



(Formerly known as MRCB-Quill REIT)

NEWS RELEASE

... 19 January 2021

Sentral REIT recorded an 12.3% increase in Earnings Per Unit for FY2020

- Sentral REIT declares a Distribution Per Unit of 7.08 sen for FY2020

Kuala Lumpur, 19 January 2021: MRCB Quill Management Sdn Bhd ("MQM"), the manager of Sentral REIT (formerly known as MRCB-Quill REIT), a listed real estate investment trust, wishes to announce that Sentral REIT achieved a realised net income of RM20.61 million for the fourth quarter of 2020 ("4Q 2020"), which is 10.8% higher than the realised net income of RM18.61 million recorded for the fourth quarter of 2019 ("4Q 2019"). The higher realized net income for this quarter was mainly attributable to lower property operating expenses and finance cost incurred. For the full year, Sentral REIT achieved a realised net income and distributable income of RM80.95 million, an increase of 12.3% and 10.9% compared to the realised net income and distributable income of RM72.11 million and RM73.01 million recorded for the financial year ended 31 December 2019 ("FY2019"). Correspondingly, realised earnings per unit ("EPU") and distributable income per unit of 7.55 sen for financial year ended 31 December 2020 ("FY2020") was achieved.

FY2020 distribution per unit ("DPU") is 7.08 sen, which is 4.1% higher compared to the FY2019 DPU of 6.80 sen. The FY2020 DPU of 7.08 sen translates to a distribution yield of 8.09% based on the closing price of RM0.875 per unit as at 31 December 2020.

FY2020 DPU of 7.08 sen consist of an interim distribution of 3.43 sen which was paid to Sentral REIT unitholders on 30 September 2020 and the proposed final distribution of 3.65 sen for the six-month period ended 31 December 2020. The proposed final distribution of 3.65 sen is expected to be paid on Friday, 26 February 2021.

Summary of Sentral REIT's 4Q 2020 and FY2020 Results

	(Unaudited) 4Q 2020 (RM'000)	(Unaudited) 4Q 2019 (RM'000)	Variance	(Unaudited) FY 2020 (RM'000)	(Audited) FY 2019 (RM'000)	Variance
Realised Revenue	41,815	41,984	-0.4%	165,692	162,066	2.2%
Net Property Income	29,442	30,145	-2.3%	126,120	121,748	3.6%
Realised Net Income	20,611	18,608	10.8%	80,955	72,108	12.3%
EPU	1.92	1.74 sen	10.8%	7.55	6.73 sen	12.3%
Distributable Income	20,611	18,608	10.8%	80,955	73,008	10.9%
Distributable Income Per Unit	1.92	1.74 sen	10.8%	7.55	6.81 sen	10.9%
Distribution Per Unit (DPU)	-	-	-	7.08	6.80 sen	4.1%

Tan Sri Saw Choo Boon, Chairman of MQM said: "Despite the challenging Klang Valley office market environment, Sentral REIT has recorded stable financial performance. Moving into 2021 and with the reimplementations of the Movement control order on 13 January 2021 due to the recent resurgence of the COVID-19 cases in Klang Valley, we are anticipating the challenging office market and economic outlook to persist. Accordingly, on-going asset management and leasing strategies centered on tenant retention as well as prudent cost management will be intensified and will remain our focus to ensure stable occupancy and sustainable income contribution are achieved in 2021."

Ms. Yong Su-Lin, Chief Executive Officer of MQM said: "Sentral REIT had approximately 371,000 sq. ft. (19% of its total leased net lettable area ("NLA")) due for renewal in 2020. The Manager's active leasing and asset management strategies throughout the year has ensured a retention rate of 85% and correspondingly, achieved a healthy weighted average lease expiry ("WALE") of 4.51 years and 90% occupancy rate for its property portfolio as at the end of FY2020. Meanwhile, approximately 440,000 sq. ft. or 22% of its total leased NLA will be up for renewal this year. In line with our on-going marketing strategies, we have initiated early renewal negotiations for some tenancies and planned for asset enhancement initiatives centered on enhancing the quality and physical condition of Sentral REIT's properties."

She added: "As at 31 December 2020, Sentral REIT's gearing ratio stood at 37.9% with a balanced composition of 46% fixed borrowings of its total borrowing. We have kept 54% of the borrowings on floating rate as we anticipate that Malaysia's monetary policy will continue to remain supportive of economic recovery with room for further easing if needed amid the current economic environment. While Sentral REIT has sufficient liquidity to meet its interest servicing obligations for its current committed debt, it is vital that we continue to exercise prudence in maintaining a strong balance sheet and cash flow management."

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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 MRCB Quill Management Sdn Bhd ("MQM"), 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. Currently, Sentral REIT owns 10 buildings comprising five in Cyberjaya, four in Kuala Lumpur, and one in Penang, valued at RM2.137 billion as at 31 December 2020.

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

Issued by:

MRCB Quill Management Sdn Bhd

For media enquiries, please contact:

Joyce Loh

Tel: 03-2859 7175

Fax: 03-2780 0098

Email: joyce.loh@mrcb.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.