



EC World
运通网城 REIT



FY2018 Results Presentation

22 Jan 2019



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Agenda

Section A	FY18 Key Highlights
Section B	Financial Review
Section C	Portfolio Update
Section D	Proposed Entry into New Master Lease Agreements



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Section A: FY18 Key Highlights



FY18 Key Highlights

1 Strong financial results with 2.6% increase in DPU year-on-year

Gross Revenue

S\$96.2 million
↑ 5.3% y-o-y

NPI

S\$87.3 million
↑ 5.6% y-o-y

4QFY18 DPU

1.570 cents

DPU Yield ⁽¹⁾

9.0%

2 Stable and Resilient Portfolio Performance

- ✓ Strong committed occupancy is of **99.2%**
- ✓ **NPI increased 5.6%** primarily due to (i) contribution from Wuhan Meiluote which was acquired in April 2018; (ii) organic growth from built-in rental escalation; (iii) positive rental reversion on new leases signed during the year

3 Proposed Entry into New Master Lease Agreements

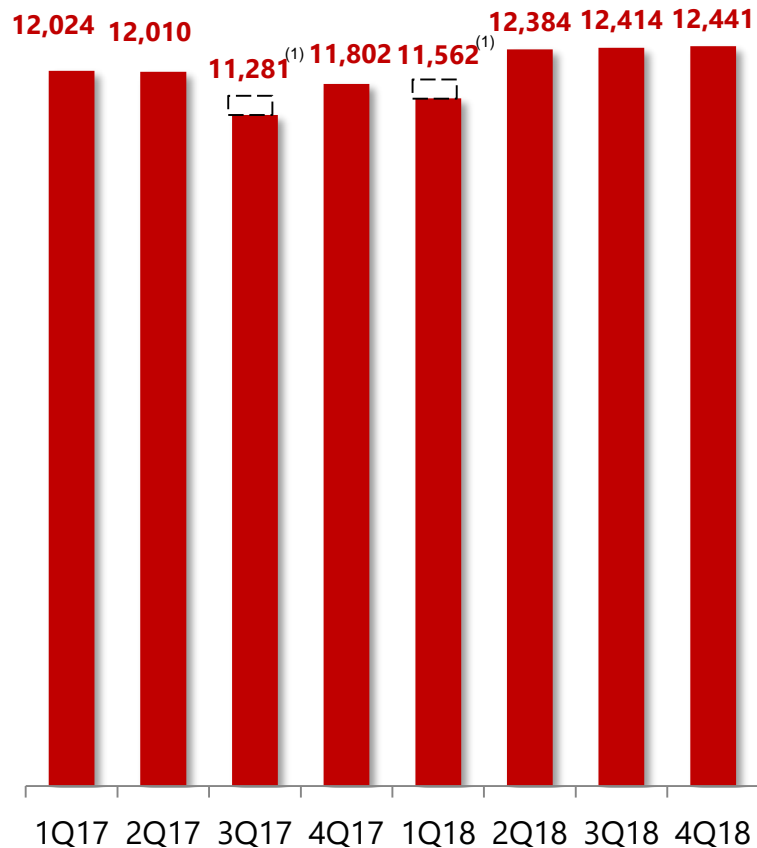
- ✓ Provides **predictable cash flow** and **income viability**, ensuring stable and sustainable returns to Unitholders
- ✓ Annual fixed rent will **limit downside risks** and provide **predictability in returns** while built-in escalation will provide **organic growth**
- ✓ **Significantly extends weighted average lease to expiry** from 2.0 years as at 31 December 2018 to 4.8 years (by gross revenue) post-entry into New Master Lease Agreements
- ✓ Demonstrates strong support from the Sponsor and alignment of interest between the Sponsor and Unitholders

(1) Based on FY18 DPU of 6.179 Singapore cents and the closing price of S\$0.69 per Unit on 31 December 2018

Consistent Returns to Unitholders

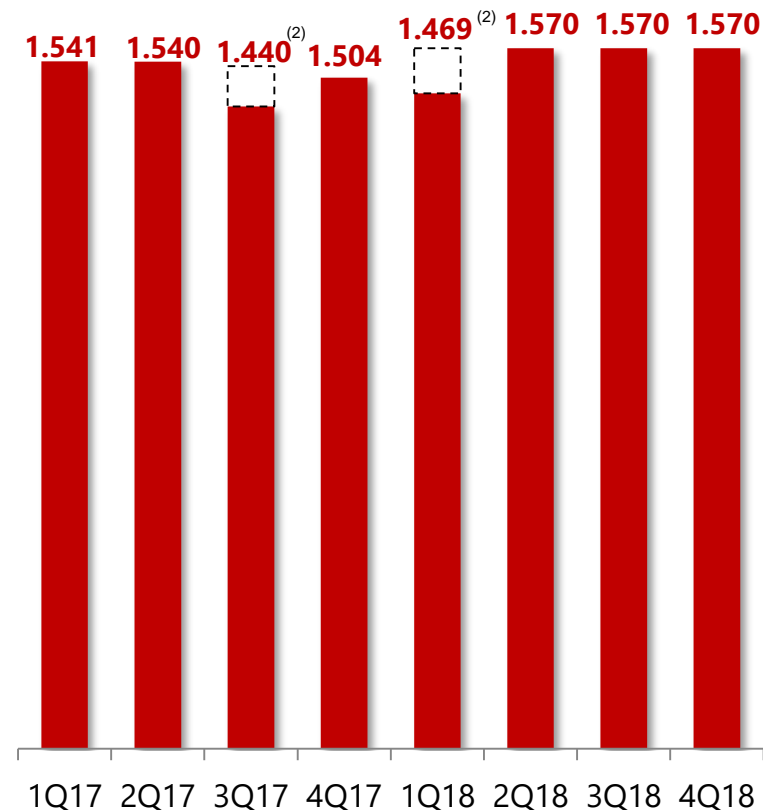
Distribution to Unitholders

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

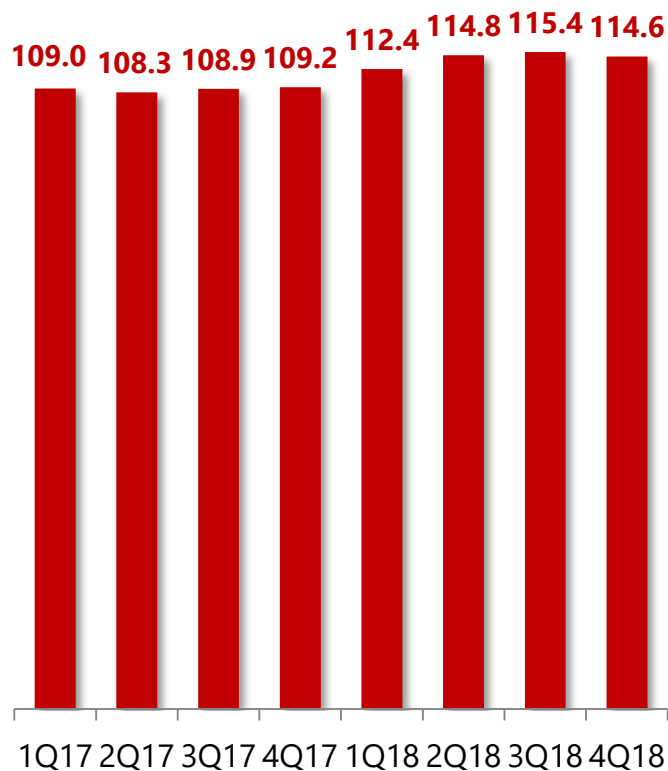
(2) Adjusted DPU gross of withholding tax expenses for 3Q17 and 1Q18 would be 1.530 and 1.570 Singapore cents respectively

Strong Asset Portfolio Performance

Portfolio continues to deliver strong operating performance despite macro uncertainties

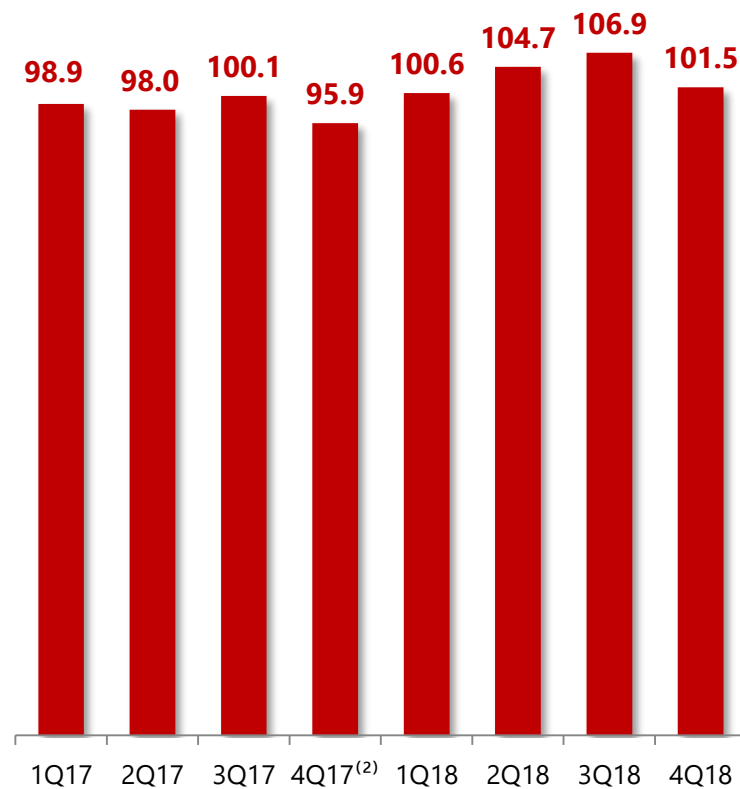
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million

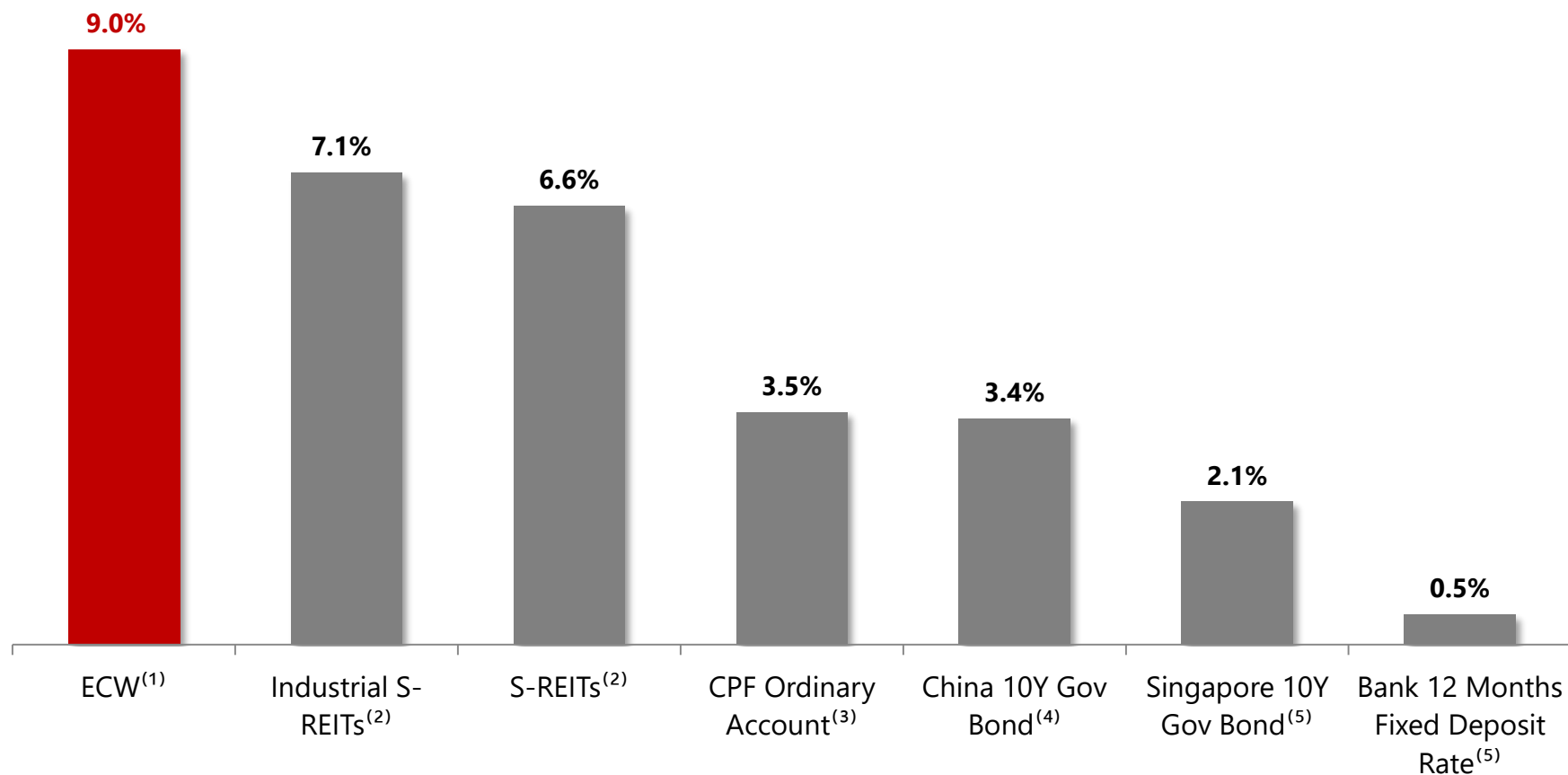


(1) Excluding straight-line and security deposit accretion accounting adjustments

(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

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



(1) Based on FY18 DPU of 6.179 Singapore cents and closing price of S\$0.69 on 31 December 2018

(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 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 Meiluote		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



FY18 Summary Results

Financial Performance

Year on Year Comparison	FY18	FY17	Variance (%)	Quarter on Quarter Comparison	4Q18	4Q17	Variance (%)
Gross revenue (S\$'000)	96,229	91,368	5.3	Gross revenue (S\$'000)	23,473	20,678	13.5
Net property income (S\$'000)	87,336	82,704	5.6	Net property income (S\$'000)	20,840	17,945	16.1
Distribution to Unitholders (S\$'000)	48,801	47,117	3.6	Distribution to Unitholders (S\$'000)	12,441	11,802	5.4
Distribution per unit (Singapore cents)	6.179	6.025	2.6	Distribution per unit (Singapore cents)	1.570	1.504	4.4

4Q18 Distribution Timetable

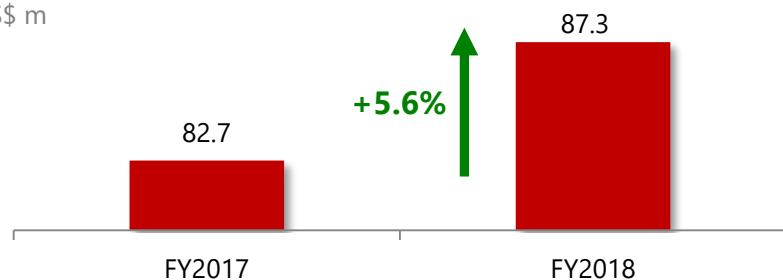
Distribution Timetable

Last Day of Trading on “cum” Basis	:	15 March 2019
Ex-date	:	18 March 2019
Books Closure Date	:	19 March 2019
Distribution Payment Date	:	29 March 2019

Review of Performance between FY18 and FY17

Net Property Income

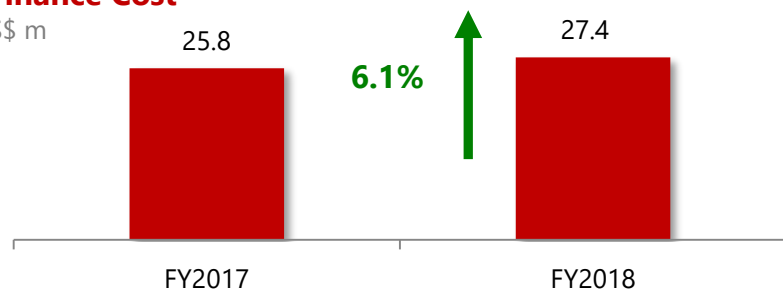
S\$ m



- NPI increased by 5.6% in FY18 mainly due to (i) contribution from Wuhan Meiluote which was acquired in April 2018; (ii) organic growth from built-in rental escalation; (iii) positive rental reversion on new leases signed during the year.

Finance Cost

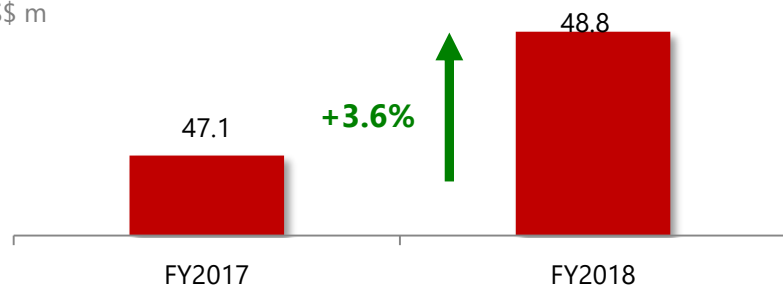
S\$ m



- Higher finance cost mainly due to renewal of SBLC in 2018 and increase in borrowings

Distribution to Unitholders

S\$ m



- Distribution to Unitholders increased 3.6% due to better operational performance offset by higher finance cost

Prudent Capital Management

- ✓ Annualized running interest rate: 4.3% ⁽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

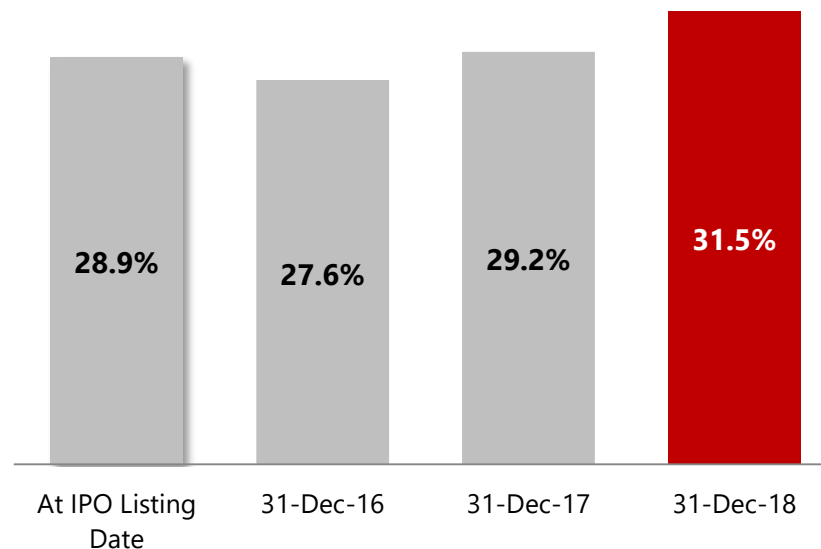
Key Debt Figures

Total Debt Drawdown as at 31 Dec 2018	<ul style="list-style-type: none"> • RMB 983.0 million onshore • S\$ 200.0 million offshore • S\$ 81.9 million RCF ⁽³⁾
Tenure	Matures in Jul 2019
FY18 Running Interest Rate	<ul style="list-style-type: none"> • Onshore – 5.5% p.a. • Offshore – 4.1% p.a. • RCF – 2.2% p.a.

Forex (SGD/RMB)

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

Healthy Aggregate Leverage



- (1) Including amortized upfront fee, the all-in interest rate is 5.2% for FY18
- (2) Excluding RCF
- (3) \$81.9 million drawn down from the S\$100 million revolving credit facility

Healthy Balance Sheet

S\$'000	As at 30 Dec 2018	As at 31 Dec 2017
Cash and cash equivalents⁽¹⁾	142,127	138,644
Investment Properties	1,335,034	1,337,010
Total Assets	1,515,824	1,511,239
Borrowings	474,705	435,501
Total Liabilities	827,272	793,621
Net Assets attributable to Unitholders	688,552	717,618
NAV per unit (S\$)	0.87	0.91

(1) Includes RMB151.7 million (S\$30.1 million) security deposits received from the Master Lease tenants and cash deposits of RMB450.2 million (S\$89.3 million) placed as collateral for standby letter of credit ("SBLC") issuance



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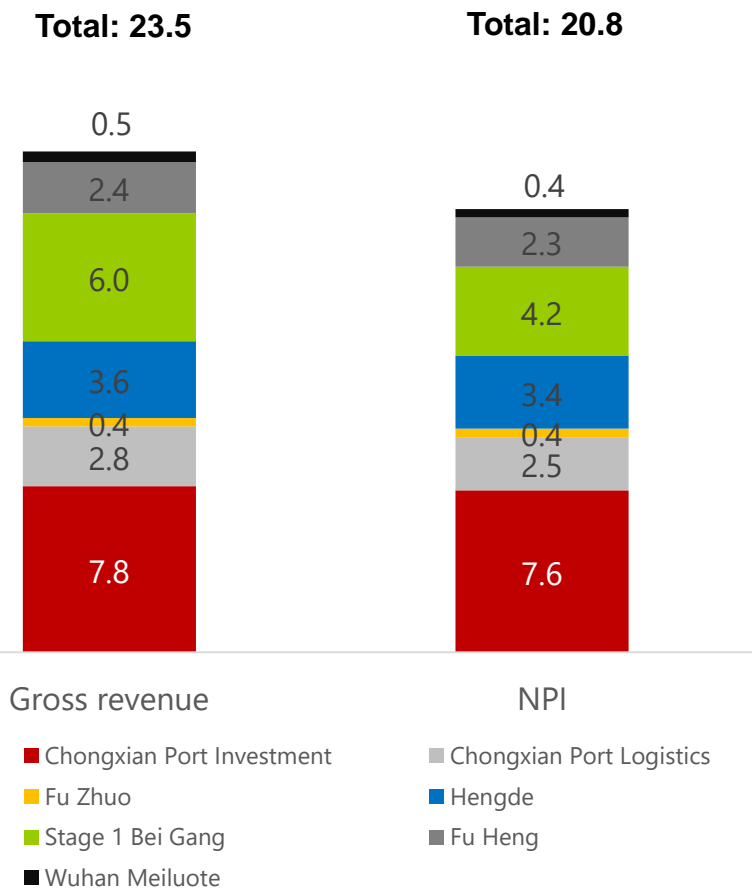
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Section C: Portfolio Update

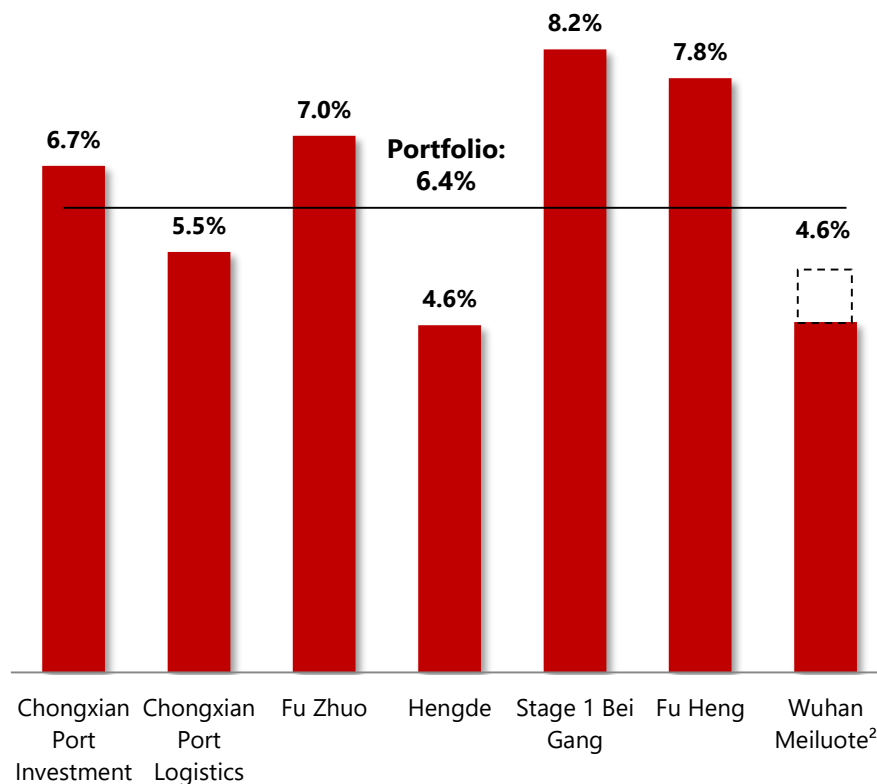


Summary Assets Performance

4Q18 Breakdown by Gross Revenue and NPI (SGD m)



FY2018 NPI Yield ⁽¹⁾



(1) In RMB terms

(2) Using acquisition price of RMB145 million, FY18 NPI yield would be 5.4%



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Section D: Proposed Entry into New Master Lease Agreements



Proposed Entry into New Master Lease Agreements

Significantly Enhance Income Viability and Lengthen WALE

- ✓ Existing Master Lease Agreements for **Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse** will expire in 2020
- ✓ Proposed Entry into New Master Lease Agreements for Stage 1 Properties of Bei Gang Logistics, Chongxian Port Investment and Fu Heng Warehouse which will **commence upon the expiration of the Existing Master Lease Agreements**
- ✓ Circular expected to be issued to the Unitholders in due course, together with a notice of extraordinary general meeting, for the purpose of seeking the Unitholders' approval

Property	Existing Master Lease Agreements Lease Terms	New Master Lease Agreements
Stage 1 Properties of Bei Gang Logistics	1 Nov 2015 to 31 Oct 2020 with rental escalation of 1% on 1st Jan of 2017, 2018, 2019 and 2020	4 years from 1 November 2020 with 1% annual rental escalation
Fu Heng	1 Jan 2016 to 31 Dec 2020 with rental escalation of 6.0%, 5.0%, 4.0% and 3.0% on 1st Jan of 2017, 2018, 2019 and 2020 respectively	4 years from 1 January 2021 with 2% annual rental escalation
Chongxian Port Investment	1 Jan 2016 to 31 Dec 2020 with rental escalation of 6.0%, 5.0%, 4.0% and 3.0% on 1st Jan of 2017, 2018, 2019 and 2020 respectively	4 years from 1 January 2021 with 2% annual rental escalation

Proposed Entry into New Master Lease Agreements (cont'd)

Provide Stable Income Stream with Organic Growth



WALE ↑ to 4.8 years¹
(by Gross Revenue)



Predictable and stable income stream



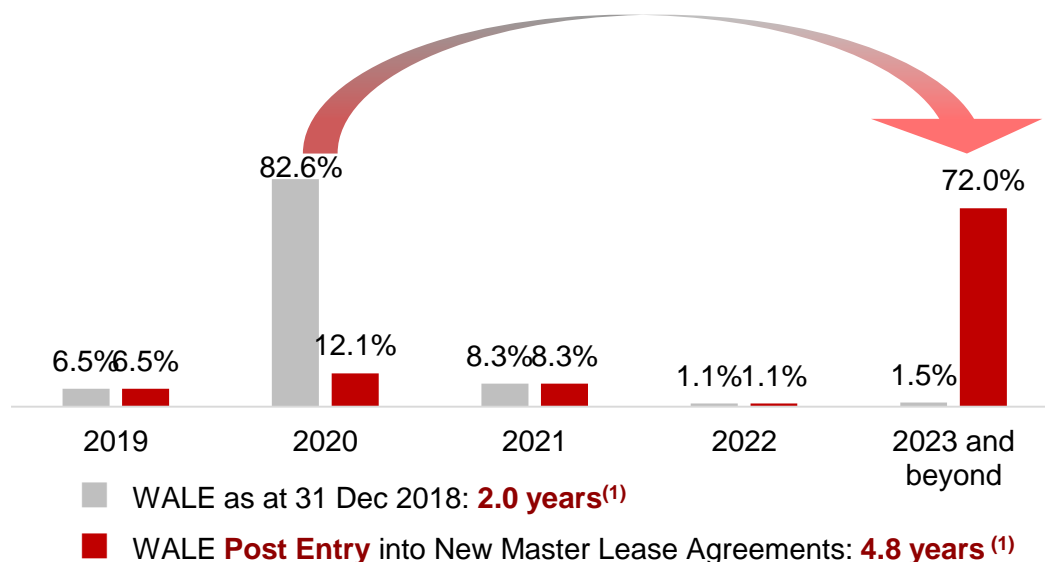
Organic Growth with built-in rental escalation of between 1% to 2% p.a



Strong Support from Sponsor + Alignment of Interest

- ✓ Provide predictable **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



(1) Weighted Average Lease to Expiry ("WALE") by Gross Revenue contribution is expected to extend from 2.0 years as at 31 December 2018 to 4.8 years post-entry into New Master Lease Agreements



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Thank You

