

NEWS RELEASE
10 November 2022
Sentral REIT Achieves 3Q 2022 and YTD 2022 Realised Net Income of RM18.2 Million and RM57.0 Million Respectively

Kuala Lumpur, 10 November 2022: Sentral REIT Management Sdn Bhd (“SRM”), the Manager of Sentral REIT (“SENTRAL” or “Trust”), a listed real estate investment trust, wishes to announce that SENTRAL achieved a realised net income and realized earnings per unit (“EPU”) of RM18.2 million and 1.70 sen respectively for the third quarter of 2022 (“3Q 2022”).

Correspondingly for the nine months period from 1 January 2022 to 30 September 2022 (“YTD 2022”), SENTRAL recorded a realised net income and EPU of RM57.0 million and 5.32 sen respectively, a decrease of 12.9% from the corresponding period in 2021 which included the one-off gain of RM3.75 million from the divestment of Quill Building 5. The lower income recorded in YTD 2022 was mainly due to lower revenue contribution from Wisma Technip and Quill Building 2 which was partially offset by increase in revenue from Menara Shell and Plaza Mont Kiara, lower property expenses and finance cost.

SENTRAL’s unaudited Consolidated Financial Statements for 3Q 2022 and YTD 2022 results are available on its website (www.sentralreit.com) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL’s 3Q 2022 and YTD 2022 Results

	(unaudited) 3Q 2022 (RM’000)	(unaudited) 3Q 2021 (RM’000)	Variance	(unaudited) YTD 2022 (RM’000)	(unaudited) YTD 2021 (RM’000)	Variance
Realised Revenue	35,949	40,790	-11.9%	112,301	120,029	-6.4%
Net Property Income	28,405	32,473	-12.5%	86,851	92,923	-6.5%
Realised Net Income	18,205	22,113	-17.7%	57,015	65,451*	-12.9%
Distributable Income*	18,205	22,113	-17.7%	57,015	65,451*	-12.9%
EPU Distributable Income Per Unit**	1.70 sen 1.70 sen	2.06 sen 2.06 sen	-17.7% -17.7%	5.32 5.32	6.11 sen* 6.11 sen*	-12.9% -12.9%

** Distributable Income refers to realised income after taxation adjusted for income previously not distributed. Distributable income per unit for the current quarter / period is computed based on the units in circulation of 1,071,783,000.

* Includes the gain on divestment of Quill Building 5 of RM3.75 million.

Tan Sri Saw Choo Boon, Chairman of SRM said: “SENTRAL’s performance to-date has been satisfactory taking into consideration the challenging outlook of the Klang Valley office market and the rising interest rate environment, which we expect will persist throughout the rest of the year. SENTRAL remains committed to drive sustainable income and long-term growth and will focus on repositioning its property portfolio to meet the current shifts in the office market environment.”

Mr. Derek Teh Wan Wei, Chief Executive Officer of SRM said: “SENTRAL has approximately 511,000 sq. ft. (or 28% of its total committed net lettable area) due for renewal in 2022, with 494,000 sq. ft. or 96% of these leases due up to YTD 2022. Overall, SENTRAL achieved a renewal rate of 40% for the period. In line with the resumption of business activities post pandemic lockdowns and the gradual return of employees to the office, we expect momentum of the Klang Valley office sector to progressively pick up. Riding on this positive momentum, we have intensified leasing efforts to market the available spaces within the portfolio with the aim of improving the portfolio occupancy rate.”

He added: “SENTRAL’s capital management approach continues to be prudent and disciplined. As Bank Negara Malaysia continues with its monetary tightening path, regular reviews will be carried out on the optimal mix of fixed and floating rate borrowings.”

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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 Sentral REIT Management Sdn Bhd (formerly known as MRCB Quill Management Sdn Bhd) (“SRM”), the main thrust of Sentral REIT’s activities includes 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 RM2.081 billion as at 31 December 2021.

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

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Sentral REIT 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.