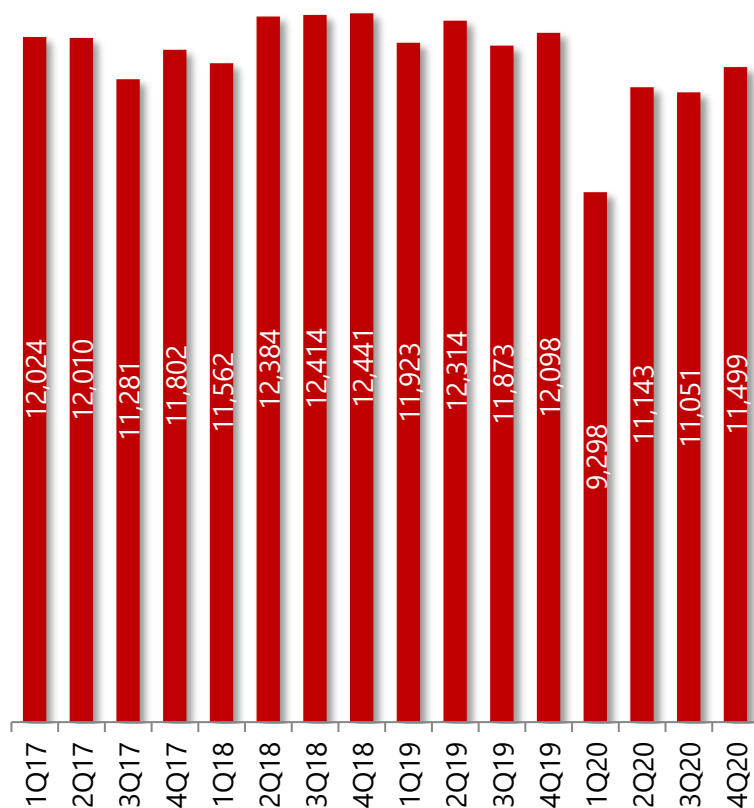
Section B: Financial Review



Distributions to Unitholders

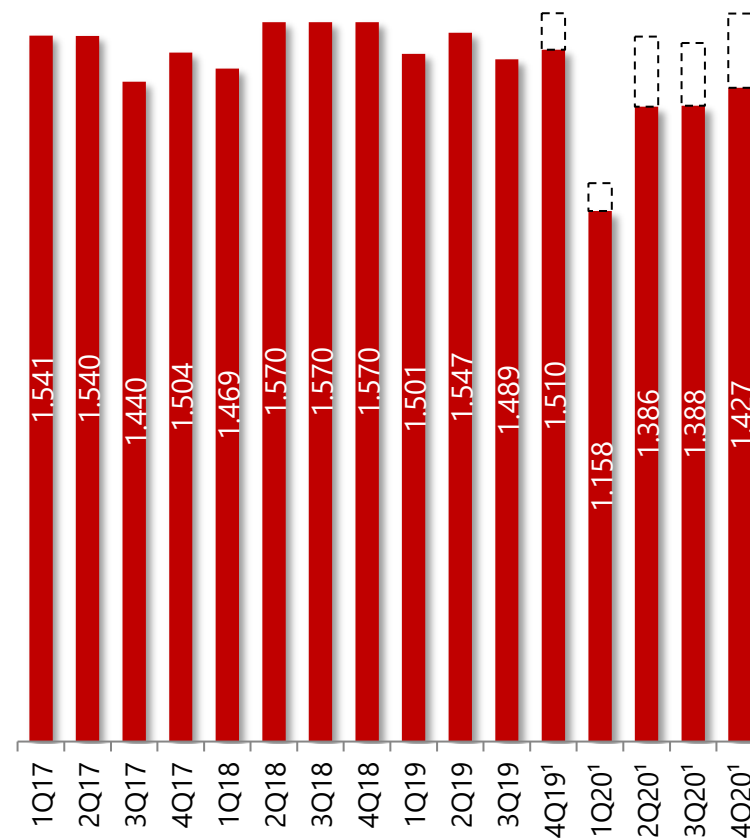
Distribution to Unitholders

SGD'000



DPU

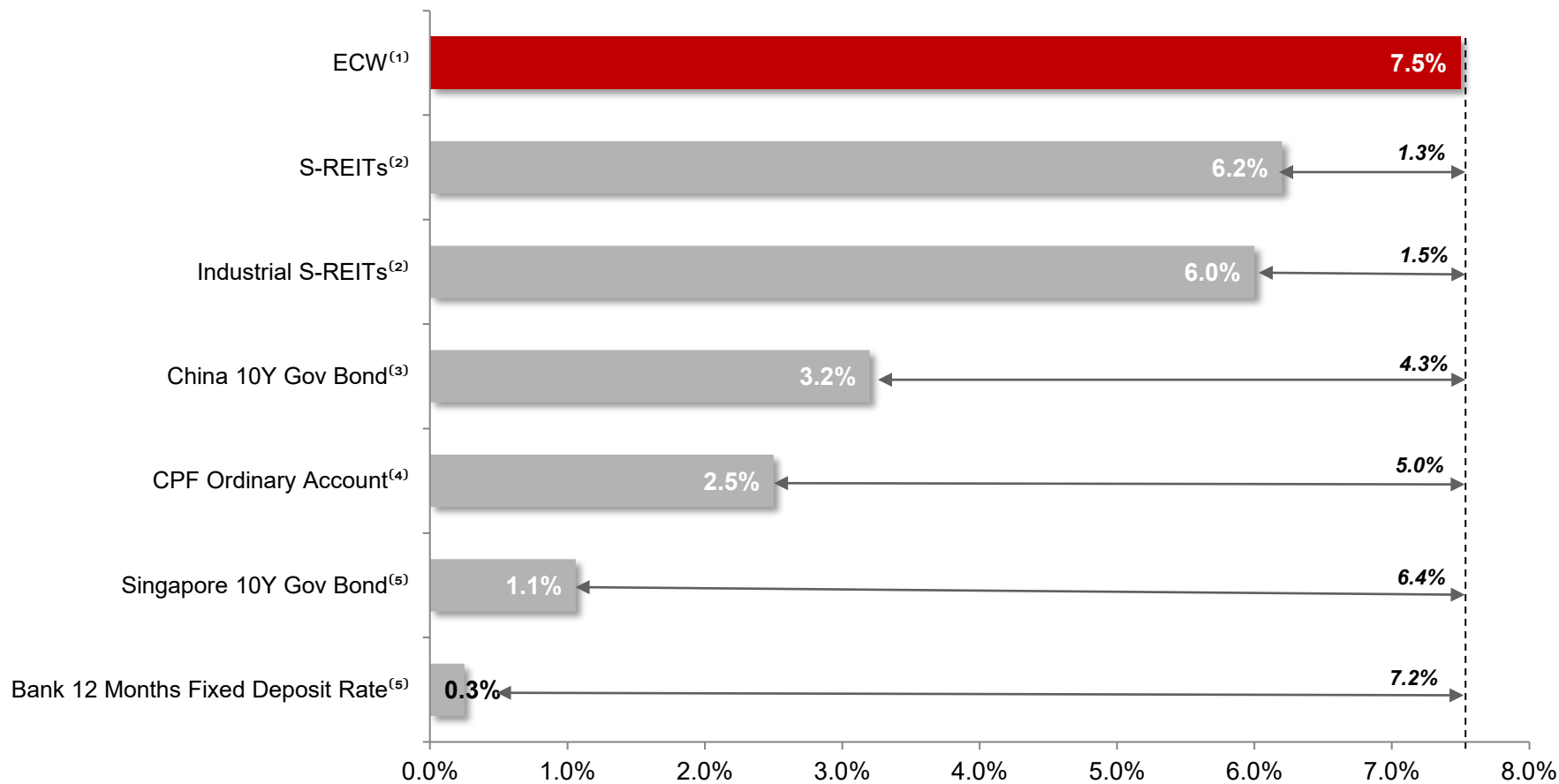
Singapore cents



(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 4QFY20, ECW retained 10% of total amount available for distribution. Based on 100% distribution, DPU would have been 1.539 cents, 1.525 cents and 1.586 cents for 2QFY20, 3QFY20 and 4QFY20 respectively.

Distribution Yield

Attractive Yield Compared to Peers



(1) Based on FY20DPU of 5.359 Singapore cents and closing price of S\$0.7.15 per unit as at 31 December 2020.

(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 2020	As at 31 December 2019
Cash and cash equivalents⁽¹⁾	151,692	119,469
Investment Properties	1,623,653	1,567,586
Total Assets	1,815,654	1,724,041
Borrowings	683,831	654,514
Total Liabilities	1,100,144	1,040,116
Net Assets attributable to Unitholders	715,510	683,925
NAV per unit (S\$)	0.89	0.85

(1) Includes RMB194.7 million (S\$39.4 million) cash security deposits received from the master leases and cash deposits of RMB484.4 million (S\$98.0 million) placed as collateral for standby letter of credit ("SBLC") issuance.

Prudent Capital Management

Proactive Capital Management

FY20 Summary

- ❑ **Stable running interest rate: 4QFY2020 and FY2020 blended** running interest rate of **4.2% and 4.3% respectively**
- ❑ Aggregate leverage of **38.1%**
- ❑ **Weighted Average Debt Maturity** of **1.6 years**
- ❑ Interest coverage ratio of **2.62x⁽¹⁾**
- ❑ Proactive monitoring of exchange rate.

Key Debt Figures

Total Debt Drawdown as at 31 December 2020

- Onshore: RMB1,018.0 and RMB77.0 million
- Offshore: S\$305.6 million and US\$86.8 (S\$114.8 million)
- S\$85.7 million RCF ⁽²⁾

4QFY2020 Blended Running Interest Rate⁽³⁾

- Onshore – 6.0% p.a.
- Offshore – 4.1% p.a.
- RCF – 1.0% to 1.7% p.a.

Hedging Profile Forex (SGD/RMB) for 4QFY20 distribution

- Hedged through call vanilla option
- Strike price at CHN 4.8915

(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\$85.7 million drawn down from the S\$120.0 million revolving credit facility

(3) Including amortized upfront fee, the all-in interest rate is 5.1% for 4QFY2020 and FY2020



EC World
运通网城 REIT

Section C: Portfolio Management



Portfolio Summary

Resilient Portfolio Providing Organic Growth

Valuation:
RMB8.1 bn
(S\$1.6 bn)

Annualised Portfolio NPI Yield:
6.3% ⁽²⁾

Total NLA:
960,461 sqm ⁽²⁾

Occupancy Rate:
99.3% ⁽³⁾

1

Fu Heng Warehouse



2

Fuzhou E-Commerce



3

Stage 1 Properties of
Beigang Logistics



4

Wuhan Meiluote



5

Hengde Logistics



6

Chongxian Port Investment



7

Chongxian Port Logistics



8

Fuzhuo Industrial



8 High Quality Logistics Assets in 3 Sub-Segments in the cities of Hangzhou and Wuhan

● E-Commerce Logistics

● Specialised Logistics

● Port Logistics

(1) Based on valuation as at 31 December 2020

(2) As at 31 December 2020 in RMB terms

(3) As at 31 December 2020

Stable Portfolio with Embedded Organic Growth

Healthy Occupancy

E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Fu Heng	Master Lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 3.0% on 1st Jan 2020, 2.0% annually from 1st 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	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	86.5%	First acquisition in 2018. Houses mainly e-commerce players

Specialized Logistics Asset

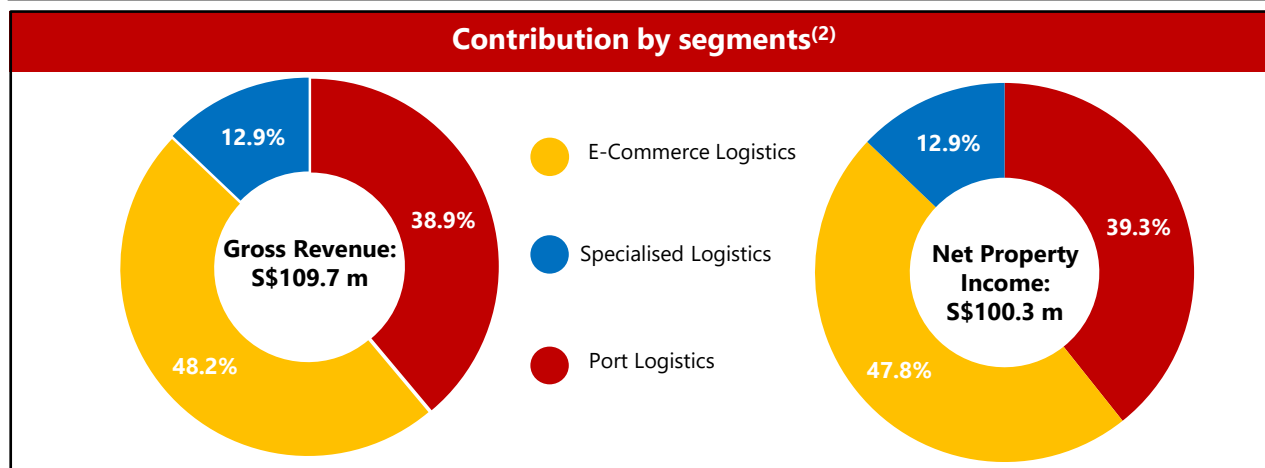
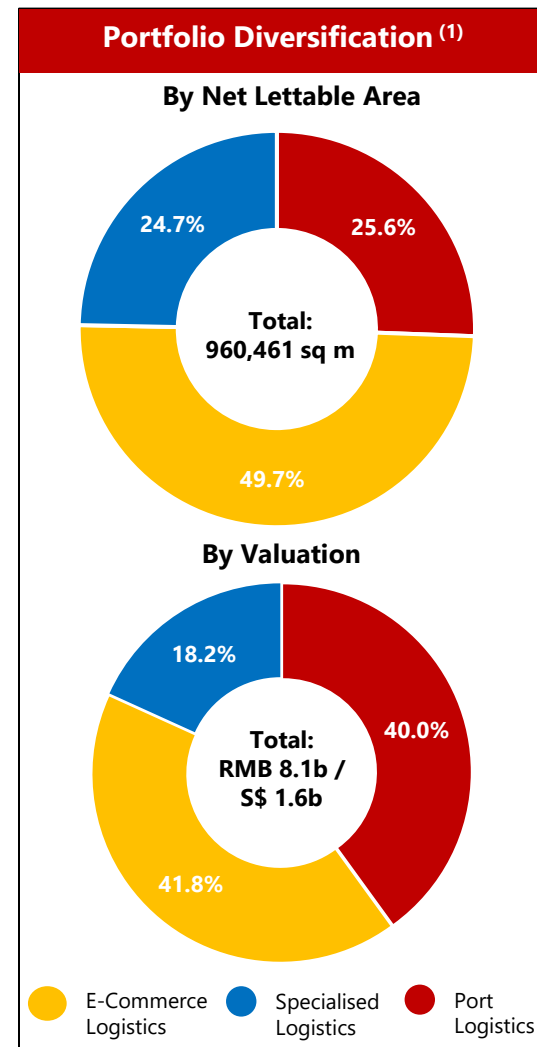
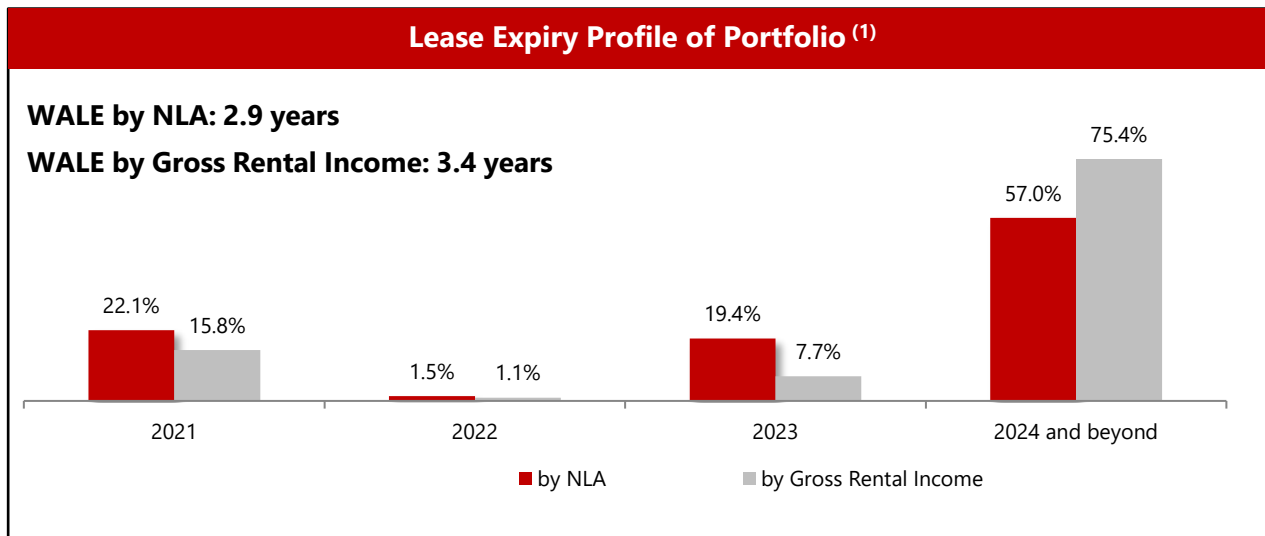
Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted.	100%	Customised environment control warehouse space for major SOE tenant China Tobacco

Port Logistics Assets

Asset	Lease Structure	Occupancy	Key Highlight
Chongxian Port Investment	Master lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 3.0% on 1st Jan 2020 and 2.0% annually from 1st Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian Port Logistics	Multi Tenanted	100%	Integrated operations , storage processing and logistics distribution for steel products
Fu Zhuo Industrial	Two main tenancies: (1) Apr 2015 to Apr 2020: 10% annually in first 3 years, 15% from Year 4 from and (2) 7.5% every 3 years from Oct 2014 to Oct 2029	100%	Adjacent to port ; for cement related products

Quality and Differentiated Asset Portfolio

- ✓ Healthy Weighted Average Lease to Expiry of **3.4 years** (by Gross Rental Income)
- ✓ Healthy portfolio occupancy of **99.3%** as at 31 December 2020



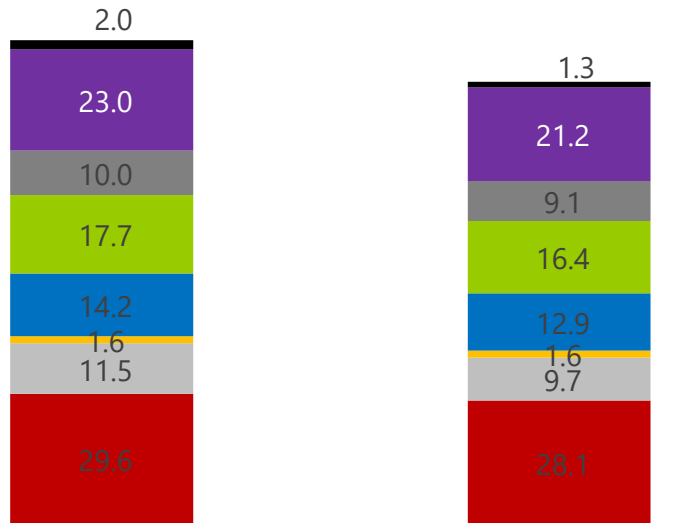
(1) As at 31 December 2020

(2) For the period 1 January 2020 to 31 December 2020

Summary Assets Performance

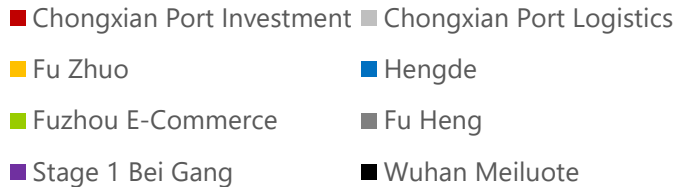
FY2020 Breakdown by Gross Revenue and NPI (SGD m)

Total: S\$109.7m Total: S\$100.3m

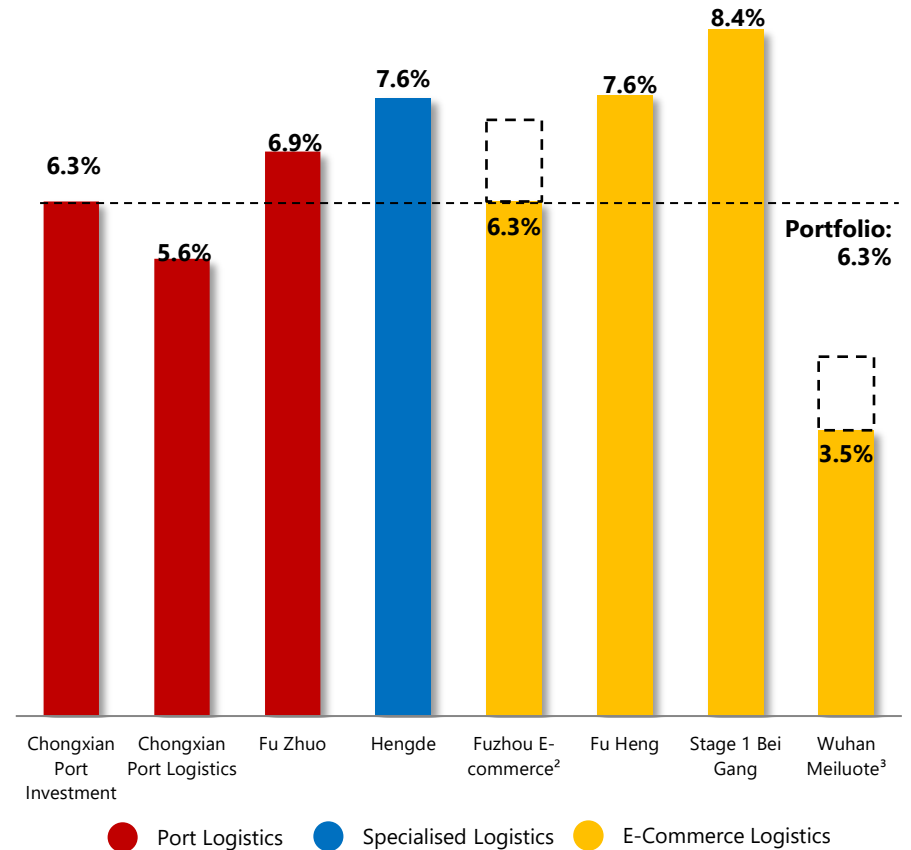


Gross Revenue

Net Property Income



NPI Yield (1)



- (1) In RMB terms. Based FY2020 NPI
- (2) Using acquisition price of RMB1,112.5 million, NPI yield would be 7.3%
- (3) Using acquisition price of RMB145 million, NPI yield will be 4.4%.

CONNECTING
the E-Commerce World

BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

Thank You

