



**SENTRAL
REIT**



CORPORATE PRESENTATION

4th Quarter 2020 Financial Results

19 January 2021



IMPORTANT NOTICE

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Sentral REIT (formerly known as MRCB-Quill REIT). The past performance of Sentral REIT is not necessarily indicative of the future performance of Sentral REIT.

This presentation may contain forward-looking statements that involve 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 limitations) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on the manager's current view of future events.

The value of units in Sentral 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 have no right to request the manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Main Board of Bursa Malaysia Securities Berhad. Listing of the Units on the Bursa Securities does not guarantee a liquid market for the Units.

The information in this Announcement must not be published outside Malaysia.



CONTENTS

Slide No.

- Financial Results 4

- Portfolio Update 10
 - KLCA & Cyberjaya Office Market Outlook
 - Penang Retail Market Outlook

- Conclusion 22

Financial Results



Quill Building 5 - IBM



MQREIT RECORDS 10.8% INCREASE IN 4Q 2020 REALISED NET INCOME

(RM'000)	(Unaudited) 4Q 2020	(Unaudited) 4Q 2019	Variance
Realised Revenue	41,815	41,984	-0.4%
Net Property Income	29,442	30,145	-2.3%
Net Income ¹	20,611	18,608	10.8%
Distributable Income ³	20,611	18,608	10.8%
EPU ²	1.92 sen	1.74 sen	10.8%
Distributable Income Per Unit	1.92 sen	1.74 sen	10.8%

- 1 Net Income refers to realised income after taxation (exclude gain from re-measurement of derivatives and revaluation surplus)
- 2 EPU refers to Realised Earnings Per Unit
- 3 Distributable Income refers to realised income after taxation adjusted for any Manager's management fee payable in units and income previously not distributed
- 4 DPU refers to Distribution Per Unit



7.08 SEN DPU DECLARED FOR FY2020

(RM'000)	(Unaudited) FY 2020	(Audited) FY 2019	Variance
Realised Revenue	165,692	162,066	2.2%
Net Property Income	126,120	121,748	3.6%
Realised Income	80,955	72,108	12.3%
EPU ¹	7.55 sen	6.73 sen	12.3%
Distributable Income ²	80,955	73,007	10.9%
Distributable Income Per Unit	7.55 sen	6.81 sen	10.9%
DPU ³	7.08 sen	6.80 sen	4.1%

1 EPU refers to Realised Earnings Per Unit (after manager's fees)

2 Distributable income for FY 2019 of RM73.01 million consist of realised net income of RM72.11 million adjusted for amounts previously not distributed amounting to RM0.9 million

3 DPU refers to Distribution Per Unit. FY 2020 DPU of 7.08 sen is 93.73 % of FY 2020 distributable income of RM80.96 million



TOTAL ASSETS – RM2.23 BILLION

NAV PER UNIT – RM1.1984

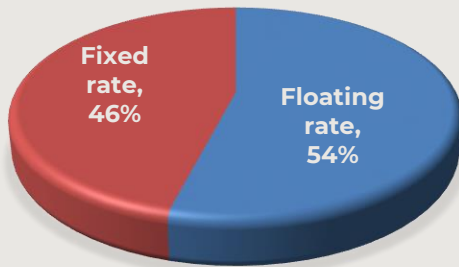
	Unaudited as at 31 Mar 2020 (RM'000)	Unaudited as at 30 Jun 2020 (RM'000)	Unaudited as at 30 Sept 2020 (RM'000)	Unaudited as at 31 Dec 2020 (RM'000)
Non Current Assets	2,144,013	2,143,808	2,143,960	2,097,601
Current Assets	59,757	84,846	66,346	90,061
Asset Held for Sale	-	-	-	40,000
Total Assets	2,203,770	2,228,654	2,210,306	2,227,662
Current Liabilities	18,838	25,351	24,607	248,276
Non Current Liabilities	877,452	876,742	874,423	655,885
Net Assets before Distribution	1,307,480	1,326,561	1,311,276	1,323,501
Provision for Distribution	(19,785)*	(36,762)	(21,477)*	(39,120)
Net Assets after Distribution	1,287,695	1,289,799	1,289,799	1,284,381
No of Units	1,071,783	1,071,783	1,071,783	1,071,783
NAV per Unit (RM)	1.2015	1.2034	1.2034	1.1984

* Assuming 100% of realised net income is provided for income distribution

PRUDENT CAPITAL MANAGEMENT

- ✓ Next refinancing due in Dec 2021
- ✓ Stable financial indicators

Balanced Fixed and Floating Rate Composition

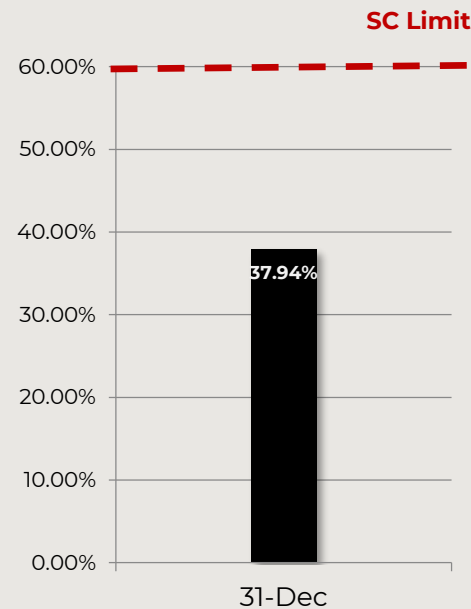


Total Debt: RM844.98 mil
(3Q 2020: RM845.30 mil)

Interest Coverage

3.21_x
(3Q 2020 3.34x)

Gearing Ratio



Below SC limit of 60%
Increase
(3Q 2020 : 38.2%)

Average Cost of Debt

3.99%_{pa}

Decrease
(3Q 2020: 4.09% pa)

Average Debt to Maturity

2.57 years

Decrease
(3Q 2020 2.82 years)

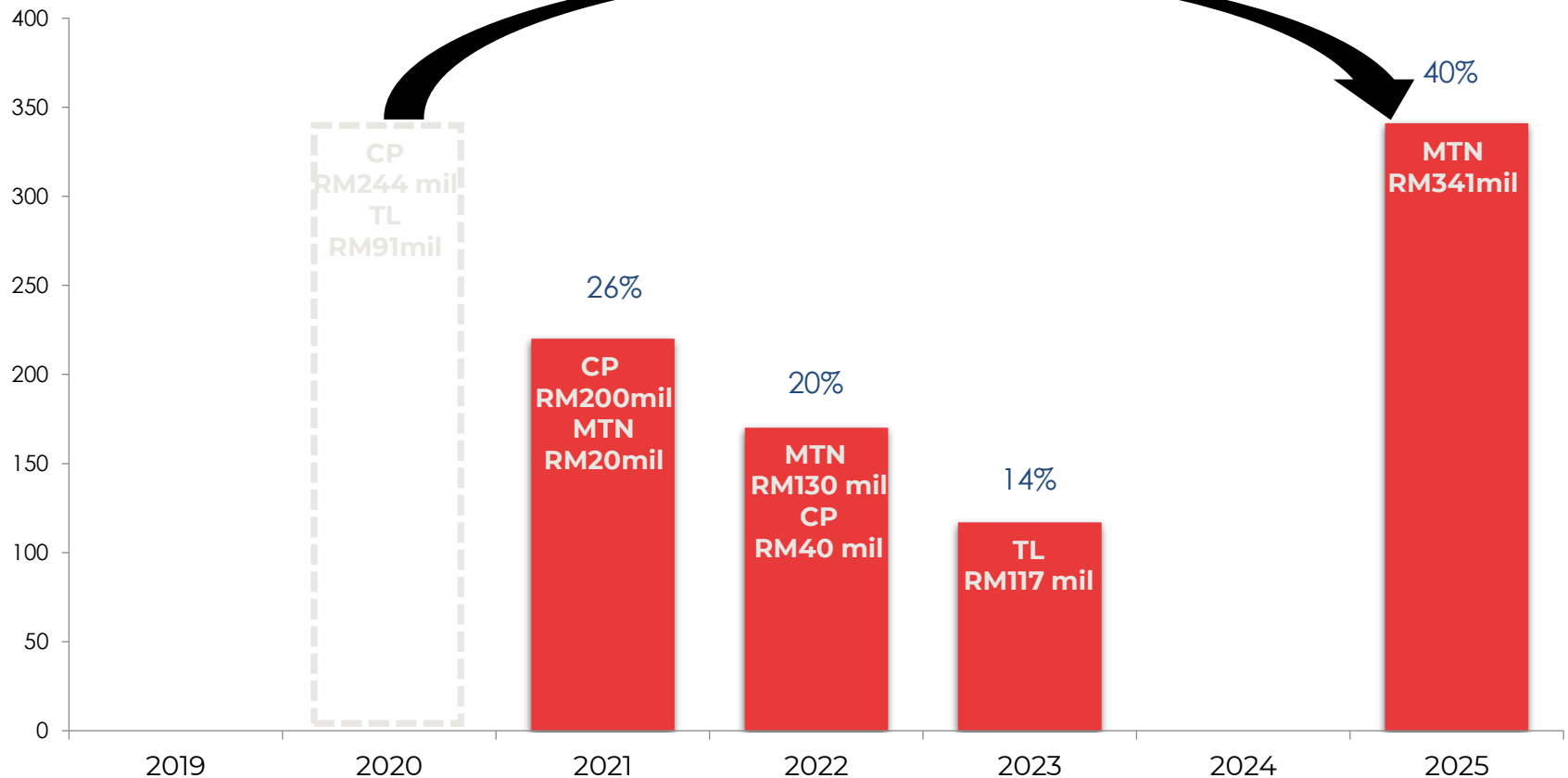


DEBT MATURITY PROFILE

Completed All Refinancing Due in 2020
Next Refinancing Due in December 2021

Average debt to maturity : 2.57years

RM(mil)



Note;
1. MTN - Medium Term Notes
2. CP - Commercial Papers
3. TL - Term Loan

Portfolio Update @ 31 December 2020



Quill Building 3 - BMW



PORTFOLIO OF QUALITY ASSETS



Quill Building 1
- DHL 1(c)



Quill Building 4
- DHL 2(c)



Platinum Sentral
- KL Sentral (c)

**Market Value
of
10 Properties:
RM2.137 bil^(e)**



Quill Building 3
- BMW(a)



Quill Building 5
- IBM(c)



Quill Building 2
- HSBC(a)

**Total NLA:
2.2 mil sq ft
*Excluding car park
area**



**Part of Plaza
Mon't Kiara (d)**



**Wisma
TechnipFMC (b)**



**TESCO Building
Penang (d)**

**Portfolio
Occupancy
Rate:
90%**



Menara Shell (a)

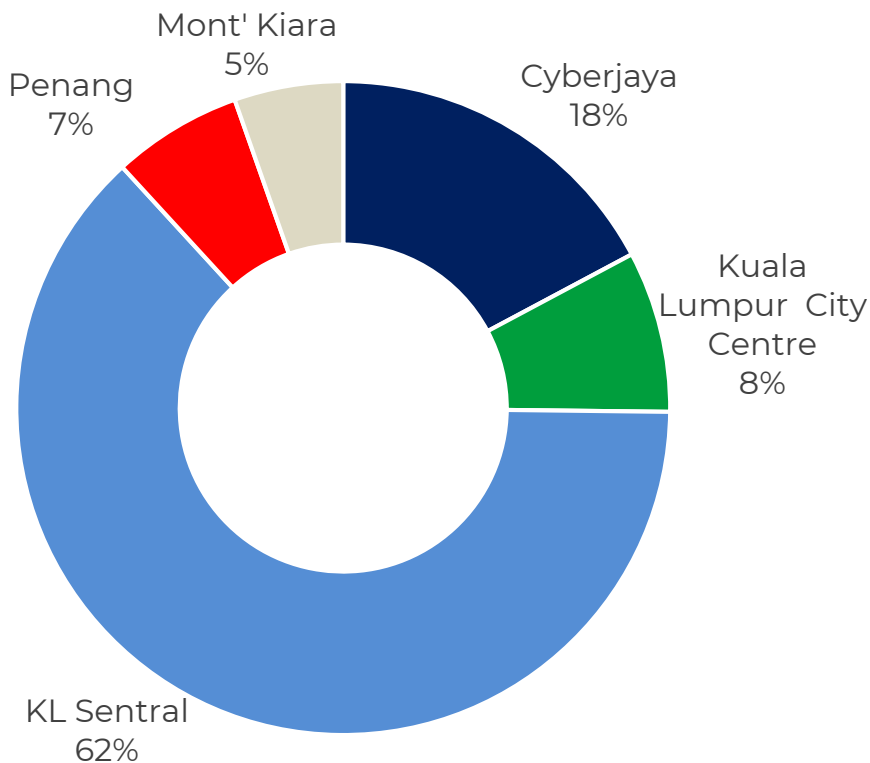
**Weighted
Average Term
to Expiry:
4.51 years**

- a) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn. Bhd, an independent firm of professional valuer registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- b) The Properties were valued by CH Williams Talhar & Wong Sdn. Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- c) The Properties were valued by Knight Frank Malaysia Sdn. Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- d) The Properties were valued by IVPS Property Consultant Sdn. Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- e) Save for Quill Building 5, all properties were based on valuation as at 31 December 2020. The valuation of Quill Building 5 was dated 25 September 2020.



GEOGRAPHICAL DIVERSIFICATION

By Valuation



Klang Valley	75%
---------------------	------------

Cyberjaya	18%
------------------	------------

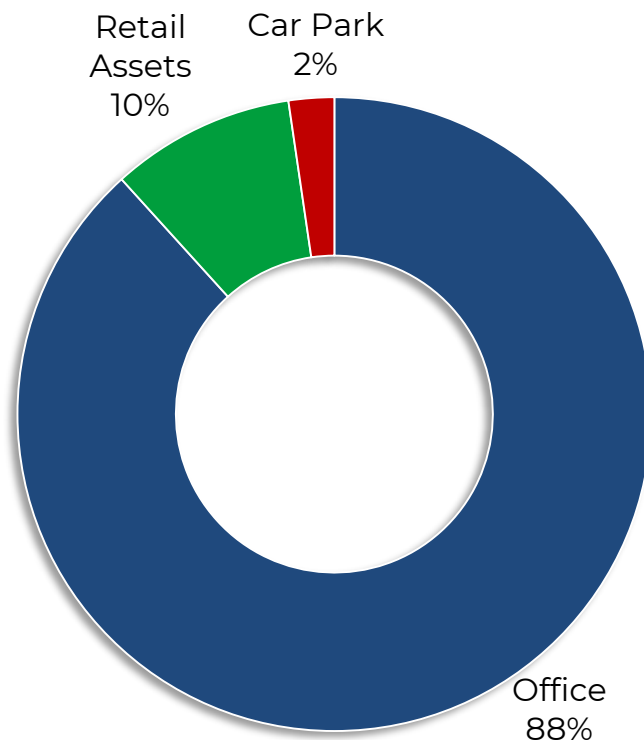
Penang	7%
---------------	-----------

Notes:

- (1) Other Klang Valley Area refers to Klang Valley generally excluding KL city centre, KL Sentral and Mont' Kiara. Klang Valley refers to Kuala Lumpur and Selangor State excluding Kuala Selangor, Sepang and Sabak Bernam.
- (2) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd, CH Williams Talhar & Wong Sdn Bhd, Knight Frank Malaysia Sdn Bhd and IVPS Property Consultant Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.



DIVERSIFIED SEGMENTAL CONTRIBUTIONS



By Valuation

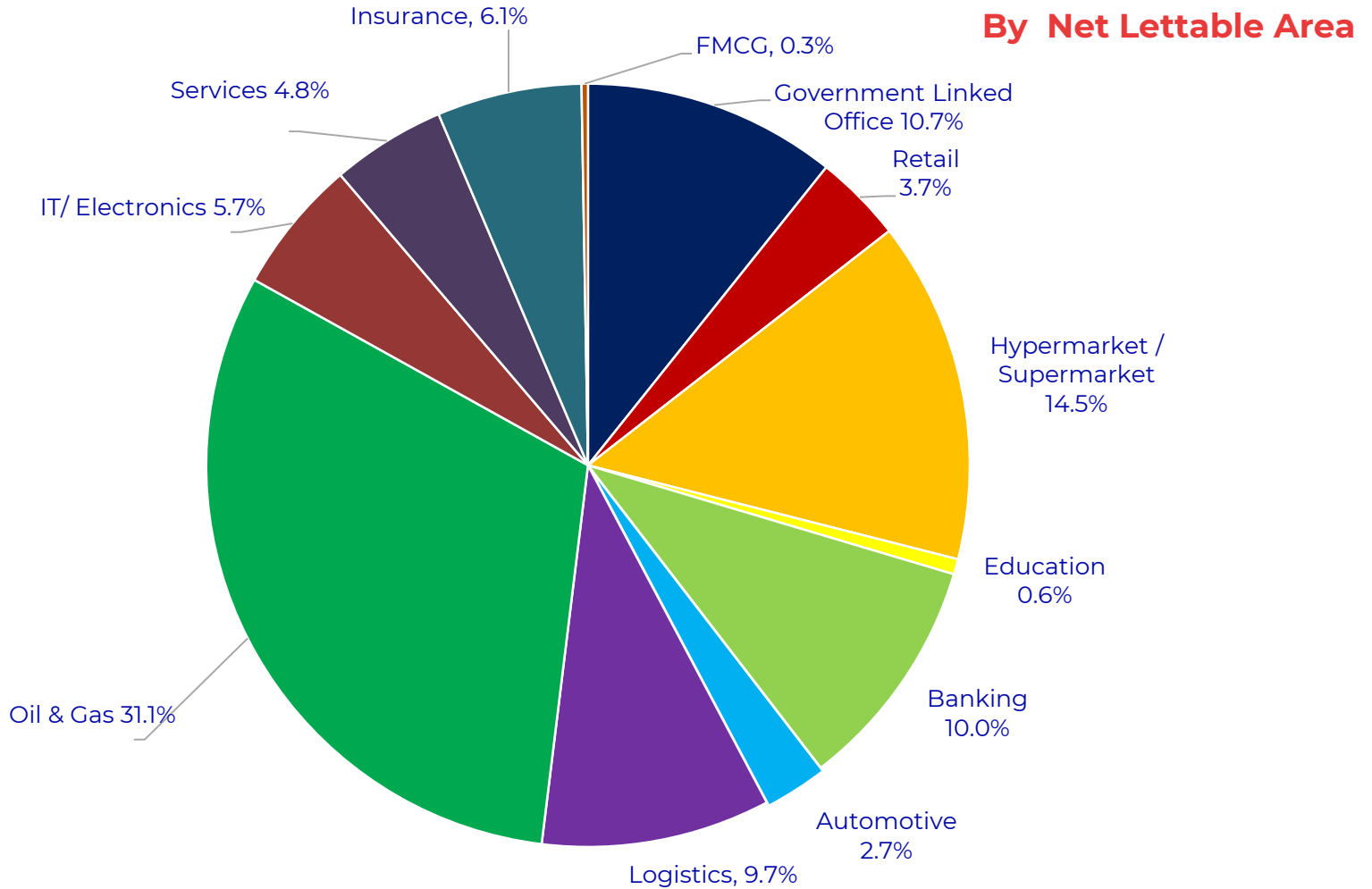
Notes:

- (1) Office comprises Quill Buildings, Platinum Sentral, Wisma Technip and Menara Shell
- (2) Retail refers to retail portion of Plaza Mont' Kiara & TESCO Building Penang
- (3) Car Park refers to car parking bays in Plaza Mont' Kiara
- (4) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd, CH Williams Talhar & Wong Sdn Bhd; Knight Frank Malaysia Sdn Bhd and IVPS Property Consultant Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.



TENANT MIX

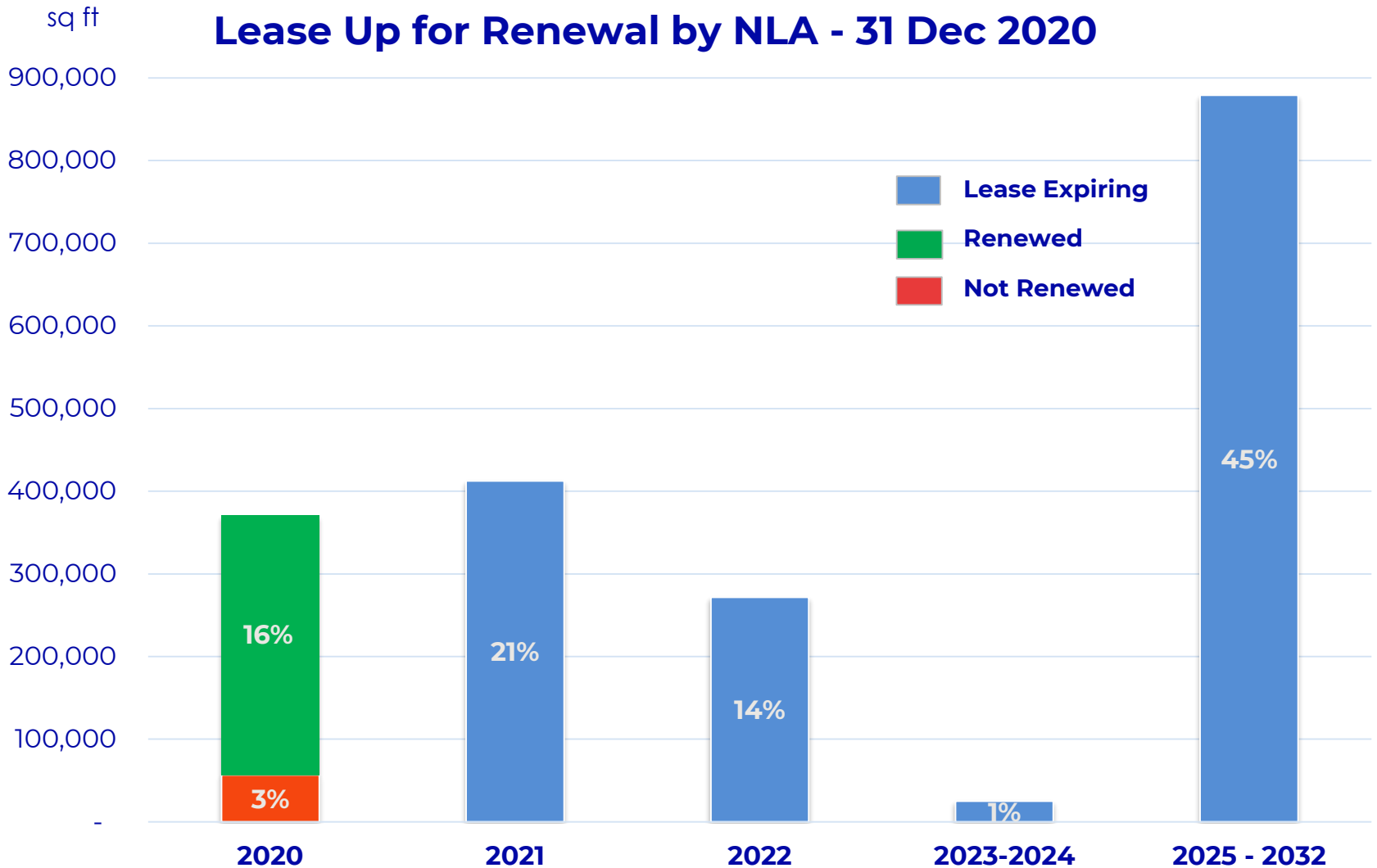
Well Balanced Tenancy Mix






LEASE EXPIRY PROFILE

- 19% of Total NLA due in 2020 : 85% Renewal Rate



% of net lettable area that are due for renewal
MRCB-Quill REIT Presentation *January 2021*

- 
- KLCA & Cyberjaya Office Market Outlook
 - Klang Valley & Penang Retail Market Outlook



KLANG VALLEY OFFICE MARKET OUTLOOK

□ (extracted from the Property Market Commentary December 2020 prepared by C H Williams, Talhar & Wong Sdn Bhd)

- As at 3Q 2020, Klang Valley (“KV”) had 114.93 million square feet of Purpose-Built Office (“PBO”) space. The existing supply of PBO buildings in Cyberjaya and Putrajaya was 5.6 million square feet and 4.01 million square feet respectively as at 3Q 2020.
- Another seventeen (12) PBO buildings contributing approximately 6.11 million square feet of PBO space are expected to be completed by end-2022.
- During the review period, KV occupancy rates were stable averaging 79.3%. In Cyberjaya / Putrajaya, occupancy rates for PBO buildings averaged 66.7% (Cyberjaya: 72.6%, Putrajaya: 60.9%).
- Capital value remains stable with yields at 5.5% to 6.0% based on latest transactions of en-bloc office buildings in KV.



KLANG VALLEY OFFICE MARKET OUTLOOK

- ❑ **(extracted from the Property Market Commentary December 2020 prepared by C H Williams, Talhar & Wong Sdn Bhd)**
- Rental rates appeared stable between RM6.50 and RM11.00 per sq ft, amongst Prime PBO buildings in KV. In Central Kuala Lumpur (CKL) gross rent offered are about RM6.90 to RM11.00 per sq ft, whereas secondary CKL and Metropolitan KL can command gross rents of between RM4.00 and RM5.00 sq ft for aged buildings and RM6.00 to RM7.00 per sq ft for newer buildings. For PBO buildings in Putrajaya/Cyberjaya, monthly gross rents are generally in the range of RM4.00 to RM5.00 per sq ft.
- Outlook : The KVPBO market continues to remain a tenants' market with ample options available from both existing and incoming supply. The office demand-supply gap remains amid the weaker office demand, and the Covid-19 impact will lead to a short term demand dip. Rentals and capital values continue to be under pressure. Flexibility in leasing attributes is expected from the landlord to attract new tenants and retain existing tenants. Office with secured tenancies and committed leases should appear stable in the short term.



KLANG VALLEY & PENANG RETAIL OUTLOOK

□ (extracted from the Property Market Commentary December 2020 prepared by C H Williams Talhar & Wong Sdn Bhd)

➤ KV Retail Market

The supply of purpose-built retail (“PBR”) space in KV is estimated at 58.64 million sq ft in 3Q 2020 with approximately 53% in KL and balance located outside KL. A total of ten (10) malls are expected to be completed in KV by 2022, contributing approximately 13.01 million sq ft of retail PBR space.

The average occupancy rate of PBR space in KV in stood at 83%.

The average gross rental of prime PBR spaces in KV was about RM25 per sq ft. Prime retail rentals in KV are expected to remain stable.

□ **(extracted from the Property Market Commentary December 2020 prepared by C H Williams Talhar & Wong Sdn Bhd)**

➤ Penang Retail Market

The existing supply of PBR space in Penang state stands at approximately 19.966 million square feet. Upcoming PBR space in Penang totals about 2.68 million sq ft of retail space.

The overall occupancy rate of PBR spaces in Penang was in the region of 70% to 73% in the past 5 years.

Gross rentals for the ground floor of selected prime shopping centres in Penang Island commanded higher rental rates of up to RM50 per square foot per month. For en-bloc hypermarket, the gross rentals range from RM2.40 to RM3.20 per square foot per month in Seberang Perai and Penang Island.

□ **(extracted from the Property Market Commentary December 2020 prepared by C H Williams Talhar & Wong Sdn Bhd)**

➤ Outlook for Retail Market

The overall retail industry has not stabilized despite some semblance of normalcy. Despite the visible changes in trend and lifestyle, the demand for retail space by both retailers and customers is still relevant with in respect size, usage and functionality of the physical store.

Malls targeting the internalisation tourist footfalls will face challenges in striving for optional tenancies, compared to neighbourhood malls catering to the local catchments within established residential enclaves. Expansion and entry of new stores will be slower. Landlords have given rental rebates/ waivers and are currently prioritising tenants retention which may allow more flexibility in tenancy commitment in the near term.

Conclusion





FY2020 IN SUMMARY

FY2020 DPU of 7.08 sen declared translating to a DPU yield of 8.09%*

- Achieved FY2020 EPU of 7.55 sen, a 12.3% increase from FY2019 EPU of 6.73 sen
- FY 2020 DPU of 7.08 sen is 4.1% higher than the FY 2019 DPU of 6.80 sen
- Completed renewals due in 2020 with 85% renewal rate.
- Sentral REIT's portfolio occupancy rate as at 31 December 2020 was 90.0%

** Based on unit price as at 31 December 2020 of RM0.875 per unit*

Year 2021 Prospects – Ongoing Strategies

- Proactive asset management strategies to focus on tenant relations and continuous building improvements
- Prudent capital management strategies
- Continue to explore yield accretive acquisition opportunities
- Amidst COVID-19 managing cash flow and exercising financial discipline



**SENTRAL
REIT**



Thank you

For enquires, please contact:
Ms. Joyce Loh
(General Line: 603-2786 8080)
(Fax : 603-2780 0098)