



**SENTRAL
REIT**

DW



CORPORATE PRESENTATION

9th Annual General Meeting

7 April 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The information in this Announcement must not be published outside Malaysia.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.
• Snapshot: FY2020 At A Glance	4
• Financial results: FY2020	6
• Capital Management	11
• Portfolio Update and Significant Events	14
• SENTRAL's Response to COVID-19	20
• Unit Price Performance	26
• General Economy, Office Market Outlook & Continuing Strategies	29
• Accolades	35

Snapshot

- FY2020 At A Glance





FY2020 AT A GLANCE

Improved Financial Performance in FY2020



**RM166
million**

Realised
Revenue



**RM126
million**

Net
Property
Income



7.08 sen

Distribution
per unit



**RM2.23
billion**

Total Assets



RM1.1984

Net Asset
Value per
unit



37.9%

Gearing Ratio

Stable Portfolio Performance in FY2020



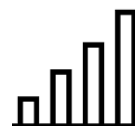
**RM2.14
billion**

Property
Value



85%

Renewal
Rate



4.51 years

Weighted
Average
Lease
Expiry
(WALE)



90%

Occupancy
Rate



Financial Results

- Financial Year Ended 31 December 2020



7.08 SEN DPU DECLARED FOR FY2020

(RM'000)	(Audited) FY2020	(Audited) FY2019	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

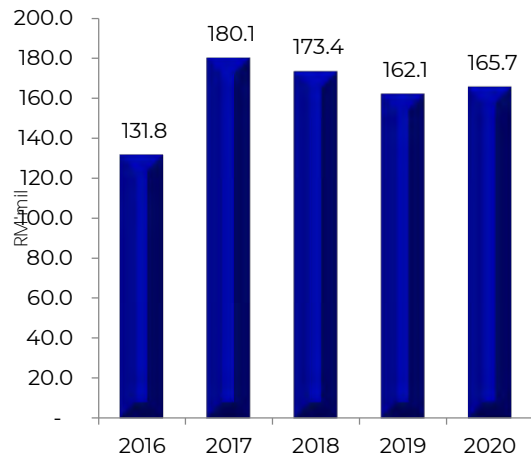


DETAILS OF DISTRIBUTION

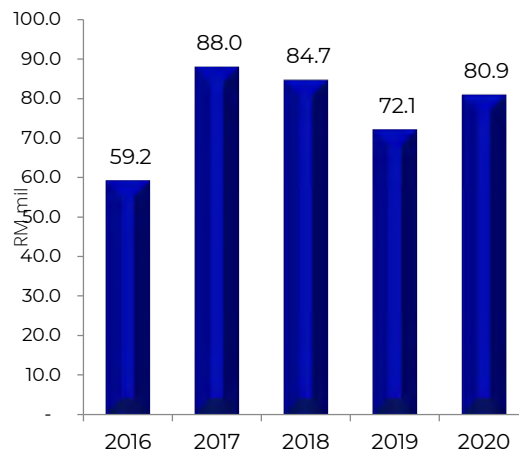
	FY 2020 RM '000	FY 2019 RM '000
Realised Net Income	80,955	72,108
Add: Distribution Adjustments		
Amounts previously not distributed	-	900
Distributable Income (a)	80,955	73,008
Income Distribution (b)	75,882	72,881
Weighted No of Units in Circulation ('000)	1,071,783	1,071,783
Distribution Per Unit (DPU) sen	7.08	6.80
% of Income distribution on Distributable Income (c) = (b)/(a)	93.73%	99.83%



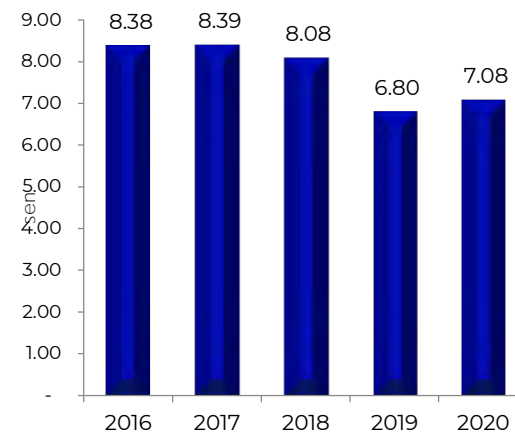
FINANCIAL PERFORMANCE OVER THE YEARS



Realised Revenue
CAGR⁽¹⁾ : 13%



Distributable Income
CAGR⁽¹⁾ : 11%



Distribution per Unit
CAGR⁽¹⁾ : 0.7%

Note:
(1) CAGR – Compound Annual Growth Rate



STABLE BALANCE SHEET

	Audited as at 31 Dec 2020 (RM'000)	Audited as at 30 Dec 2019 (RM'000)
Non Current Assets	2,097,601	2,144,136
Current Assets	90,061	69,568
Asset Held for Sale	40,000	-
Total Assets	2,227,662	2,213,704
Current Liabilities	248,276	354,118
Non Current Liabilities	655,885	536,097
Net Assets before Distribution	1,323,501	1,323,489
Provision for Distribution	(39,120)	(36,119)
Net Assets after Distribution	1,284,381	1,287,370
No of Units	1,071,783	1,071,783
NAV per Unit (RM) After final distribution	1.1984	1.2011



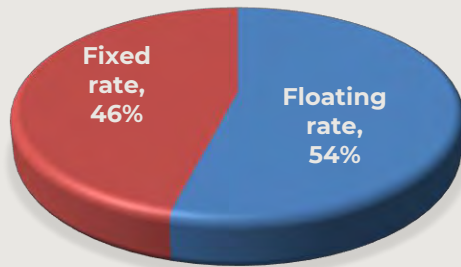
Capital Management



PRUDENT CAPITAL MANAGEMENT

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

Balanced Fixed and Floating Rate Composition

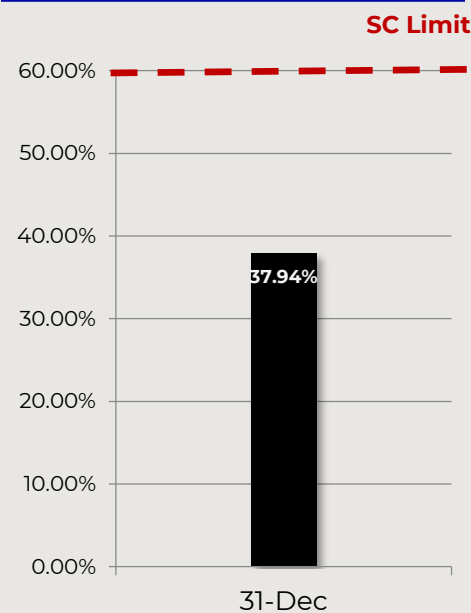


Total Debt: RM844.98 mil
(3Q 2020: RM845.30 mil)

Interest Coverage

3.21_x
(3Q 2020 3.34x)

Gearing Ratio



Below SC limit of 60%
Stable
(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)

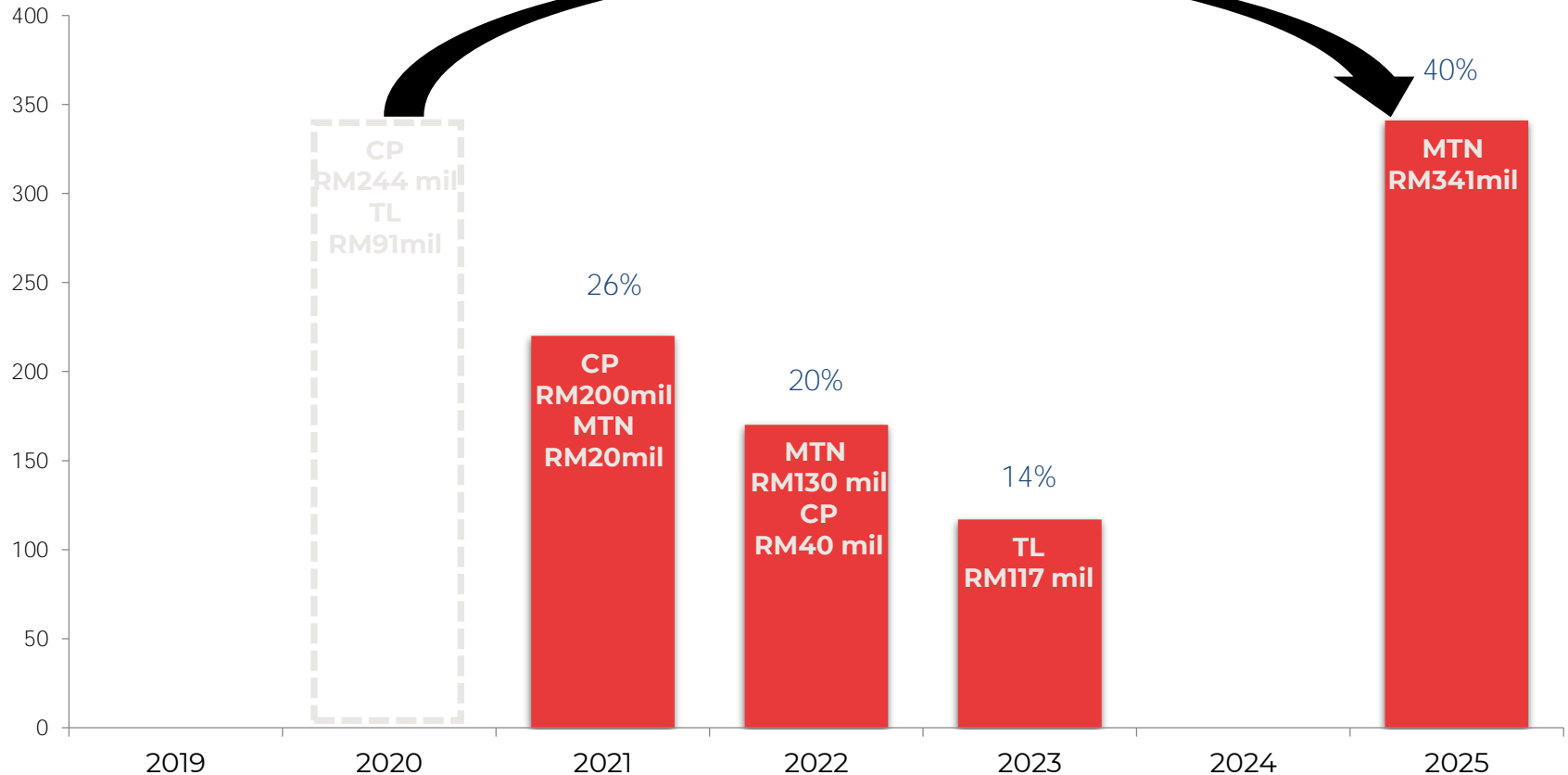


DEBT MATURITY PROFILE

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

Average debt to maturity : 2.57 years

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)**



Menara Shell^(a)

**Portfolio
Occupancy
Rate:
90%**

**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.



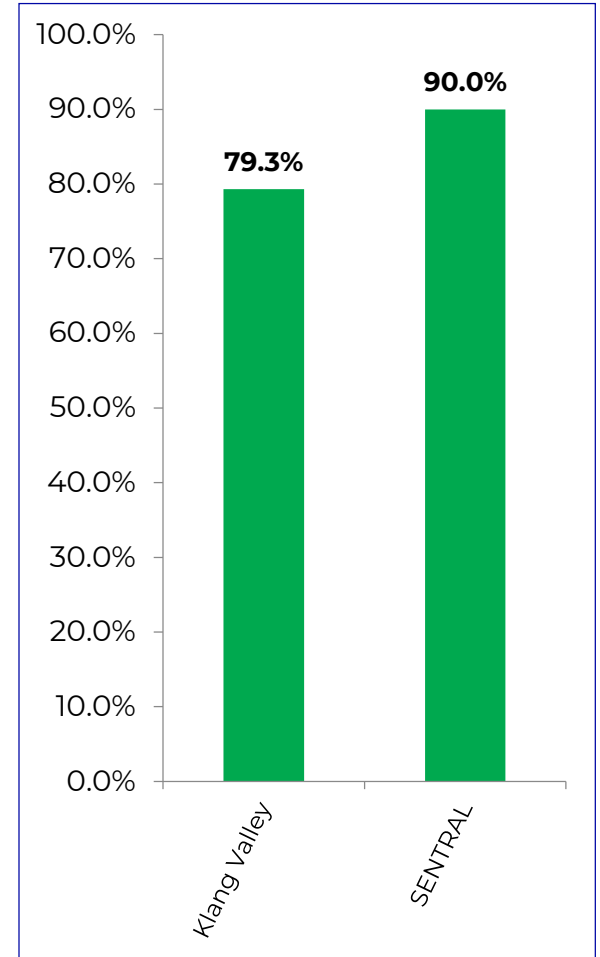
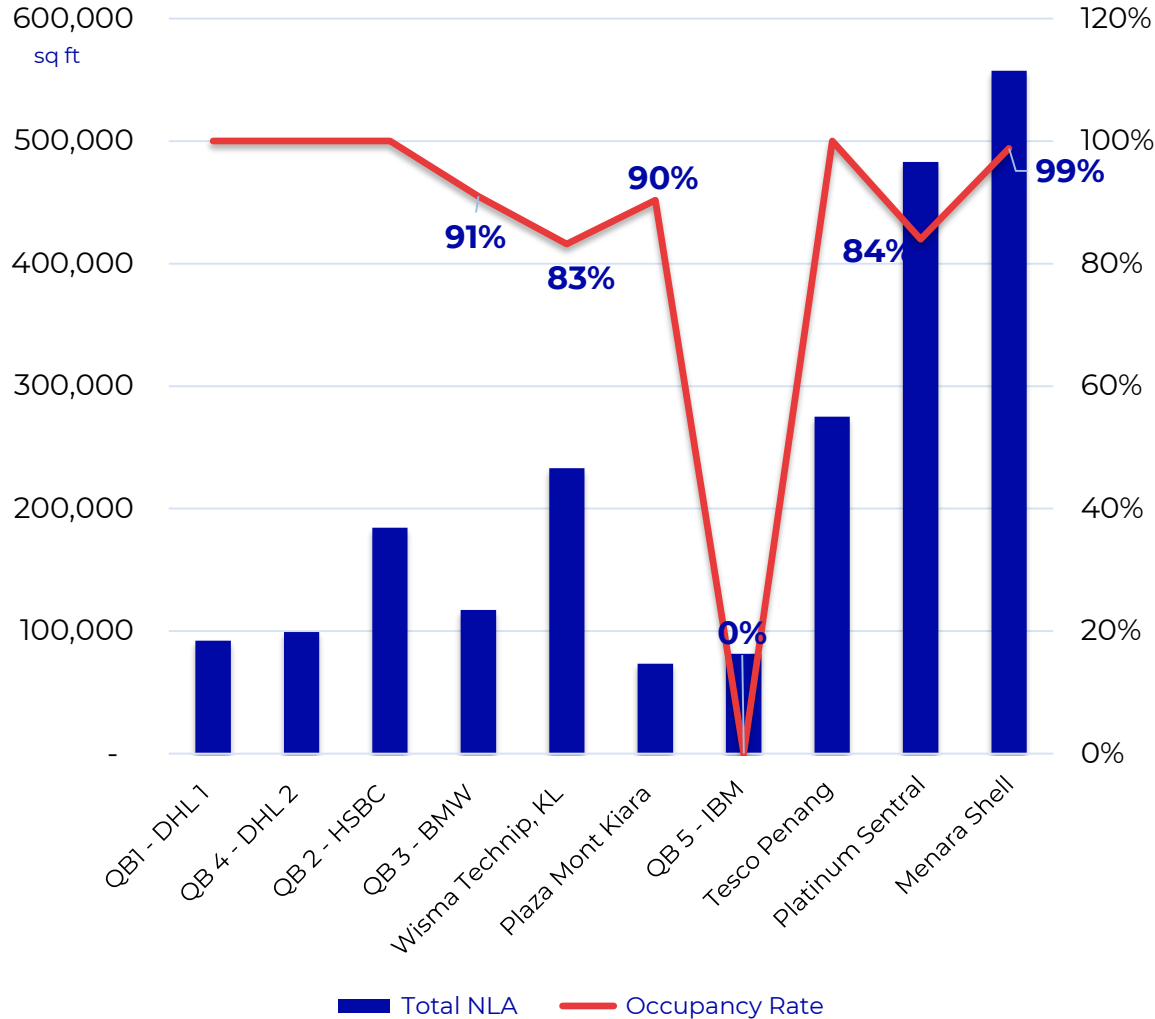
MARKET VALUATION 31 DECEMBER 2020

Name of Properties	Net Book Value as at 31 Dec 2020 (prior to Proposed Revaluation) (RM'000)	Market Valuation at as 31 Dec 2020 (RM'000)	Surplus /(Deficit) incorporated into fund (RM'000)	% increase / (decrease)	% of aggregate Appraised value
Quill Building 1- DHL 1 & Quill Building 4- DHL 2	134,039	135,000	961	0.72	6.3
Quill Building 2 - HSBC	123,080	123,000	(80)	(0.06)	5.8
Quill Building 3 - BMW	78,000	78,000	-	-	3.6
Wisma Technip	173,200	173,000	(200)	(0.12)	8.1
Part of Plaza Mont' Kiara	118,500	116,000	(2,500)	(2.11)	5.4
Quill Building 5	40,000	40,000	-	-	1.9
Tesco Building, Penang	140,000	140,000	-	-	6.6
Platinum Sentral	686,165	675,000	(11,165)	(1.63)	31.6
Menara Shell	651,192	657,000	5,808	0.89	30.7
Total Valuation	RM2,144,176	2,137,000	(7,176)	(0.33)	100.0



RESILIENT PORTFOLIO OCCUPANCY

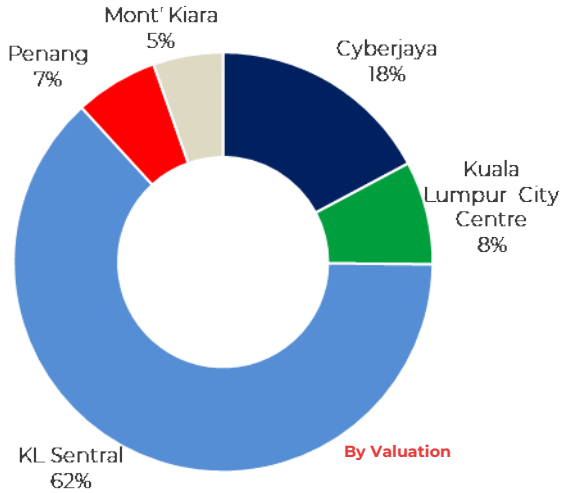
Portfolio Occupancy as at 31 Dec 2020 : 90%



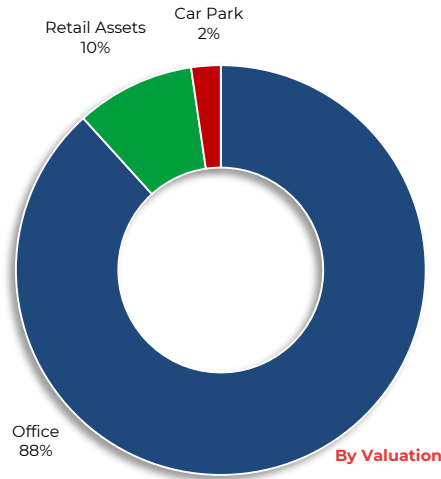
Extracted from the Property Market Commentary December 2020 prepared by C H Williams & Wong Sdn Bhd



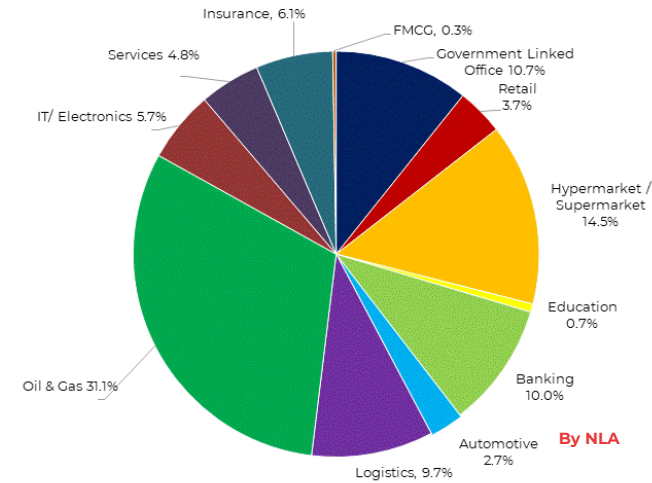
DIVERSIFIED PORTFOLIO



Geographical



Segmental
Office focused



Tenancy Mix
Well balanced



DISPOSAL OF QUILL BUILDING 5



Maybank Trustees Berhad, acting solely in the capacity as trustee for SENTRAL, had on 12 November 2020 entered into a sale and purchase agreement (“SPA”) with Deriv Services Sdn Bhd (“Purchaser”) for the disposal of Quill Building 5 for a cash consideration of RM45.0 million (“Disposal of QB5”).

Further information on the property is detailed on page 21 of SENTRAL’s FY2020 Annual Report.

The Disposal of QB5 is subject to condition precedents (“CP”) to be fulfilled within six (6) months for the date of the SPA or such later period to be agreed upon in accordance with the terms of the SPA. These CP include the Purchaser obtaining state and Economic Planning Unit (“EPU”) consent to acquire, while MTB obtaining existing chargee’s consent for the disposal and state consent to transfer.

The Disposal of QB5 is not subject to the approval of the unitholders of SENTRAL.

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the second quarter of 2021.

- ✓ In line with the Manager’s strategy to regularly evaluate and rejuvenate its property portfolio.
- ✓ Proceeds will be used to part repay existing bank borrowings, implement a unit buyback and for distribution to unitholders, details of which will be finalized and announced when SENTRAL declares its final distribution for FY2021.

SENTRAL's Response to COVID-19 in FY2020





RESPONSE TO COVID-19

The COVID-19 pandemic has created unprecedented uncertainty and challenges to the economy, the way we live and work. As we are embracing the “new normal”, our people’s health remains as our top priority and we will continue ensuring that our employees, tenants, visitors and community are safe. SENTRAL has focused on the following key areas:





RESPONSE TO COVID-19 (cont'd)

In managing the COVID-19 crisis, an Emergency Response Plan was established and communicated to all employees and tenants to facilitate operations and movement in times of crisis. All our stakeholders are required to follow the Ministry of Health's new COVID-19 SOP guidelines to mitigate any potential risk of exposure to COVID-19.

COVID-19 Measures

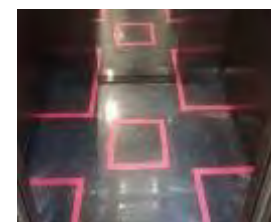
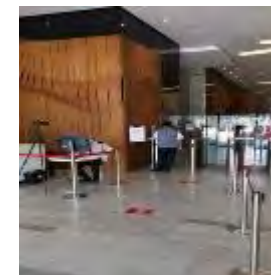
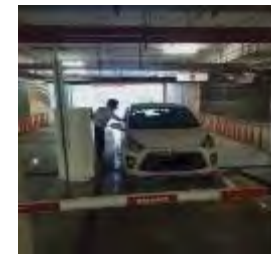
- Contact tracing through mandatory use of MySejahtera Application
- Use of face mask in the building
- Temperature screening at building entry points
- Physical distancing
- Safe distance marking in common areas (e.g. office meeting rooms, toilets, waiting areas)
- Improve hygiene measures (e.g. provision of hand sanitisers and increase cleaning roasters)

Our Employees

- Remote working and split team arrangement
- Employee education on COVID-19 and relevant SOP through safety circular updates and reminders through communication channels (e.g. Microsoft Teams and emails)
- COVID-19 screening prior to returning to work

Our Offices, Retailers and Carpark

- Controlled entry points
- Staggered entry hours to control congestions
- Notice and poster reminders at strategic locations (e.g. lift lobby and toilets)
- Mandatory work permit and documents submission by contractors based on building operation guidelines to perform renovation, repair and service works. This includes submission of latest COVID-19 test report with a 30-days validity period for contractors with foreign workers



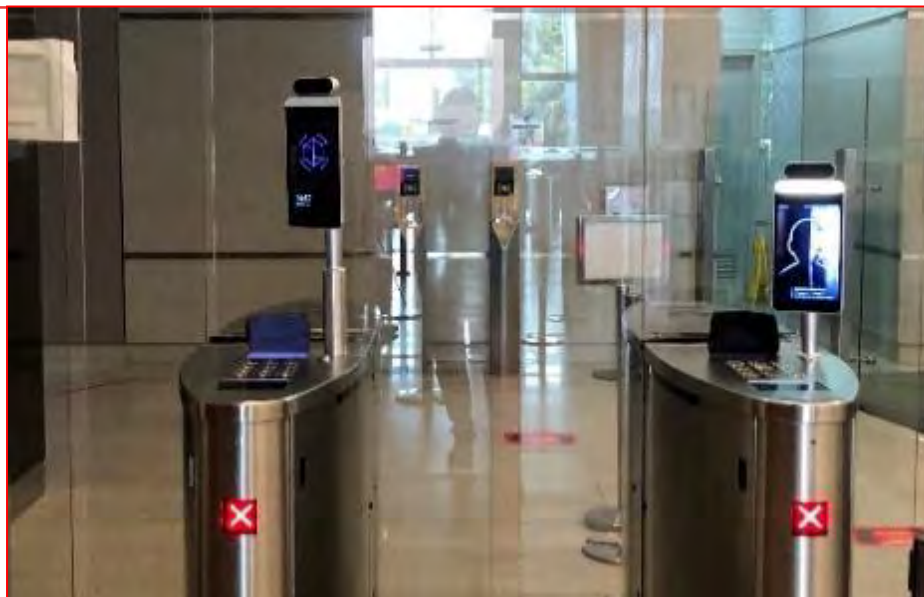


RESPONSE TO COVID-19 (cont'd)

Menara Shell

In line with the SOP implemented by the government, we have installed a Facial Recognition Reader with temperature scanning at the building entrance to screen staff and visitors prior to entering the building.

To further enhance existing security monitoring and control, we have upgraded and replaced the Building Card Access Management System to a C-cure 9000 Access Control System this year.



Quill Building 1 & 4

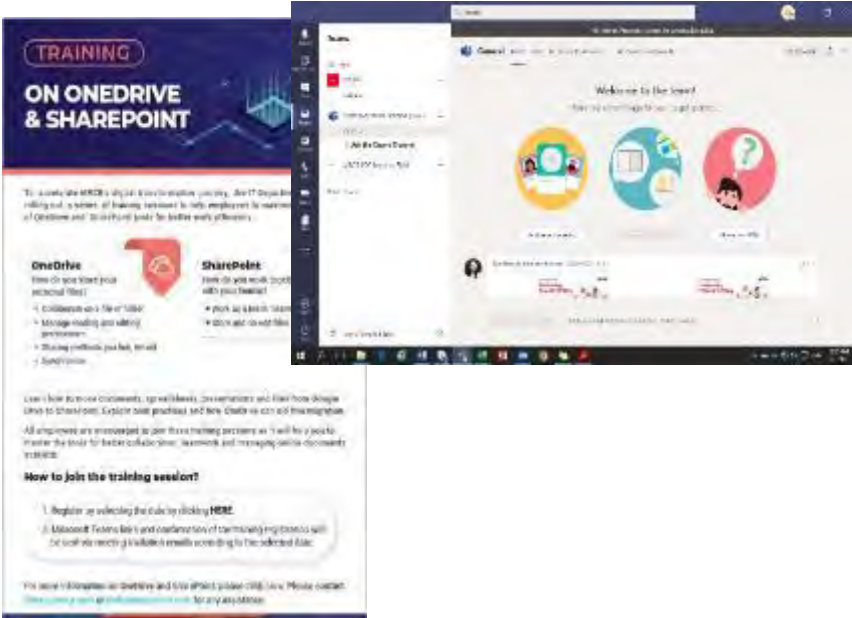
A new Building Automation System (“BAS”) was installed to monitor real-time electrical energy consumption, allowing efficient and remote tracking of energy usage.

The Fire Alarm Protection System was also upgraded to an addressable integrate with the BAS system, allowing advance monitoring of the system.

The building’s washrooms have also been upgraded from manual opening doors to automatic sliding doors to ease access and as part of a COVID-19 preventive measure.



RESPONSE TO COVID-19 (cont'd)



Workplace technology

During the COVID-19 lockdown, we have undergone trainings to utilise cloud technology, communication and video conferencing tools such as Microsoft Teams and ShareDrive to support the transition towards remote work environments. These platforms enable continuous communication and engagement among employees to conduct daily business operations.

In anticipating future challenges, we aim to explore options to support digitalisation and automation of processes and functions within our buildings, where suitable. We aim to keep abreast with the latest technologies to serve our stakeholders' ever-changing needs better and remain resilient in the industry.



RESPONSE TO COVID-19 (cont'd)

- Proactive tenant engagement for renewals and regular communication with key strategic tenants
- Tenant retention
- Tenant assistance programme during the Movement Control Order (“MCO”) period
- Renewal ahead of lease expiry dates
- Spread out of tenancy expiry and tenancy mix

The nationwide MCO has left many businesses and economic sectors struggling to stay afloat and the road to recovery for many businesses will be long and bumpy. The ability of tenants to ride out this pandemic is essential to the sustainability of SENTRAL’s occupancy rate and income.

With that in mind, we had initiated a tenant assistance programme to cater to the needs of affected tenants, mainly the SME retail tenants. Various forms of assistance i.e. rebates, payment deferment schemes, adjustments on the type of security deposit etc. The objective of these assistance is to elevate tenants’ cash flow burdens due to the inability to operate during the MCO period and to ensure the sustainability of their operations in the longer run.



SENTRAL Unit Price Performance

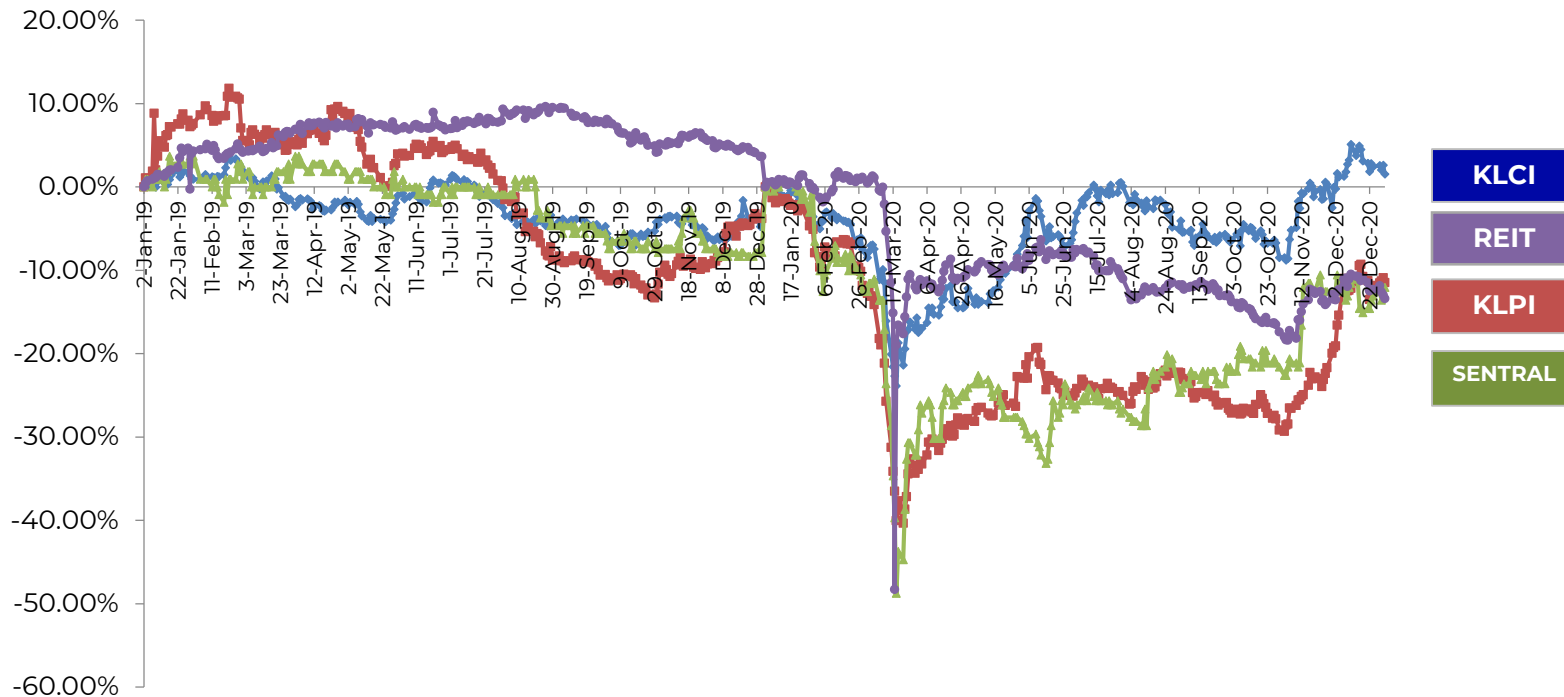
Platinum Sentral

Sentral REIT Presentation *April 2021



SENTRAL UNIT PRICE PERFORMANCE

Comparative Trading Performance Performance in Line with All Indices



MQREIT's Return on Investment

Capital Appreciation

Distribution Yield

Total Returns¹

1 Jan 2020 – 31 Dec 2020

-12.1%

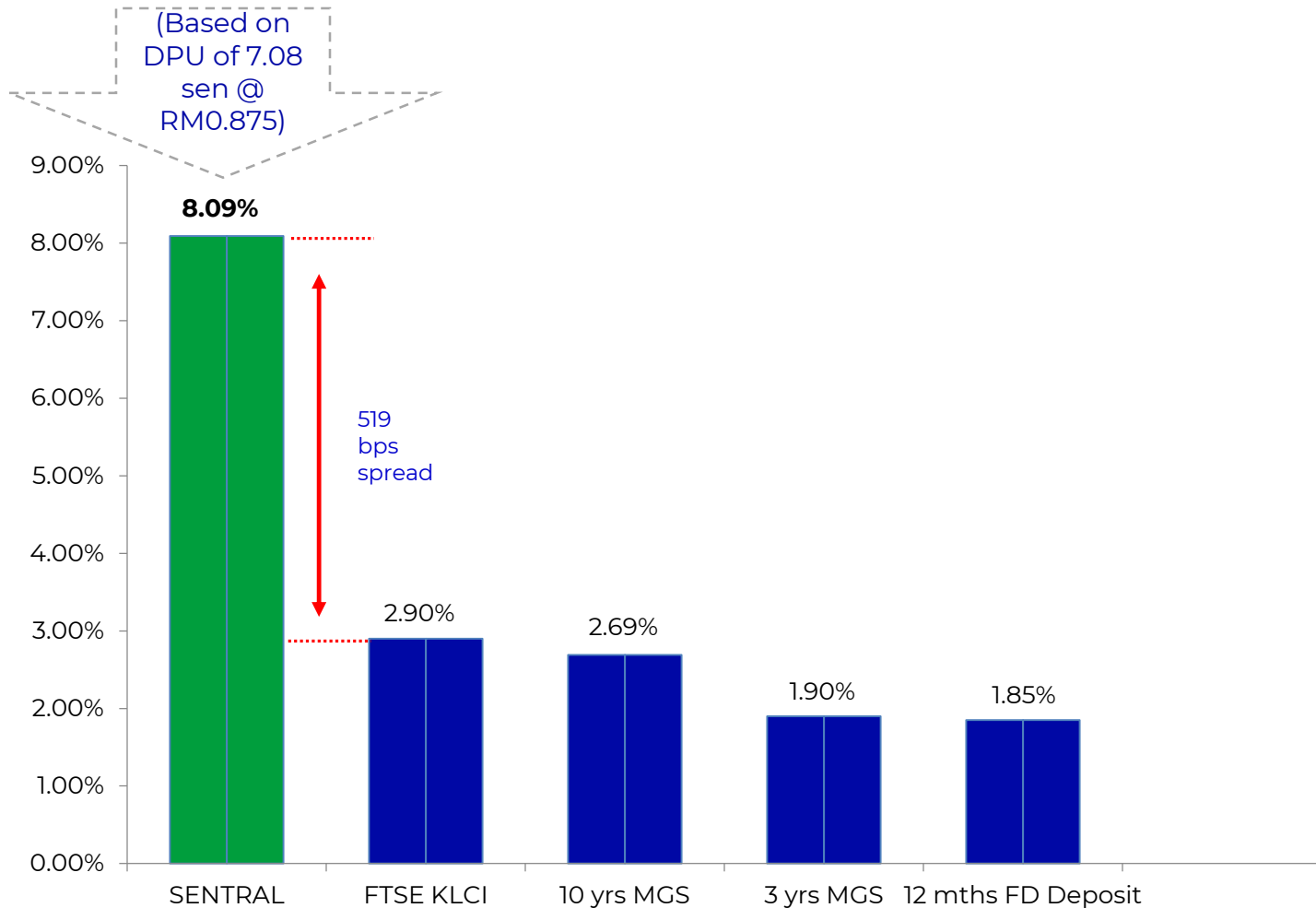
8.09%

-4.01%

1. Sum of distributions and capital appreciation for FY2020 over the closing unit price of RM0.875 on 31 December 2020.



COMPARATIVE YIELD SPREADS



Source :

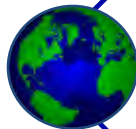
- 1) Rates for 3-yrs MGS & 10-yrs MGS rate was obtained from HSBC Daily Commentary Report dated 31 December 2020.
- 2) 12 months FD rate is from Maybank.
- 3) Dividend Yield of FTSE Bursa Malaysia KLCI as at 31 December 2020 is from Bloomberg.



- **General Economy**
- **Office Market Outlook**
- **Continuing Strategies**



FY2020/ FY2021 HEADLINES



International Monetary Fund (“IMF”) forecasts a -4.9% YoY (2019: +2.9% YoY) contraction in global growth in 2020

The global economy is expected to rebound in 2021 with a growth of 5.2% due to robust growth in the emerging and developing economies, albeit uncertainty and downside risks such as trade tensions, low commodity prices still looming



The Malaysian economy ended 2020 on a weak note. 4Q GDP contracted 3.4% y-o-y; 2020 GDP fell 5.6%, slightly undershooting the government's forecast range 3.5%-5.5% forecast

The latest wave of COVID-19 hit consumer spending at the end of 4Q, but encouragingly, exports and investment continued to improve

With limited fiscal space in Malaysia, BNM may deliver another rate cut from 1.75%



2020 - Despite concerns about growth outlook, the Malaysian equity market bounced strongly in 2020 off its March 2020 lows of 1,220. The KLCI registered an impressive recovery to end the year at 1,602.57, erasing its YTD loss and being one of the best performing ASEAN markets

2021 - After the imposition of MCO 2.0, further volatility / headwinds to loom over the equity market. An extended MCO 2.0 would also dampen corporate earnings

The Government focused on economic recovery with the on-going implementation of the RM305 billion economic stimulus package and short-term economic recovery plan (PRIHATIN, PENJANA, KitaPRIHANTIN) as well as the recently announced RM15 billion PERMAI stimulus package



Office market remains subdued : Impending increase in Klang Valley office supply exerts downward pressure on occupancy and rental rates. Covid-19 has also impacted an already vulnerable office market landscape

Businesses are required to adjust to the new normal and have to rethink and adapt to alternative work models in the wake of this pandemic and challenging business environment

Retail and hospitality market most affected by the COVID



KLANG VALLEY OFFICE MARKET OUTLOOK

(Extracted from the Property Market Commentary on Purpose-Built Office (“PBO”) Sector in Klang Valley and Purpose-Built Retail Sector in Klang Valley and Penang December 2020 prepared by C H Williams Wong and Talhar Sdn. Bhd. for SENTRAL)

Supply / Performance	Klang Valley (KV)	Zone		
		CKL	MKL	GKL
Existing Supply (million square feet)	114.93	49.39	49.67	15.87
% of Share		42.9%	43.2%	13.8%
To-date vacancy Rate	20.7%	19.7%	20.0%	25.8%
Future Supply (4Q2020 – 2022) (million square feet)	6.11	4.47	1.64	0.00
% of Share		73.2%	26.8%	0.0%

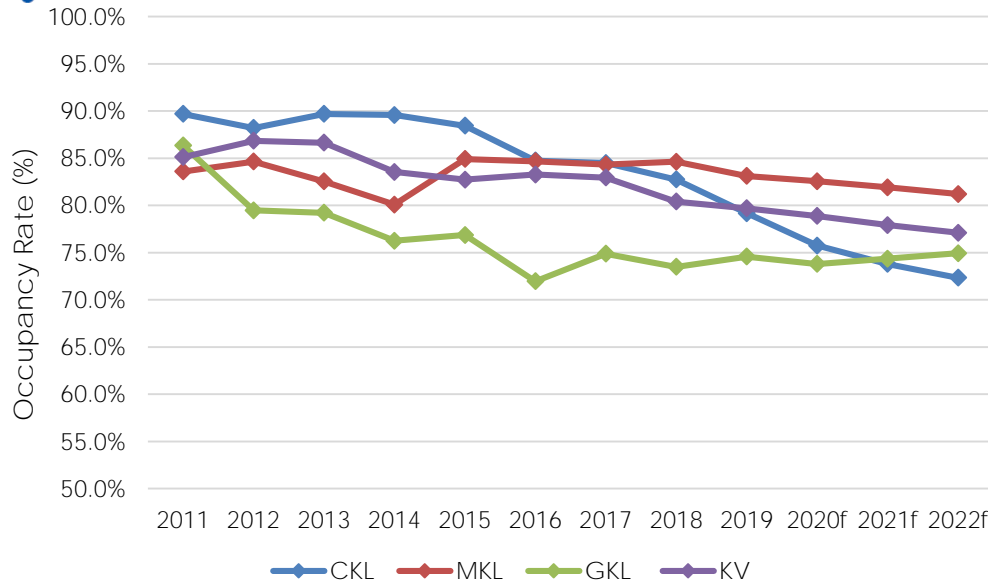
The Klang Valley (KV) had 114.93 million square feet of Purpose-Built Office (PBO) space as at 3Q2020.

In Putrajaya and Cyberjaya, the existing supply of PBO space was 5.6 million square feet and 4.01 million square feet respectively.

Another twelve (12) PBO buildings with about 6.11 million square feet of PBO space are expected to be completed by end-2022. Most of these buildings are parts of large integrated developments such as Tun Razak Exchange and Merdeka PNB 118. Due to the Movement Control Order (MCO), most of these completions were delayed to 2021 and beyond.



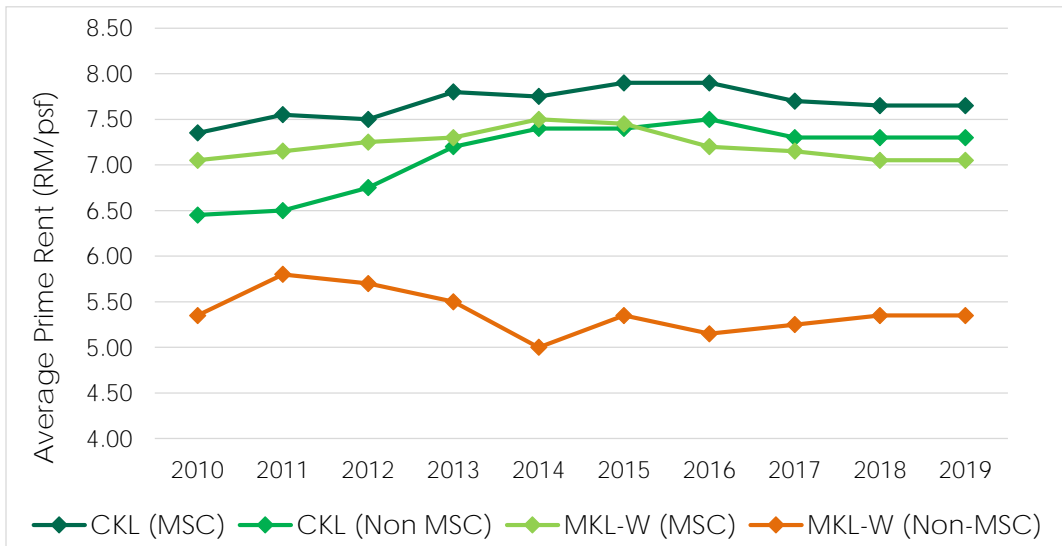
KLANG VALLEY OFFICE MARKET OUTLOOK



Abbreviation: CKL-Central Kuala Lumpur; MKL-Metropolitan Kuala Lumpur; GKL-Greater Kuala Lumpur; KV-Klang Valley; f: forecast
 Source: CBRE|WTW Research, December 2020

During the review period, the occupancy rate in Klang Valley appeared stable at 79.3%

Average occupancy in Cyberjaya was 72.6%. With the designated multi-media Super Corridor (MSC) status and the availability of infrastructure support, the office occupiers in Cyberjaya are mainly information technology (IT) and supporting back offices of finance, insurance and trading companies.



Rental rates appeared stable between RM6.50 and RM11.00 per square foot, amongst Prime PBO buildings in KV.

The rental yield remained stagnant, with more landlords likely maintaining the current rental range or provide better incentives to attract new tenancies.



KLANG VALLEY OFFICE MARKET OUTLOOK

Office Market Outlook

- With the adverse global economic performance caused by the COVID-19 pandemic, office demand will be slower. The office 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.
- Many businesses have resumed with home / flexi working arrangements. Nevertheless, physical offices will remain important as a driver for connectivity and productivity. As a part of a business continuity plan, companies are also planning multiple offices and separate support teams in different locations within the city, scattered in selected suburban office addresses.



CONTINUING STRATEGIES

- ✓ Strong tenant relations and tenant retention
- ✓ Continuous building improvements to enhance value and position assets to stay competitive
- ✓ Cost efficiencies and effectiveness



- ✓ Maintain strong balance sheet
- ✓ Appropriate interest rate management strategies
- ✓ Managing cash-flow efficiently and exercising financial discipline



- ✓ Pursue accretive acquisitions within Malaysia
- ✓ Portfolio rebalancing – consider opportunistic divestment to unlock value at appropriate times

Accolades





Malaysian Investor Relations Association Berhad (“MIRA”) **10th Malaysia Investor Relations Award 2020**



Sentral REIT received the following awards at the MIRA 10th Malaysia Investor Relations Award 2020 ceremony held virtually via a video presentation in view of the current pandemic.

- Best Chief Executive Officer for IR (Small Cap); and
- Best IR Website (Small Cap)

In terms of the rating process, nominees were scored based on a weighted 70:30 ratio between votes and diagnostic assessment conducted by KPMG respectively. The survey, with nominations classified in 10 categories, was carried out over a cumulative 3 months period and directed to an estimated 1,200 investment professionals and analysts covering Malaysian stocks. The impact of the current COVID-19 crisis was also factored in with the existing criteria in MIRA’s survey on how companies are managing communication with stakeholders in these challenging times.

Receiving the awards this year is a recognition of our continuous effort to engage with our unitholders, the investment community, and other stakeholder, and is a testament of the effectiveness of our Investor Relations function during this unprecedented times.



**SENTRAL
REIT**

DW



Thank you

For enquires, please contact:
Ms. Joyce Loh
(General Line: 603-2786 8080)
(Fax : 603-2780 0098)
(Email : joyce.loh@sentralreit.com)