



CONNECTING
the E-Commerce World



BALANCED
Portfolio of Specialised Assets



EC World
运通网城 REIT

FY2022 Annual General Meeting

24 July 2023



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Agenda

Section A

Key Highlights

Section B

Financial Review

Section C

Portfolio Management



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Section A: Key Highlights



FY2022 Macro Environment

Global macro economy

- Unpredictable geo-political situation led to prolonged market uncertainty
- Inflation continues to be high in many countries worldwide
- Interest rates hike continues in many countries globally

China economy and real estate sector

- ❖ 1H 2023 GDP growth below market expectation;
- ❖ the market is yet to respond to stimulus from Government
- ❖ Real estate sector has not yet recovered with Investment in real estate development dropped by 7.9%
- ❖ Consumer spending recovery below expectation

Singapore REITs

5-year Singapore FTSE ST All-Share REITs Index

dropped from high of **970.62** on 19 Feb 2020 to **727.25** on 21 July 2023 by **25%**.

FY2022 Key Highlights



Financials and Asset Management

- **Stable performance** across all properties – slight decline in gross revenue and **NPI by 3.1% and 1.8% respectively**, due mainly to the **weakening of RMB** and **discontinuance of contribution** from Fu Zhuo Industrial
- In RMB terms, after the relevant distribution adjustments, gross revenue was largely unchanged – attributable to **organic rental escalations**, which offset the reduction of income due to compulsory expropriation
- Retained 10% of **FY2022 total amount available for distribution ~S\$4.1m in 4QFY2022**, for loan repayment, refinancing related costs and general working capital purpose
- Full Year DPU of **4.762 cents** translates to annualised yield of **10.7%**
- Portfolio occupancy sustained at high of **99.2%**



Proposed Divestment

- **Long-Stop** date extended to **31 October 2023, subjected to EGM approval**
- **Strong support from Sponsor group – RMB333.0m prepayments** since Dec 2022 to date
- **RMB321.8m** of margin deposit were utilised for settlement of partial Mandatory Repayment
- **Minimum Mandatory Prepayment** amount reduced from RMB139.2m to RMB75.5m



Outlook

- China is expected to achieve **higher GDP growth of ~ 5% in 2023**, up from 3% in 2022
- **Offline sales could outpace online sales**, with the increased mobility
- External headwinds include **elevated interest rate environment** and **slowing global economy**
- **Effect of stimulus not reflected**
- Longer time required for market to recover to pre-pandemic level





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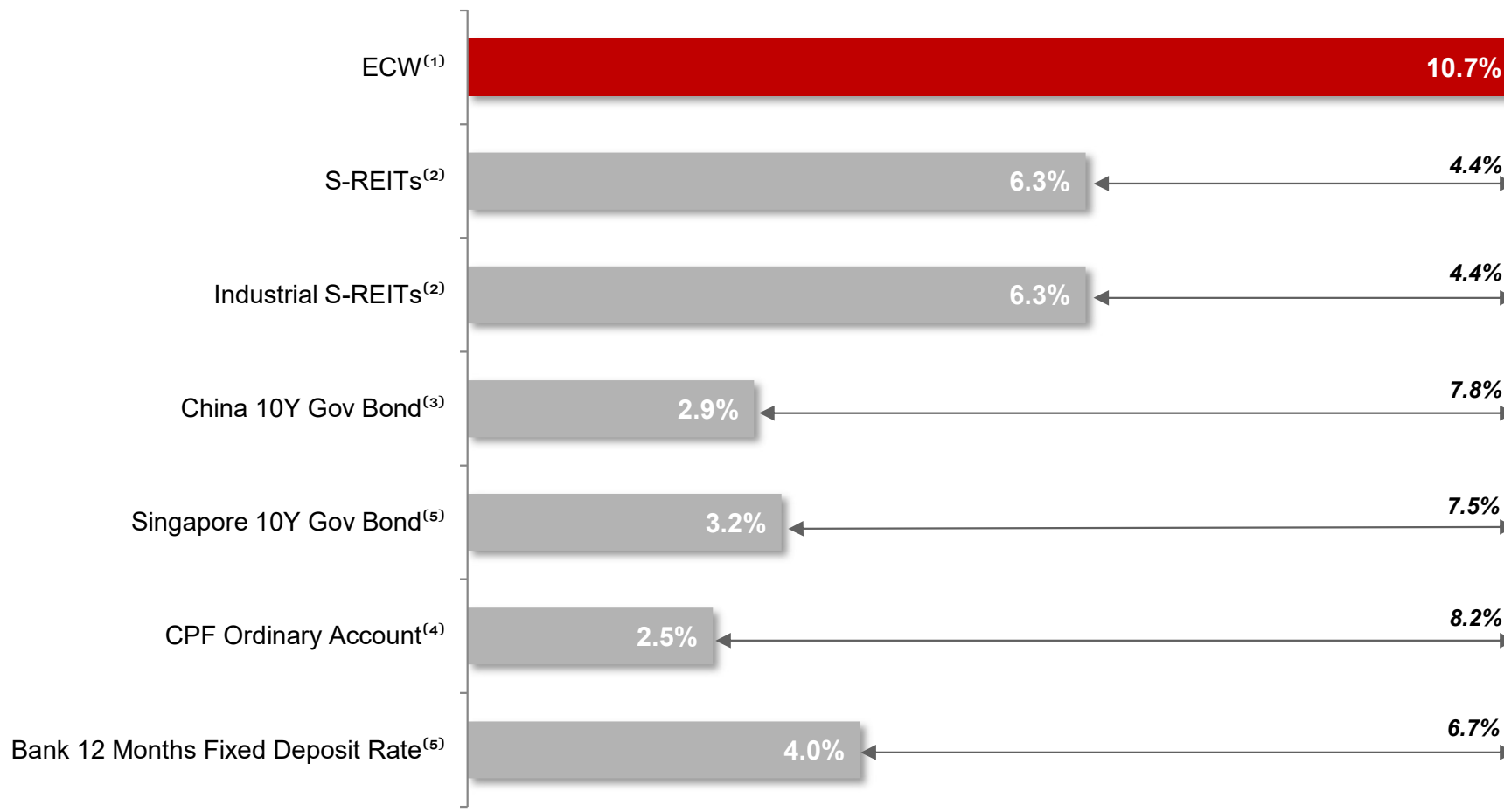
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Section B: Financial Review



Distribution Yield

Attractive Yield Compared to Peers



(1) Based on FY2022 annualised DPU of 4.762 Singapore cents and closing price of S\$0.445 per unit as at 30 December 2022.

(2) Based on Broker Research

(3) Source: Bloomberg

(4) Source: CPF Board

(5) Average rate based on media compilation

Stable Balance Sheet

S\$'000	As at 31 December 2022	As at 31 December 2021
Cash and cash equivalents⁽¹⁾	113,330	169,255
Investment Properties⁽²⁾	1,076,874	1,673,893
Assets of Disposal Group classified as held-for-sale	460,424	-
Total Assets	1,666,778	1,895,263
Borrowings	593,136	721,493
Liabilities directly associated with Disposal Group classified as held-for-sale	168,727	-
Total Liabilities	1,059,784	1,143,510
Net Assets attributable to Unitholders	606,994	751,753
NAV per unit (S\$)	0.75	0.93

(1) Includes RMB71.6 million (S\$13.8 million) cash security deposits received from the master leases, and cash deposits of RMB480.3 million (S\$92.9 million) placed as collateral for standby letter of credit ("SBLC") issuance

(2) Decline in Investment Properties due to the derecognition of Fu Zhuo Industrial, the reclassification of disposal group as asset held for sale and weakening of RMB against SGD. In RMB terms, the valuation including the disposal group as at 31 December 2022 was 2.2% lower year-on-year

Refinancing Facilities Drawdown on 31 May 2023

- ❑ ECW REIT has completed refinancing by 6 June 2023, currently onshore and offshore facilities comprises:
 - ❑ Onshore Facilities of RMB 745.5 million
 - ❑ Offshore Facilities of SGD 348.9 million
- ❑ Outstanding Minimum Mandatory Prepayment of SGD 75.5 million to be prepaid by 31 October 2023 (or another date agreed by the Lenders)
- ❑ Facilities require the divestment of the two Divestment Properties to be completed by 31 October 2023 (or another date agreed by the Lenders)

The Facilities

	Offshore Facility	Onshore Facility
Quantum ¹	<ul style="list-style-type: none"> • S\$348.9 million comprise of <ul style="list-style-type: none"> • Two multi-currencies term loan facilities up to S\$333.5 million. • SGD term loan up to S\$15.4 million • Expire in April 2024 and subject to 2-years extension option 	<ul style="list-style-type: none"> • RMB745.5 million comprise of <ul style="list-style-type: none"> • Term loan facilities totaling RMB 702.0 million expire in April 2026 • Term loan facility totaling RMB43.5 million expires in July 2029
Total Quantum ¹	S\$491.8 million	
Amount Outstanding ²	S\$349.1 million	RMB735.2 million
Total Amount Outstanding ²	S\$486.6 million	

(1) For illustrative purpose, facilities are calculated based on the exchange rates of RMB 1.00 to S\$ 0.1916 and US\$1.00 to S\$1.3528 as at 26 May 2023.

(2) For illustrative purpose, facilities are calculated based on the exchange rates of RMB 1.00 to S\$ 0.1870 and US\$1.00 to S\$ 1.3557 as at 30 June 2023.



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Section C: Portfolio Management



Continual support from key tenants

Strong Occupancy of 99.2%

E-Commerce Logistics Assets

Asset	Lease Structure	Occupancy ¹	Key Highlight
Fu Heng	Master Lease: 1 Jan 2016 to 31 Dec 2024 Rental escalation of 2.0% annually from 1 st 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 ²	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 ³	Multi Tenanted	86.7%	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 2.0% annually from 1 st Jan 2021	100%	Leading river port with 60% market share for steel products in Hangzhou
Chongxian Port Logistics ²	Multi Tenanted	99.3%	Integrated operations , storage processing and logistics distribution for steel products

1. As at 31 December 2022
2. On 3 October 2022, the Manager announced the proposed divestment of its indirect interests in Beigang Logistics Stage 1 and Chongxian Port Logistics. The NLA for the remaining five properties stands at 707,058 sqm.
3. Occupancy of Wuhan Meiluote has reduced to 39.2% by 31 March 2023 mainly due to departure of anchor tenant JD.com.

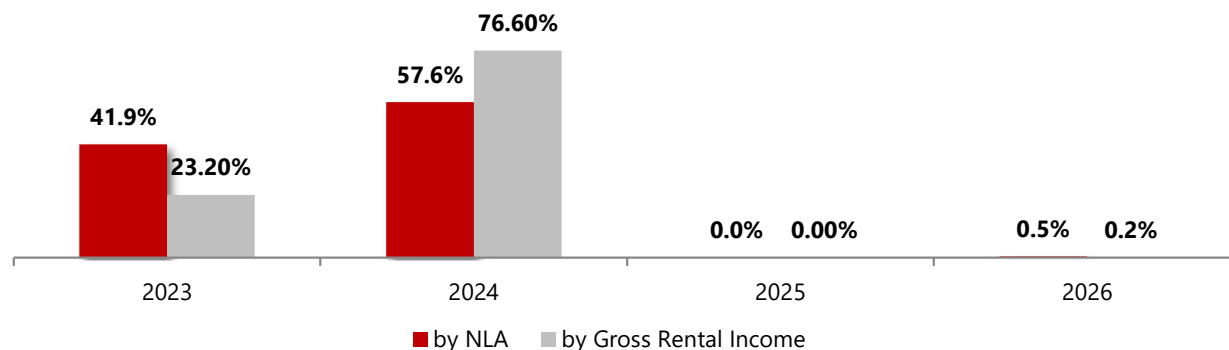
Quality and Differentiated Asset Portfolio

- ✓ Strong portfolio occupancy of **99.2%** as at 31 December 2022
- ✓ Resilient income contribution across all sectors

Lease Expiry Profile of Portfolio ⁽¹⁾

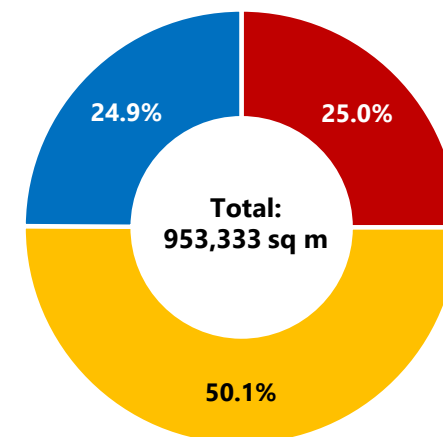
WALE by NLA: 1.4 years

WALE by Gross Rental Income: 1.6 years

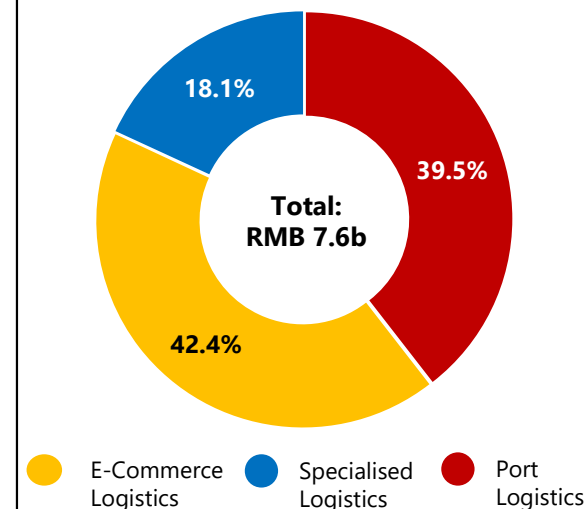


Portfolio Diversification ⁽¹⁾

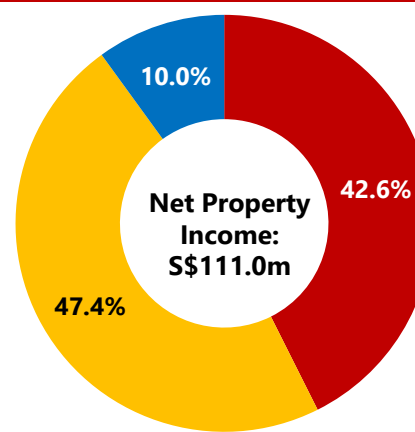
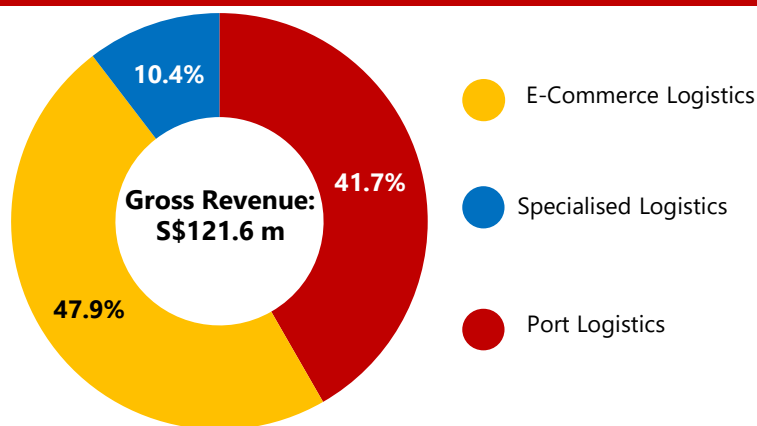
By Net Lettable Area ⁽²⁾



By Valuation



FY2022 Contribution by segments



(1) As at 31 December 2022; excluding Fu Zhuo Industrial

(2) Excluding Divestment Properties, NLA for remaining give properties would be 707,058 sq m



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Thank You

