



(Formerly known as MRCB-Quill REIT)

NEWS RELEASE

10 November 2021

Sentral REIT records 3.0% increase in 3Q 2021 Realised Net Income

Kuala Lumpur, 10 November 2021: Sentral REIT Management Sdn Bhd (formerly known as MRCB Quill Management Sdn Bhd) (“SRM”), the Manager of Sentral REIT (formerly known as MRCB-Quill REIT) (“SENTRAL” or “Trust”), a listed real estate investment trust, wishes to announce that SENTRAL achieved a realised net income of RM22.11 million for the third quarter of 2021 (“3Q 2021”). This is an increase of approximately 3.0% from the realised net income of RM21.48 million recorded for the third quarter of 2020 (“3Q 2020”). Despite lower revenue contribution from SENTRAL’s portfolio, higher realized net income for this quarter was achieved, mainly attributable to lower property operating expenses and finance cost. Correspondingly, realised earnings per unit (“EPU”) and distributable income per unit for 3Q 2021 of 2.06 sen were recorded.

In respect of the nine months period from 1 January 2021 to 30 September 2021 (“YTD 2021”), SENTRAL has recorded a realised net income and EPU of RM65.45 million and 6.11 sen respectively, an increase of 8.5% from the corresponding period in 2020.

SENTRAL’s unaudited Consolidated Financial Statements for 3Q 2021 and YTD 2021 results are available on its website (www.sentralreit.com) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL’s 3Q 2021 and YTD 2021 Results

	(unaudited) 3Q 2021 (RM’000)	(unaudited) 3Q 2020 (RM’000)	Variance	(unaudited) YTD 2021 (RM’000)	(unaudited) YTD 2020 (RM’000)	Variance
Realised Revenue	40,790	42,057	-3.0%	120,029	123,877	-3.2%
Net Property Income	32,473	32,398	0.2%	92,923	96,679	-3.9%
Realised Net Income	22,113	21,478	3.0%	65,451	60,344	8.5%
Distributable Income*	22,113	21,478	3.0%	65,451	60,344	8.5%
EPU	2.06 sen	2.00	3.0%	6.11 sen	5.63	8.5%
Distributable Income Per Unit*	2.06 sen	2.00	3.0%	6.11 sen	5.63	8.5%

Tan Sri Saw Choo Boon, Chairman of SRM said: “As the national vaccination programme continues to make good headway, we are looking forward for the progressive reopening of various economic sectors and also a healthy rebound in the property sector by the end of this year. Although this recovery may face certain headwinds with the possibility of further resurgences of the COVID-19 pandemic, SENTRAL will continue to manage our assets actively and be in the position to take advantage of this eventual recovery.”

Ms. Yong Su-Lin, Chief Executive Officer of SRM said: “The Manager’s proactive leasing efforts has kept SENTRAL’s portfolio occupancy at a healthy 91% as at 30 September 2021, resulting in SENTRAL’s stable performance for the quarter. In terms of lease renewals, SENTRAL has approximately 440,000 sq. ft. (22% of its total leased net lettable area) due for renewal in 2021 with the bulk of these leases due in the last quarter of 2021. Up to 3Q 2021, 198,000 sq. ft. of leases were due, of which approximately 81% of these leases have been successfully renewed. We are now finalising the remainder of leases due in the last quarter. With the reopening of the economy, we could be faced with the risk of resurgence of COVID-19 cases. Therefore, it is our commitment to continue to keep a close watch on the situation, reach out to tenants who are adversely impacted and be able to offer flexible and viable tenancy options as part of our tenant retention initiatives.”

SENTRAL continues to stay disciplined and prudent in its capital management. As at 30 September 2021, SENTRAL’s average cost of debt remained competitive at 3.55% p.a. Lower aggregate gearing ratio of 37.1% was recorded following the early repayment of a term loan amounting to RM40 million. SENTRAL’s debt maturity profile remains well-distributed with its RM260 million debt due for refinancing in December 2021 progressing as planned via the establishment of the new commercial paper and medium term notes programmes as announced on 15 October 2021.

Ms. Yong said: “Part of the proceeds from the disposal of Quill Building 5 were utilised for the early repayment of the term loan drawn in 2008 for the acquisition of the said building. Retiring part of this term loan is in line with the SENTRAL’s proactive capital management strategy to ensure that the Trust maximizes returns to unitholders and also to maintain a comfortable debt headroom to pursue growth or future acquisitions. While SENTRAL has sufficient liquidity to meet its interest servicing obligations for its current committed debt, we will continue to exercise prudence in maintaining a strong balance sheet and cash flow management.

- End -

About Sentral REIT (formerly known as MRCB-Quill REIT)

Sentral REIT is a commercial Real Estate Investment Trust (REIT), established through the restated trust deed dated 2 December 2019 and the supplemental deed dated 24 December 2020. Managed by Sentral REIT Management Sdn Bhd (formerly known as MRCB Quill Management Sdn Bhd) (“SRM”), the main thrust of Sentral REIT’s activities include acquiring and investing in commercial properties in Malaysia to provide unitholders with long-term and sustainable distribution of income and to achieve long-term growth in the net asset value per Unit. To-date, Sentral REIT owns 9 buildings comprising four in Cyberjaya, four in Kuala Lumpur, and one in Penang, valued at RM2.097 billion as at 31 December 2020.

SRM is owned by Malaysian Resources Corporation Berhad (41%), Quill Resources Holding Sdn Bhd (39%); and Global Jejaka Sdn Bhd (20%).

Issued by:

Sentral REIT Management Sdn Bhd
(formerly known as MRCB Quill Management Sdn Bhd)

For media enquiries, please contact:

Joyce Loh

Tel: 03-2859 7175

Fax: 03-2780 0098

Email: joyce.loh@sentralreit.com

IMPORTANT NOTICE

The past performance of Sentral REIT is not indicative of the future performance of Sentral REIT. Similarly, the past performance of Sentral REIT’s Manager is not indicative of the future performance of the Sentral REIT’s Manager.

The value of units in Sentral REIT (“Sentral REIT Units”) and the income derived from them may fall as well as rise. The Sentral REIT Units are not obligations of, deposits in, or guaranteed by, the Sentral REIT Manager. An investment in the Sentral REIT Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Sentral REIT Manager redeem or purchase their Sentral REIT Units while the Sentral REIT Units are listed. It is intended that holders of the Sentral REIT Units may only deal in their Sentral REIT Units through trading on Bursa Malaysia Securities Berhad (“Bursa Malaysia”). Listing of the Sentral REIT Units on the Bursa Malaysia does not guarantee a liquid market for the Sentral REIT Units.

This release may contain forward-looking statements that involve assumptions, 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 limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Sentral REIT Manager on future events.