



**SENTRAL
REIT**



CORPORATE PRESENTATION

4th Quarter 2021 Financial Results

20 January 2022



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Financial Results



Quill Building 5 - IBM



SENTRAL RECORDS RM19.03 MIL REALISED NET INCOME IN 4Q 2021

(RM'000)	(Unaudited) 4Q 2021	(Unaudited) 4Q 2020	Variance
Realised Revenue	40,616	41,815	-2.9%
Net Property Income	29,727	29,442	1.0%
Net Income ¹	19,035	20,611	-7.6%
Distributable Income ³	19,035	20,611	-7.6%
EPU ²	1.78 sen	1.92 sen	-7.3%
Distributable Income Per Unit	1.78 sen	1.92 sen	-7.3%

- 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



FY2021 DPU OF 7.41 SEN DECLARED

- 4.7% Increase from FY2020 DPU

(RM'000)	(Unaudited) FY 2021	(Audited) FY 2020	Variance
Realised Revenue	160,645	165,692	-3.0%
Net Property Income	122,649	126,120	-2.8%
Realised Income	84,486	80,955	4.4%
EPU ¹	7.88 sen	7.55 sen	4.4%
Distributable Income	84,486	80,955	4.4%
Distributable Income Per Unit	7.88 sen	7.55 sen	4.4%
DPU ²	7.41 sen	7.08 sen	4.7%

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

2 DPU refers to Distribution Per Unit. FY 2021 DPU of 7.41 sen is 94 % of FY 2021 distributable income of RM84.5 million



TOTAL ASSETS – RM2.180 BILLION

NAV PER UNIT – RM1.1898

	Unaudited as at 31 Mar 2021 (RM'000)	Unaudited as at 30 June 2021 (RM'000)	Unaudited as at 30 Sept 2021 (RM'000)	Unaudited as at 31 Dec 2021 (RM'000)
Non Current Assets	2,097,566	2,097,906	2,097,729	2,081,223
Current Assets	68,688	128,641	73,920	99,153
Asset Held for Sale	40,000	-	-	-
Total Assets	2,206,254	2,226,547	2,171,649	2,180,376
Current Liabilities	414,051	412,618	411,771	161,895
Non Current Liabilities	487,127	486,209	446,807	700,615
Net Assets before Distribution	1,305,076	1,327,720	1,313,071	1,317,866
Provision for Distribution	(20,695)*	(36,762)	(22,113)*	(39,120)
Net Assets after Distribution	1,284,381	1,290,958	1,290,958	1,275,209
No of Units	1,071,783	1,071,783	1,071,783	1,071,783
NAV per Unit (RM)	1.1984	1.2045	1.2045	1.1898

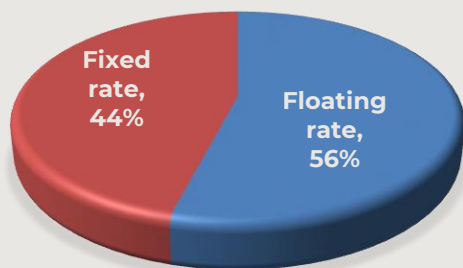
* Assuming 100% of realised net income is provided for income distribution



PRUDENT CAPITAL MANAGEMENT

- ✓ Next refinancing due in March 2022
- ✓ Stable financial indicators

Balanced Fixed and Floating Rate Composition

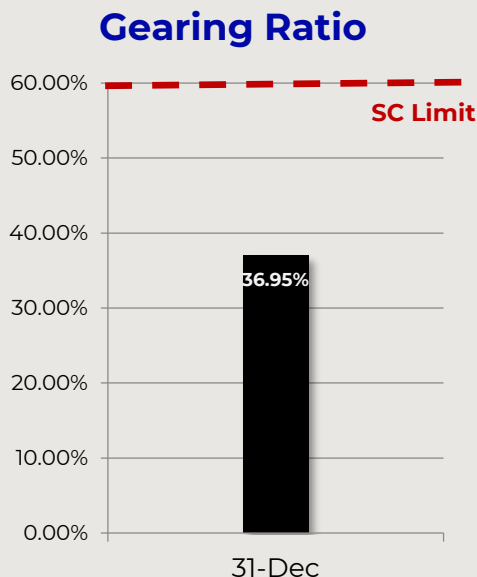


Total Debt: RM805.65 mil
(3Q 2021: RM806.15 mil)

Interest Coverage

3.90_x
(3Q 2021: 3.94x)

Gearing Ratio



Below SC limit of 60%
Decrease
(3Q 2021 : 37.12%)

Average Cost of Debt

3.55%_{pa}

Maintain
(3Q 2021 : 3.55% pa)

Average Debt to Maturity

3.16_{years}

Increase
(3Q 2021 1.81 years)

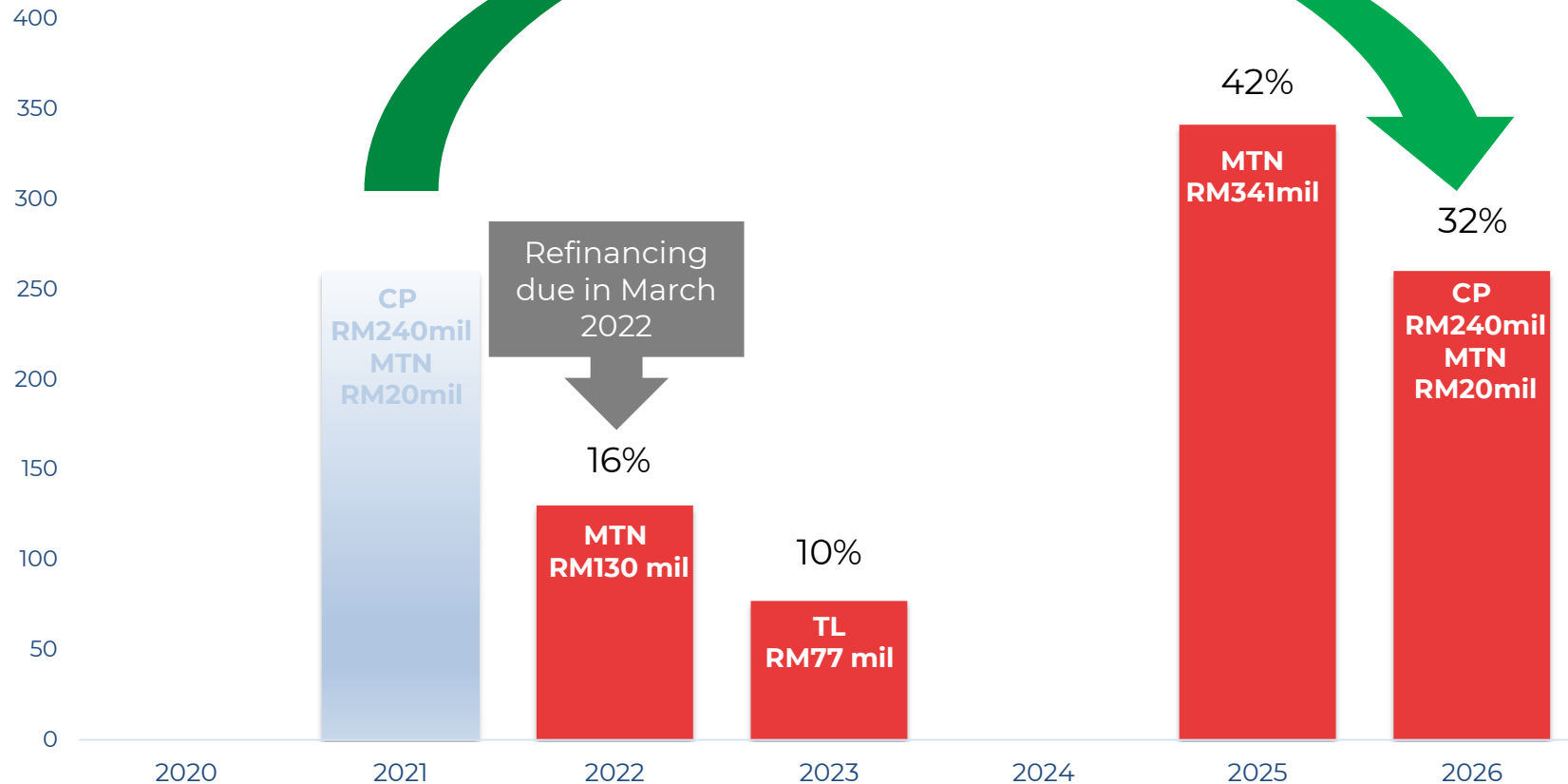


Debt Profile (cont'd)

- Completed All Refinancing Due in 2021
- Next Refinancing Due in March 2022

Average debt to maturity : 3.16 years

RM(mil)



Note;

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

Portfolio Update @ 31 December 2021



Quill Building 3 - BMW



PORTFOLIO OF QUALITY ASSETS – 31 DEC 2021



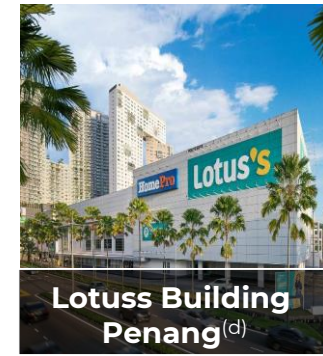
**Portfolio
Occupancy
Rate:
90%**

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



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

**Market Value
of
9 Properties:
RM2.081 bil**



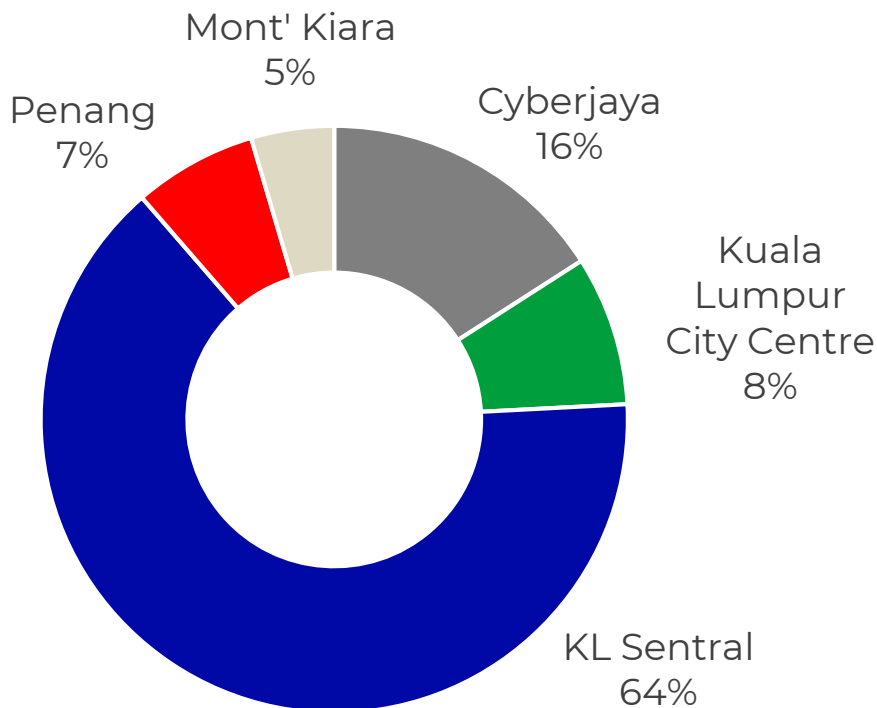
The Properties were valued by the following independent firm of professional valuers registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers namely:

- a) Nawawi Tie Leung Property Consultants Sdn. Bhd
- b) CH Williams Talhar & Wong Sdn. Bhd
- c) Knight Frank Malaysia Sdn. Bhd
- d) IVPS Property Consultant Sdn. Bhd



GEOGRAPHICAL DIVERSIFICATION

By Valuation



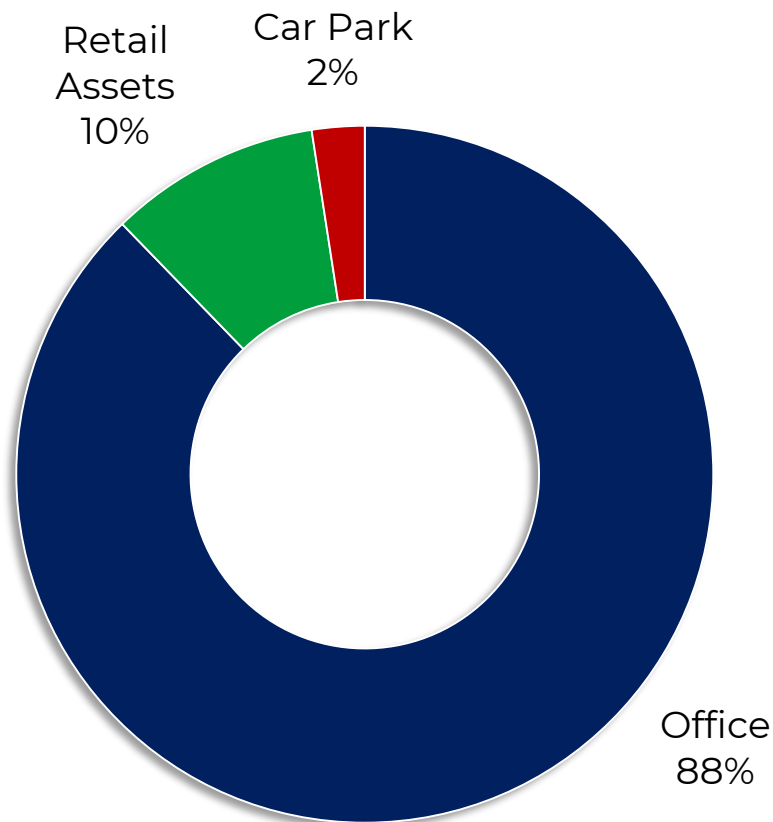
Klang Valley	77%
Cyberjaya	16%
Penang	7%

Notes:

- (1) 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 and Property Managers.



DIVERSIFIED SEGMENTAL CONTRIBUTIONS



By Valuation

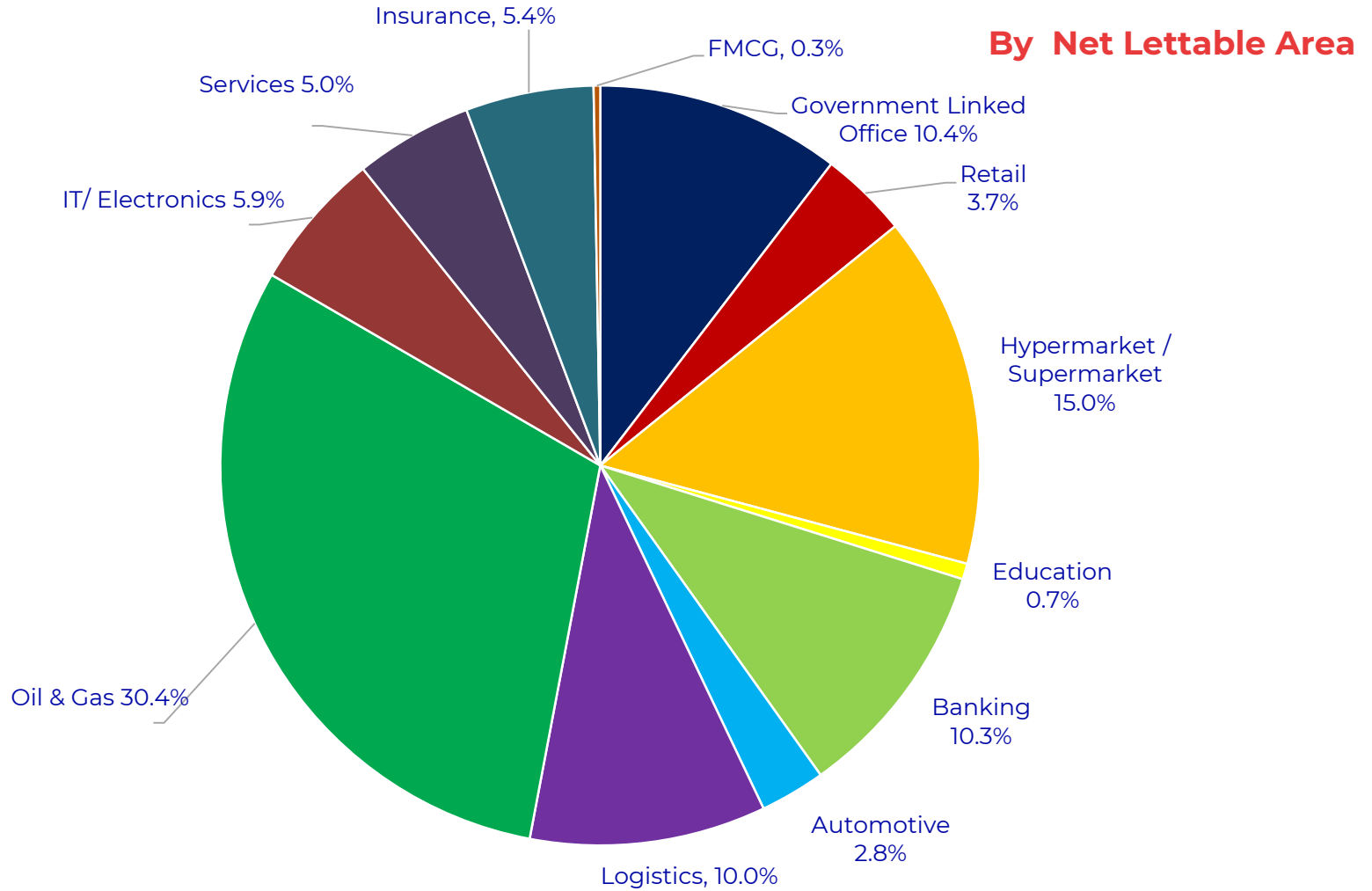
Notes:

- (1) Office comprises Quill Buildings, Platinum Sentral, Wisma Technip and Menara Shell
- (2) Retail refers to retail portion of Plaza Mont' Kiara & Lotuss 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 and Property Managers.



TENANT MIX

Well Balanced Tenancy Mix



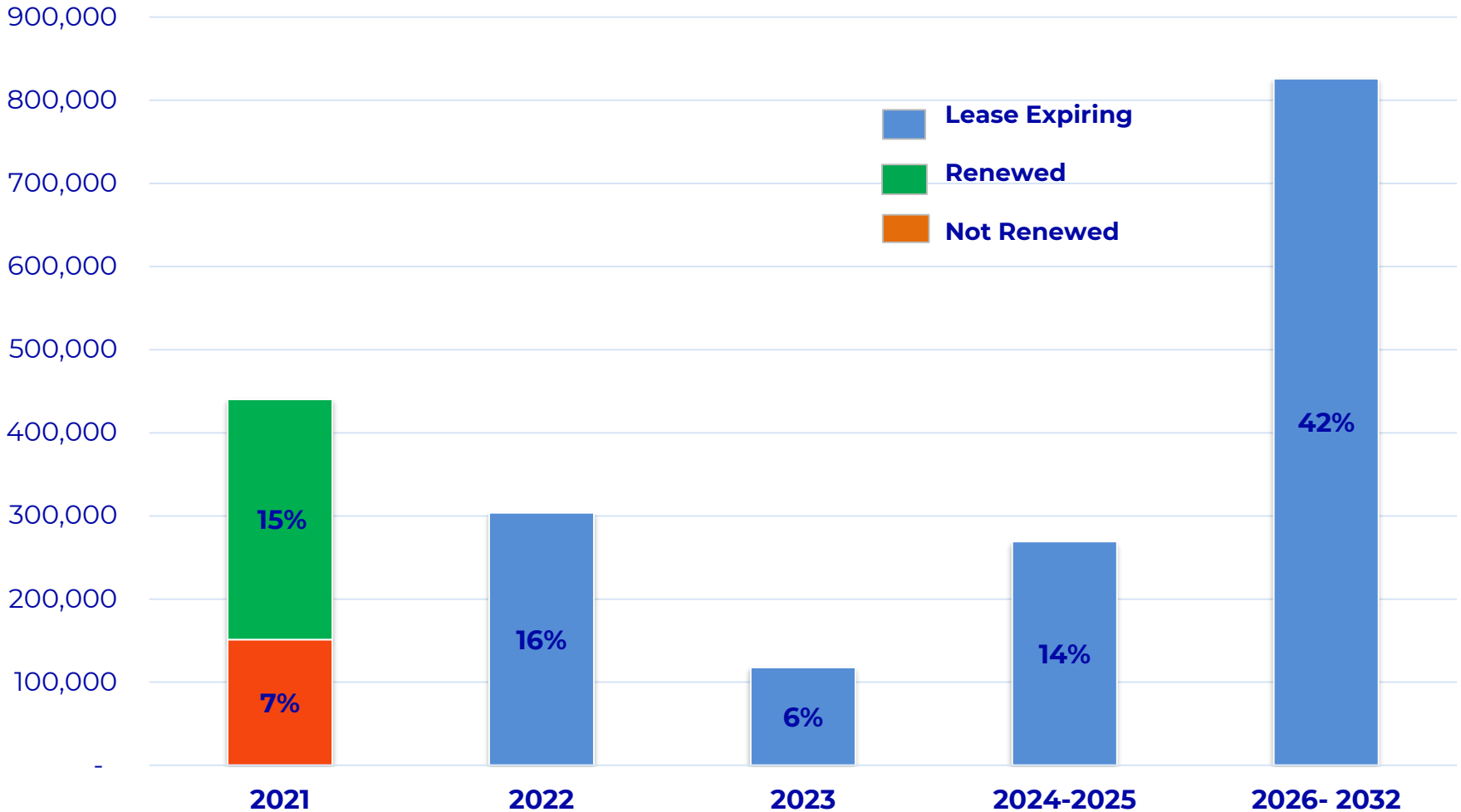


LEASE EXPIRY PROFILE

- 22% of Committed NLA due in 2021 – 66% Renewal Rate

sq ft

Lease Up for Renewal by NLA - 31 Dec 2021



% of net lettable area that are due for renewal
Sentral REIT Presentation *January 2022*

KLCA & Cyberjaya Office Market Outlook





KLANG VALLEY OFFICE MARKET OUTLOOK

□ (extracted from the Property Market Overview 2021 prepared by Knight Frank Malaysia Sdn Bhd)

- The existing supply of purpose-built office space in Greater Kuala Lumpur / Klang Valley, has been increasing at a steady pace over the years. As of 3Q2021(p), its cumulative existing supply stands at circa 112.7 million sq. ft.
- In the supply pipeline is circa 10.4 million sq ft of space with scheduled completions by 2023. The bulk of incoming office supply at circa 8.3 million sq ft (79.5%) will be from Kuala Lumpur whilst the remaining space of circa 2.1 million sq ft (20.5%) will come from Selangor.
- In 3Q2021, the overall occupancy rate of office space in Kuala Lumpur declined further to post at 74.3% (2020: 76.0%), impacted by the coronavirus pandemic. The overall occupancy rates for the sub-markets of Petaling Jaya, Subang Jaya and Cyberjaya declined by 3.8%, 2.0% and 2.2% to record at 74.7%, 79.1% and 73.4% respectively (2020: Petaling Jaya – 78.5%, Subang Jaya – 81.1% and Cyberjaya – 75.6%)
- The average rental rate of office space in Kuala Lumpur declined to RM6.39 per sq ft per month in 3Q2021(p) (2020: RM6.60 per sq ft per month). In the sub-markets of Petaling Jaya, Subang Jaya, Shah Alam and Cyberjaya, the average monthly rentals were in the region of RM4.40 per sq ft; RM4.17 per sq ft; RM3.45 per sq ft and RM3.80 per sq ft respectively.



KLANG VALLEY OFFICE MARKET OUTLOOK

- extracted from the Property Market Overview 2021 prepared by Knight Frank Malaysia Sdn Bhd)
- Outlook of Office Space in Klang Valley
 - Remote and hybrid working models are still in consideration while physical office space remains important for purposes of collaboration and to ensure high productivity.
 - The unprecedented crisis has also compelled many organisations to rethink their standard operating mode while embracing technology such as cloud-based IT solutions and communication channels in their business operations.
 - In the near term, the rental rates and occupancy levels of office buildings in Malaysia, especially in Klang Valley where there is also an imbalance in supply and demand, will continue to experience downward pressure. Additionally, as companies downsize and relocate during the pandemic, plenty of fit-out units are left behind in the market. Landlords, therefore, are ready to negotiate for more competitive rents, thus, resulting in declining rental trend in KL City. On the other hand, KL Fringe managed to stabilise its occupancy as landlords are forthcoming to negotiate rentals to retain tenants.
 - Kuala Lumpur office market is seen to be sustaining the pandemic with landlords continuing to offer incentives such as rent-free period, refurbishment cost amortization, flexible tenancy terms and space usage to remain competitive in the market.

Conclusion





FY2021 IN SUMMARY

FY2021 DPU of 7.41 sen declared translating to a DPU yield of 8.19%*

- Achieved FY2021 realised EPU of 7.88 sen, a 4.4% increase from FY2020 EPU of 7.08 sen
- FY 2021 DPU of 7.41 sen is 4.7% higher than the FY 2020 DPU of 7.08 sen
- Completed renewals due in 2021 with 66% renewal rate
- Sentral REIT's portfolio occupancy rate as at 31 December 2021 was 90.0%
- Completed refinancing of RM260 million debt in December 2021

**Based on unit price as at 31 December 2021 of RM0.905 per unit*

Year 2022 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

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