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BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

2QFY2020 Results Presentation

7 August 2020



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Agenda

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Section B

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Section C

Portfolio Update



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Section A: 2QFY2020 Key Highlights



2QFY2020 Key Financial Highlights

Businesses Rebooting



2QFY2020 Financials and Distributions

- **18.8% and 22.1% increase** in **gross revenue and net property income** to S\$28.2 million and S\$25.8 million respectively
- Top line increase offset by higher finance cost due to higher loan quantum. Consequently, **amount available for distribution of S\$12.4 million, ↑ 0.5% year-on-year**
- In view of the global COVID-19 situation, ECW **retain 10% of amount available for distribution**
- Consequently, **Distribution Per Unit (“DPU”) of 1.386 cents** is 10.4% lower year-on-year



Healthy portfolio lease expiry with embedded rental escalation

- **Portfolio occupancy of 98.7%** weighted average lease to expiry (**WALE**) of **3.6 years (by gross rental income)**
- **Headwinds remain for new leases** as businesses **remain cautious** about business plans amidst global economic uncertainties
- Embedded **rental escalation** in master lease agreements provide **organic growth**

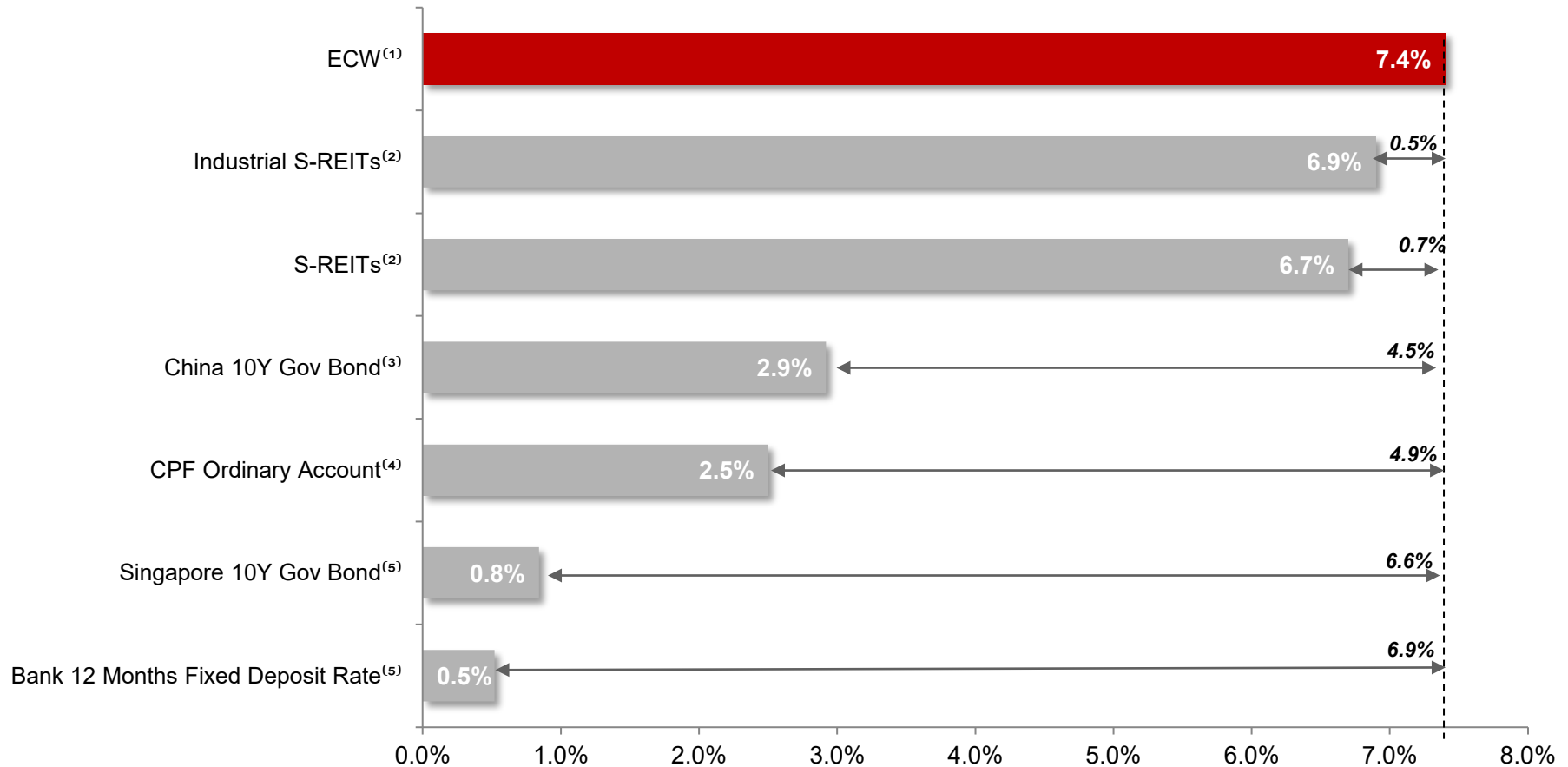


Stable Capital and Debt Structure

- **All-in running interest rate** for 1HFY2020 and 2QFY2020 of **4.3%**
- Weighted Average Term of Debt Expiry of **2.12 years**
- **100%** of interest rate risk of **Offshore Facility hedged using floating to fixed interest rate swaps and cross currency swaps.**

Distribution Yield

Attractive Yield Compared to Peers



(1) Based on annualized 1HFY2020 DPU of 5.116 cents and Unit Price of S\$0.690 per Unit as at 30 June 2020

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Source: Monetary Authority of Singapore

2QFY2020 Distribution Timetable

Distribution Timetable

Last Day of Trading on “cum” Basis	:	10 September 2020 (Thursday)
Ex-date	:	11 September 2020 (Friday)
Record Date	:	14 September 2020 (Monday)
Distribution Payment Date	:	28 September 2020 (Monday)



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Section B: Financial Review



2QFY2020 Summary Results

Year on Year Comparison	2QFY2020	1QFY2020	Variance (%)
Gross revenue (S\$'000)	28,205	23,534	19.8
Net property income (S\$'000)	25,835	21,138	22.2
Finance Cost (S\$'000)	(9,751)	(9,736)	0.2
Total amount available for distribution (S\$'000)	12,376	9,788	26.4
Amount retained for cash flow management (S\$'000) ¹	1,234	490	n.m.
Distribution to Unitholders (S\$'000)	11,142	9,298	19.8
Applicable number of units for computation of DPU (million)	803.9	802.9	0.1
Distribution Amount Available per Unit (Singapore cents)	1.539	1.219	26.3
Distribution per unit after retention (Singapore cents)	1.386	1.158	19.7

- **Gross revenue and NPI increased 19.8% and 22.2%** compared to 1QFY20 mainly due to absence of rental rebates which was recognized in 1QFY20
- Distribution to Unitholders grew 19.8% due to higher revenue offset by higher retention in 2QFY2020 in view of the uncertainties arising from COVID-19
- DPU of **1.386 cents is 19.7% higher** than 1QFY20 DPU of 1.158 cents
- On a like-for-like basis, **without retention**, DPU would have increased **26.3% quarter-on-quarter**

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

2QFY2020 Summary Results

Year on Year Comparison	2QFY2020	2QFY2019	Variance (%)
Gross revenue (S\$'000)	28,205	23,734	18.8
Net property income (S\$'000)	25,835	21,157	22.1
Finance Cost (S\$'000)	(9,751)	(6,986)	39.6
Total amount available for distribution (S\$'000)	12,376	12,314	0.5
Amount retained for cash flow management (S\$'000) ¹	1,234	-	n.m.
Distribution to Unitholders (S\$'000)	11,142	12,314	(9.5)
Applicable number of units for computation of DPU (million)	803.9	795.8	1.0
Distribution Amount Available per Unit (Singapore cents)	1.539		(0.5)
Distribution per unit after retention (Singapore cents)	1.386	1.547	(10.4)

(1) Retention of 10% of total amount available for distribution in 2QFY2020 in view of uncertainties arising from COVID-19

- In SGD terms, **gross revenue and NPI is S\$4.5 million and S\$4.7 million higher** in 2QFY20 compared to 2QFY19
- **In RMB terms, the gross revenue and NPI were 19.0% and 22.3% higher** respectively compared to 2Q19.
- After straight-line, security deposit accretion and other relevant distribution adjustments, the **gross revenue and NPI in RMB terms were 19.8% and 20.7% higher** respectively compared to 2Q19, **mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic growth from rental escalations.**
- **Finance cost** increased by 39.6% due to **higher loan quantum**
- **Total amount available for distribution** increase 0.5% to **S\$12.4 million**
- Distribution Amount available per Unit **declined 0.5% y-o-y due to higher units base**
- ECW **retain 10%** of total amount available for distribution in view of the view of uncertainties arising from COVID-19
- DPU of **1.386 cents will be paid around 28 September 2020**

1HFY2020 Summary Results

Year on Year Comparison	1HFY2020	1HFY2019	Variance (%)
Gross revenue (S\$'000)	51,739	47,591	8.7
Net property income (S\$'000)	46,973	42,342	10.9
Finance Cost (S\$'000)	(19,487)	(13,953)	39.7
Total amount available for distribution (S\$'000)	22,164	24,237	(8.6)
Amount retained for cash flow management (S\$'000) ¹	1,724	-	n.m.
Distribution to Unitholders (S\$'000)	20,440	24,237	(15.7)
Applicable number of units for computation of DPU (million)	803.9	788.5	1.0
Distribution Amount Available per Unit (Singapore cents)	2.758	3.048	(9.5)
Distribution per unit after retention (Singapore cents)	2.544		(16.5)

(1) Retention of 1.7 million of total amount available for distribution in 1HFY2020 in view of uncertainties arising from COVID-19

- In SGD terms, gross revenue is 8.7% while NPI is 10.9% higher compared to 1H2019.
- In RMB terms, the gross revenue and NPI were 9.5% and 11.8% higher respectively compared to 1H2019.
- After straight-line, security deposit accretion and other relevant distribution adjustments, the **gross revenue and NPI in RMB terms** were **10.4% and 11.4% higher** respectively compared to 1H2019, mainly due to contribution from Fuzhou E-commerce which was acquired in August 2019 and organic rental escalations, **offset by one-off rental rebates** given to tenants to mitigate the adverse effects of the current COVID-19 situation on tenants' operations.
- Higher finance costs of S\$19.5 million compared to 1H2019 mainly due to higher loan quantum compared to same period last year.
- **Distribution to Unitholders** of S\$20.4 million is S\$3.8 million or 15.7% lower mainly due to rental rebates given in 1Q20 as announced on 3 April 2020 and retention of distribution in view of the uncertainties arising from COVID-19

Stable Balance Sheet

S\$'000	As at 30 June 2020	As at 31 Dec 2019
Cash and cash equivalents⁽¹⁾	119,337	119,469
Investment Properties	1,598,099	1,567,586
Total Assets	1,774,303	1,724,041
Borrowings	682,779	654,514
Total Liabilities	1,078,471	1,040,116
Net Assets attributable to Unitholders	695,832	683,925
NAV per unit (S\$)	0.87	0.85

(1) Includes RMB194.7 million (S\$38.4 million) cash security deposits received from the master leases and cash deposits of RMB474.7 million (S\$93.6 million) placed as collateral for standby letter of credit ("SBLC") issuance

Prudent Capital Management

Proactive Capital Management

FY2Q2020 Summary

- ❑ **2QFY2020 and 1HFY2020 blended** running interest rate of **4.3%**
- ❑ **Healthy Weighted Average Debt Expiry to 2.12 years**
- ❑ **100% of offshore facilities** has been swapped into **fixed rate**
- ❑ Aggregate leverage of **39.1%**
- ❑ Interest coverage ratio of **2.45x⁽¹⁾**
- ❑ Proactive monitoring of exchange rate. FX option contract to lock in SGDRMB for ECW's RMB income source for 2QFY20 distribution.

Key Debt Figures

Total Debt Drawdown as at 30 June 2020

- RMB1,095.0 million onshore
- S\$300.0 million and US\$86.8 (S\$123.6 million)
- S\$83.3 million RCF ⁽²⁾

2QFY2020 Blended Running Interest Rate⁽³⁾

- Onshore – 6.1% p.a.
- Offshore – 4.0% p.a.
- RCF – 1.3% to 2.6% p.a.

Hedging Profile Forex (SGD/RMB) 3QFY20

- Hedged through call vanilla option
- Strike price at CHN 5.092

(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.

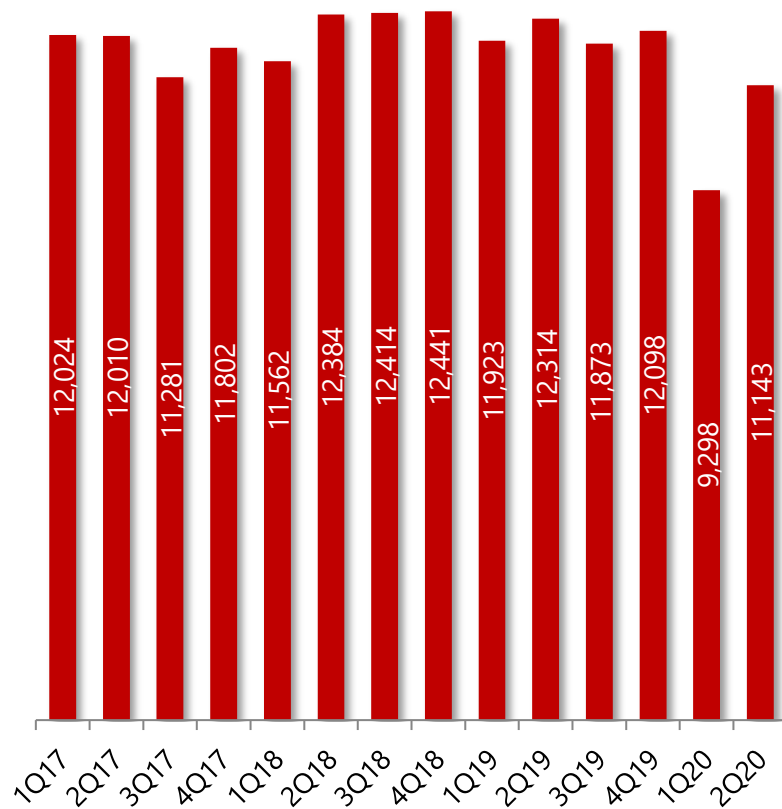
(2) S\$83.3 million drawn down from the S\$120.0 million revolving credit facility

(3) Including amortized upfront fee, the all-in interest rate for 2QFY2020 is 5.1%

Distributions to Unitholders

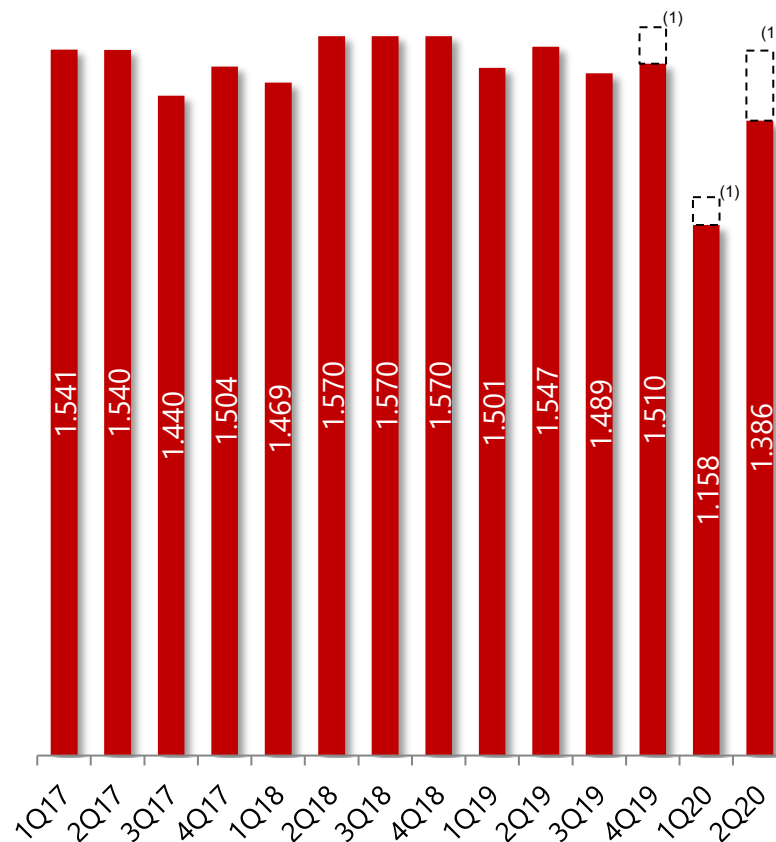
Distribution to Unitholders

SGD'000



DPU

Singapore cents



(1) For 4QFY2019 and 1QFY2020, ECW distributed 95% of the capital 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 2QFY2020, ECW retain 10% of capital distribution to Unitholders. Based on 100% distribution, DPU would have been 1.539 cents.



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Section C: Portfolio Update



Stable Portfolio with Embedded Organic Growth

Resumption of Businesses Post COVID-19 Lockdown

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 ecommerce 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 rare sizable integrated e-commerce logistics asset
Stage 1 Properties of Bei Gang	Master lease: 1 Nov 2015 to 31 Oct 2024 Rental escalation of 1% on 1st Jan 2020 and 1% from Nov 2020 to Oct 2024	100%	One of the largest e-commerce developments in the region
Wuhan Meiluote	Multi Tenanted	85.0%	First acquisition in 2018. Tenanted to e-commerce players

Specialized Logistics Asset

Asset	Lease Structure	Occupancy	Key Highlight
Hengde Logistics	Multi Tenanted: 2 main leases.	100%	Customised environment control warehouse space for major SOE tenant China Tobacco

Port Logistics Assets

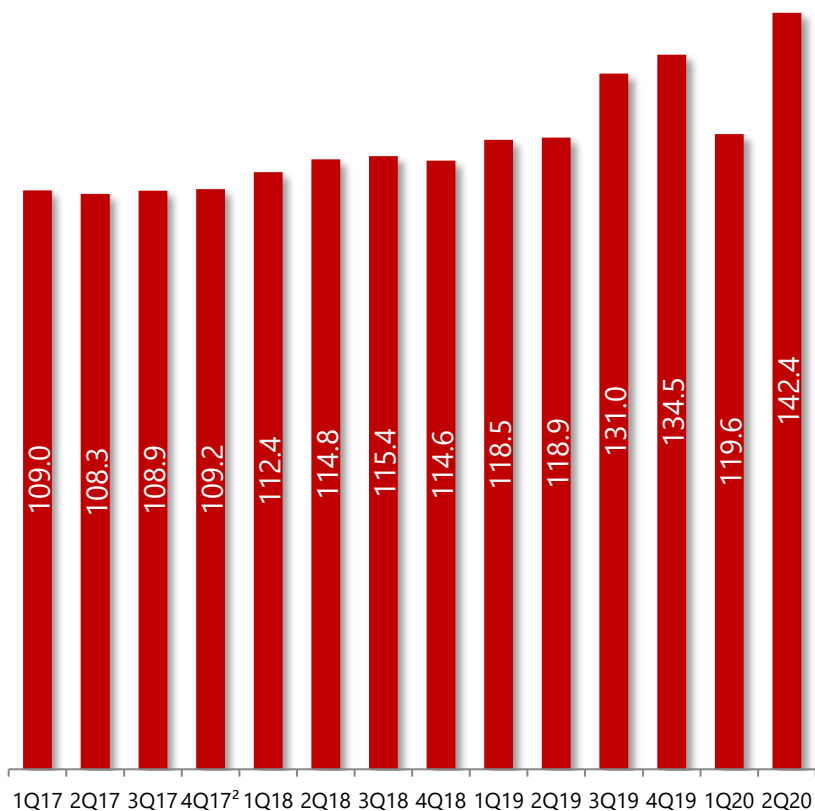
Asset	Lease Structure	Occupancy	Key Highlight
Chongxian Port Investment	Master lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 3.0% on 1st Jan 2020 and 2.0% annually from 1st Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian Port Logistics	Multi Tenanted	95.5%	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

Asset Portfolio Performance

Back to Business

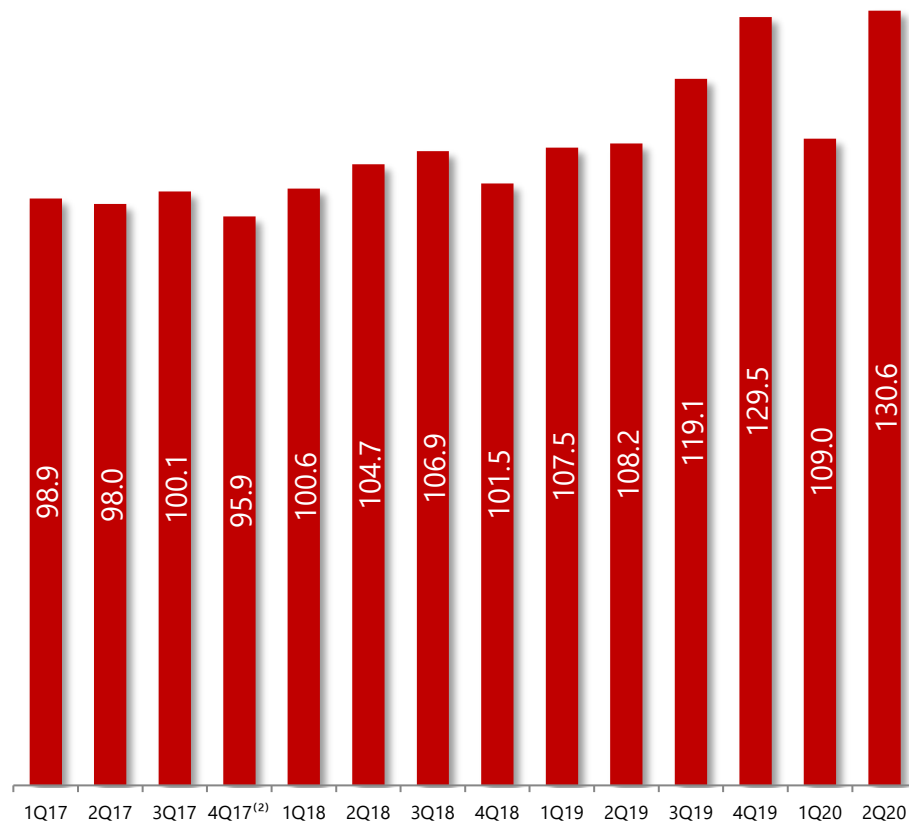
Gross Revenue ⁽¹⁾

RMB million



Net Property Income ⁽¹⁾

RMB million

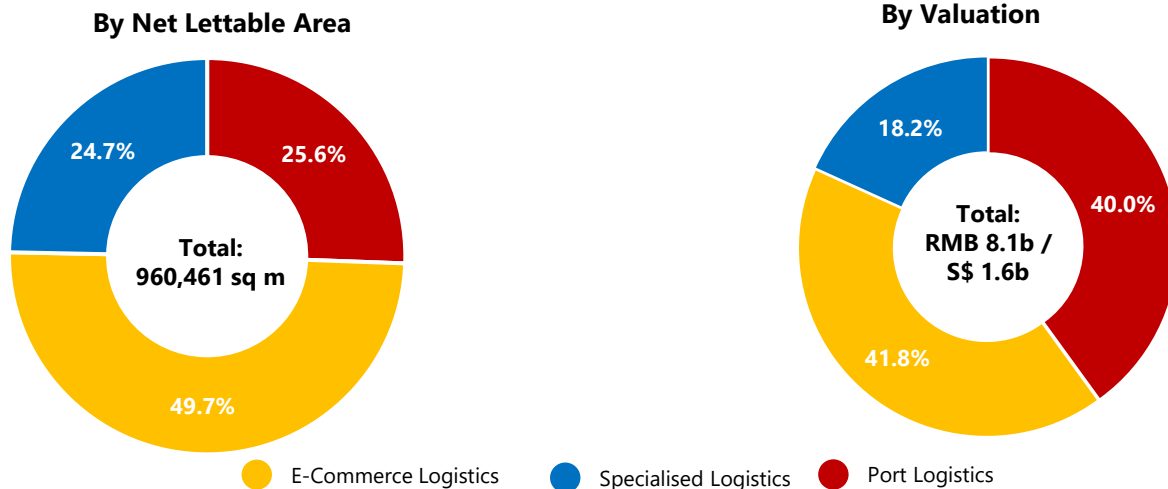


(1) Excluding straight-line, security deposit accretion and other relevant distribution adjustments

(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

High Quality and Differentiated Asset Portfolio

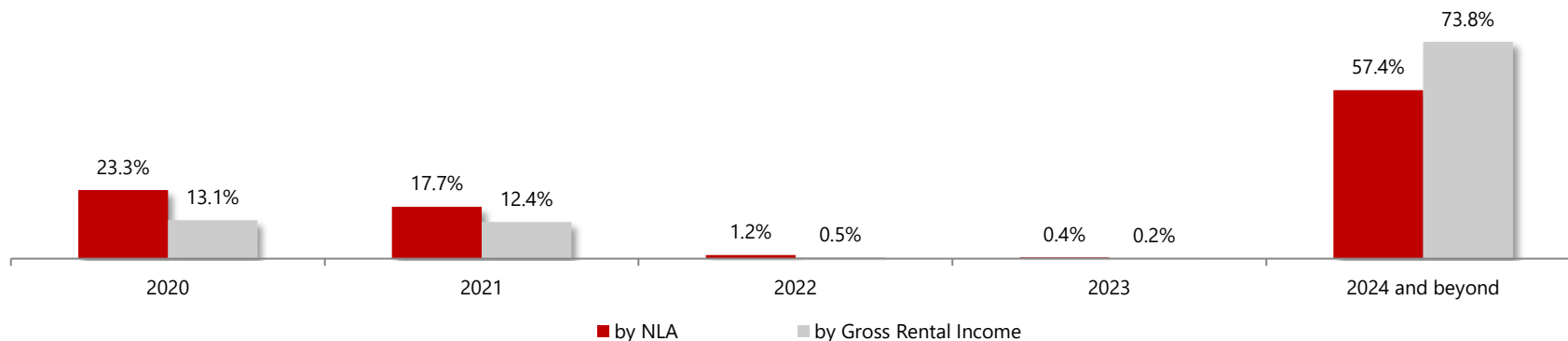
Portfolio Diversification ⁽¹⁾



Lease Expiry Profile of Portfolio ⁽¹⁾

WALE by NLA: 2.7 years

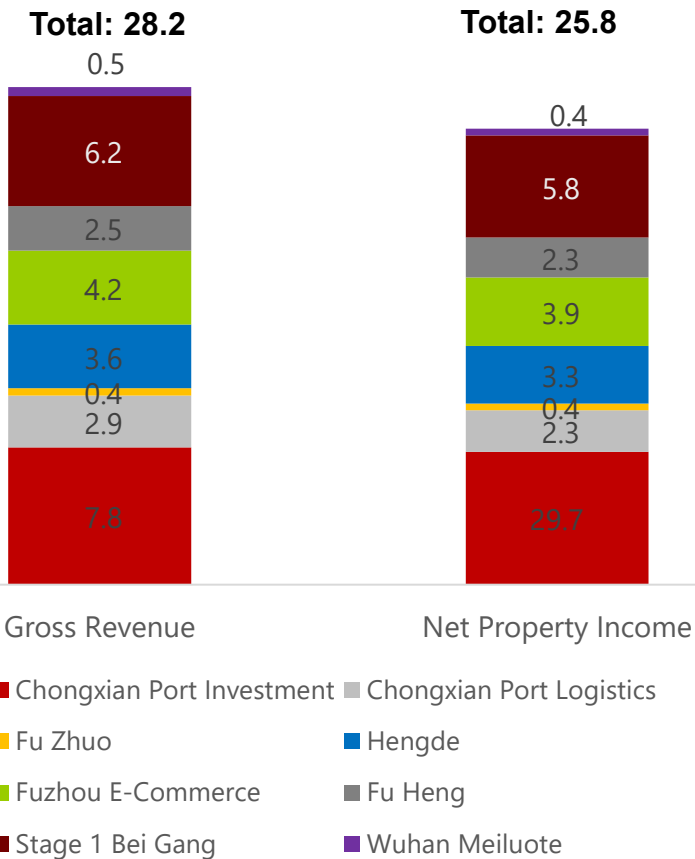
WALE by Gross Rental Income: 3.6 years



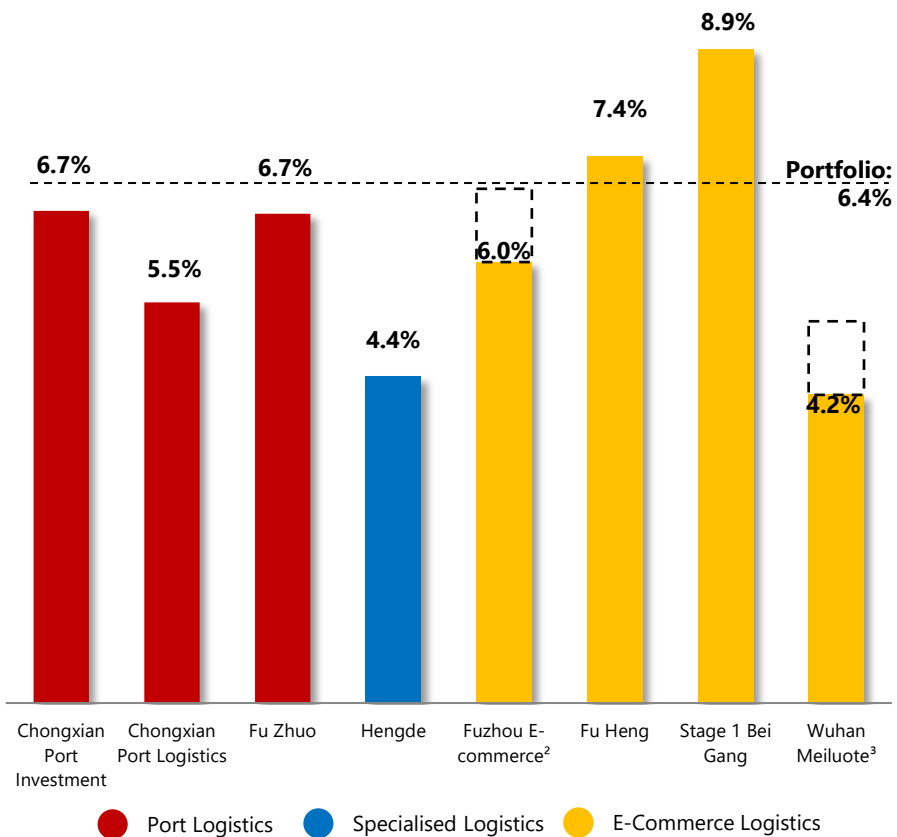
(1) As at 30 June 2020

Summary Assets Performance

2QFY2020 Breakdown by Gross Revenue and NPI (SGD m)



Annualised NPI Yield (1)



(1) In RMB terms. Annualised based on 2QFY2020 NPI
 (2) Using acquisition price of RMB1,112.5 million, NPI yield would be 7.0%
 (3) Using acquisition price of RMB145 million, NPI yield will be 5.2%



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Thank You

