

# 1Q 2021 Interim Business Update



## CEO's Message



### **Market outlook amidst COVID-19...**

*Global growth prospects firmed in the quarter as markets picked up, with market watchers saying the industrial sector is seeing a recovery although uncertainties remain.*

### **Continued progress on our Refreshed Strategy with proactive leasing and AEI...**

*As part of our Refreshed Strategy, we have continued our proactive leasing efforts to attract quality tenants in expansionary sectors such as data centre and electronics relocating from premier addresses, improving our total portfolio occupancy to 79.0% with an overall 3.1% rental reversion.*

*More than 400,000 sq ft of new leases were secured in this quarter alone, which is equivalent to 74.0% of the leases secured in the entire year in 2020. This includes a new 5-year master lease for 33 & 35 Penjuru Lane and new tenants at 151 Lorong Chuan, 34 Penjuru Lane and 8 Commonwealth Lane. We also renewed over 66,000 sq ft in leases.*

*Of the 2021 lease expiries, 57.0% have either been renewed or signed a new lease. There are no master lease expiries for 2021 and 2022.*

*Our commitment towards executing the AEI at New Tech Park amid the pandemic has also paid off as we have received TOP for NTP+ and are on track to opening the mall in 2Q 2021. We are pleased that NTP+ has achieved an occupancy of 96.7% as at end-Mar 2021 and rental contributions are expected to start from 2Q 2021 onwards. This in turn creates an uplift for the larger New Tech Park, which is the crown jewel in our portfolio.*

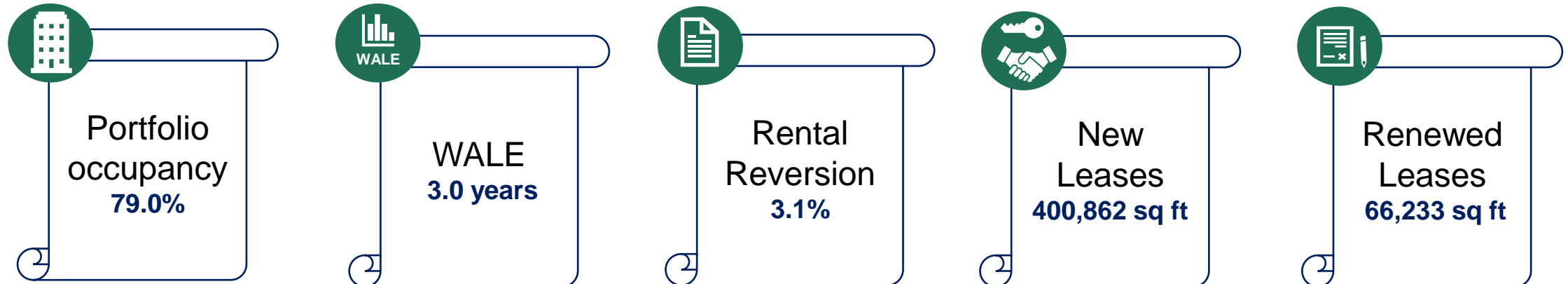
**~Mr. Donald Han, CEO of Sabana REIT Manager**



## Key Quarterly Highlights

- Temporary Occupation Permit (TOP) for NTP+ obtained; occupancy for NTP+ at 96.7%.
- Portfolio occupancy at a healthy 79.0%. Excluding 1 Tuas Avenue 4, which is held for divestment, occupancy would have been **81.9%**.
- Secured new **5-year master lease** for 33 & 35 Penjuru Lane (subject to JTC's approval) which is currently a 1-year master lease.
- Signed 400,862 sq ft of new leases - equivalent to **~74.0% of last year's** total new leases signed. Renewed 66,233 sq ft of leases, with a positive rental reversion of **3.1%**.
- Of the 2021 lease expiries, 57.0% have either been renewed or signed a new lease. No master lease expiries for 2021 and 2022.
- Obtained new Commodity Murabahah facilities amounting to \$148.92 million, and have kick-started negotiations with its lender on the remaining \$30.0 million facility maturing end-2021.

## Portfolio and Operational Updates as at 31 March 2021

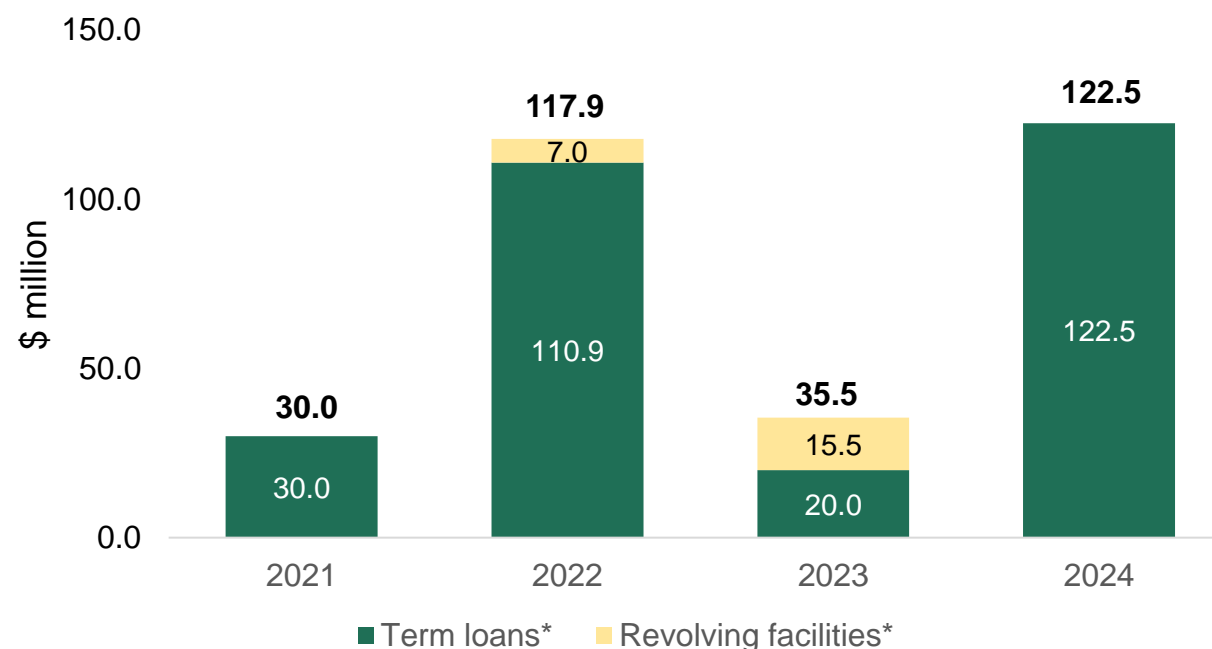


# Key Capital Management Indicators

## Capital Management Update

As at 31 March 2021	
Borrowings (\$ million)	305.9
Weighted average tenor of borrowings (years)	2.2
Average all-in financing costs (%)	3.4
Aggregate leverage <sup>(1)</sup> (%)	35.9
Proportion of borrowings on fixed rates (%)	46.6

## Debt maturity profile as at 31 March 2021

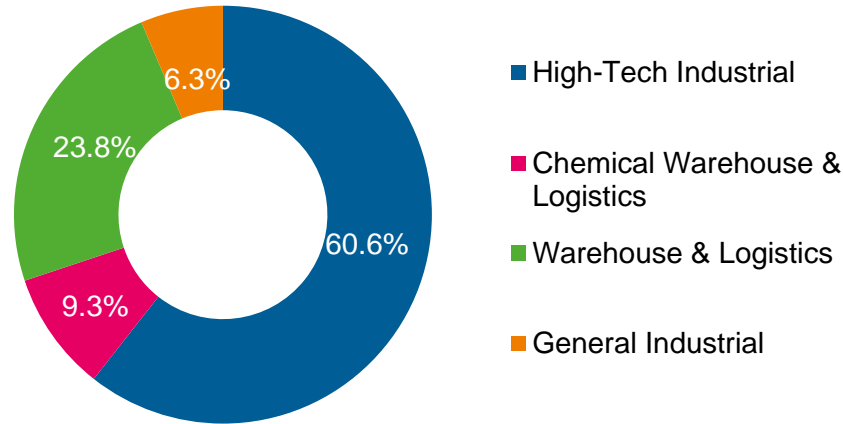


(1) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.

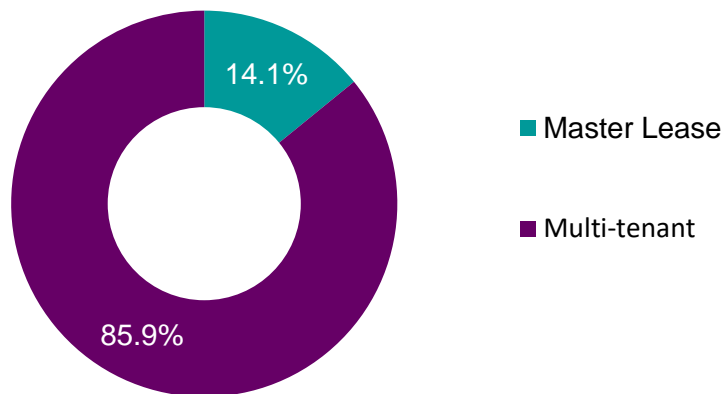
\* All borrowings are on secured basis.

# Portfolio Performance as at 31 March 2021

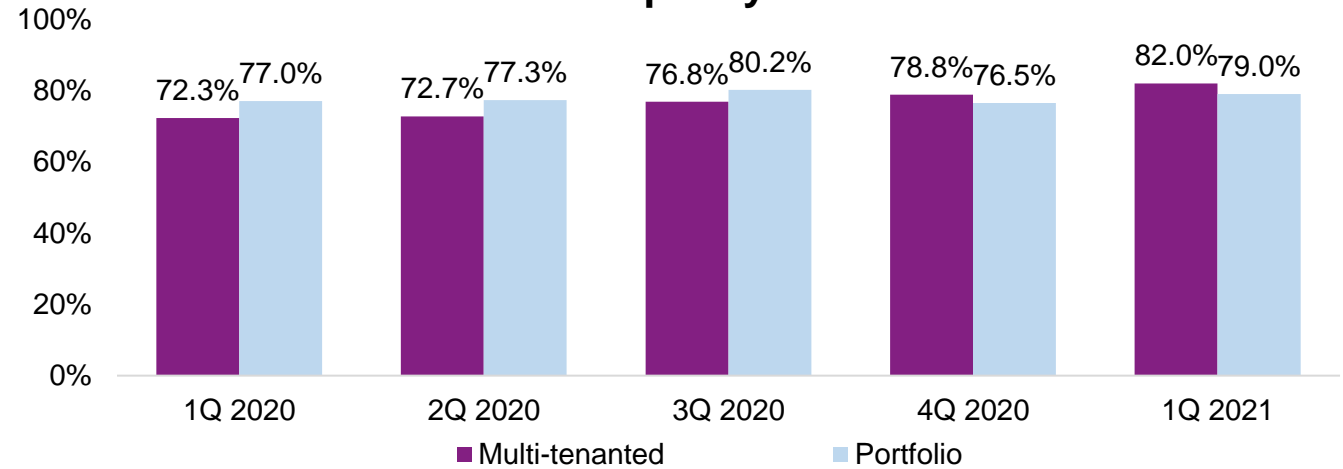
**Breakdown of Asset Types  
By Gross Rental Income**



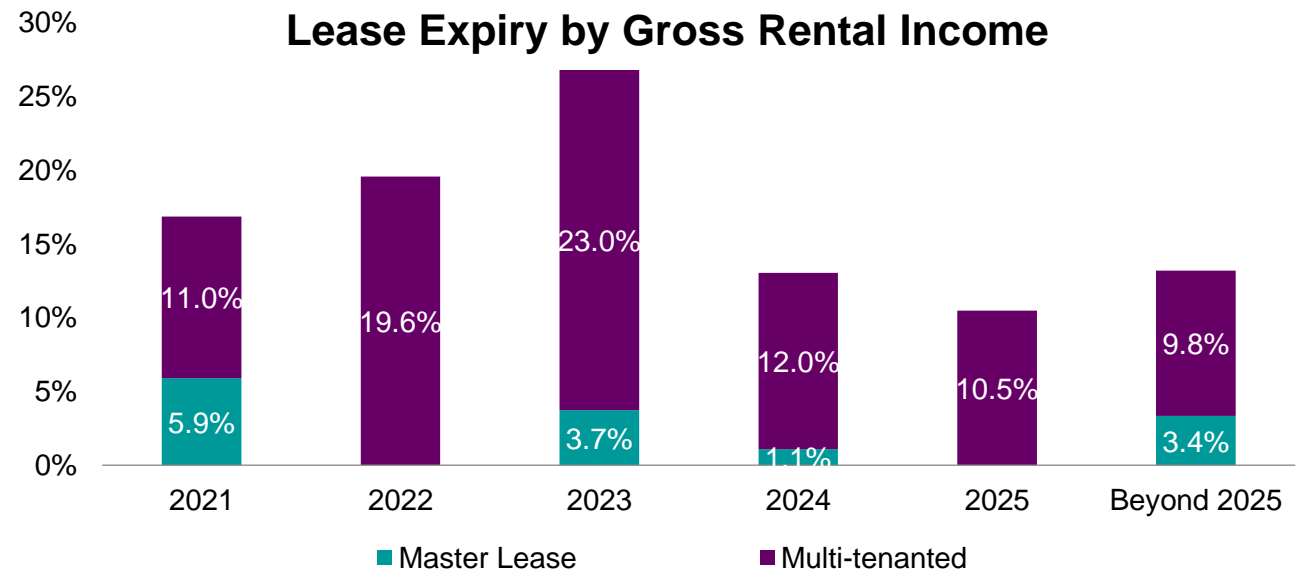
**Breakdown of Master-leased and Multi-tenanted Properties  
By Gross Rental Income**



**Occupancy Rates**



**Lease Expiry by Gross Rental Income**



# Continued progress on Refreshed Strategy and Corporate Updates

## Sustained progress of AEI at New Tech Park; NTP+ to open soon



### On track for NTP+ to open in 2Q 2021

- Rental contributions are expected to start from 2Q 2021 onwards
- Tenants' fit out works are in progress - first few tenants expected to commence business in May

### Kickstarted upgrading works for rest of larger New Tech Park space

- Staggered works to minimise disruptions:
  - Completing electrical infrastructure upgrading in 2Q 2021
  - Replacing passenger lifts by 4Q 2021
  - Other common areas will be upgraded progressively
- Already seeing positive spillover effects from NTP+ and upgrading works – onboarded quality tenants in expansionary sectors (data centre and electronics) over past 6 months totaling ~67,000 sf



### Exploring options to maximise plot ratio

- To engage with authorities to implement maximisation of plot ratio to 2.50 from 2.02

## Proactive lease management of portfolio

- Exploring viable options for 30/32 Tuas Avenue 8 through divestment, lease or build-to-suit
  - In discussions on potential opportunities with prospective tenants

## Resignation of 2 Independent Directors

- Mr Yeo Wee Kiong and Mr Willy Shee Ping Yah's last day of service with the Manager on 26 April 2021 after completing notice period
- The Board is still searching for suitable candidates as Independent Directors as replacements, as soon as practicable

# Contact Us



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## **Important Notice**

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# ANNEX: Refreshed Strategy

## Priority

### PHASE 1

- a. Divesting Non-Performing and Mature Assets
- b. Continue to Actively Manage and Optimise Portfolio

### PHASE 2

Undertake Asset Enhancement Initiatives (“AEIs”) and select rejuvenation of portfolio

## Opportunistic

### PHASE 3

Potential Yield-Accretive Acquisitions including Overseas



### All underpinned by

- Prudent Risk and Capital Management
- Ongoing Cost Rationalisation