



NEWS RELEASE

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Sentral REIT Achieved Stable 1Q 2022 Realised Net Income of RM20.4 million

Sentral REIT Management Sdn Bhd (“SRM”), the manager of Sentral REIT (“SENTRAL”), a listed real estate investment trust, wishes to announce that SENTRAL achieved a realised net income of RM20.4 million for the first quarter of 2022 (“1Q 2022”). This is a marginal decrease of approximately 1.6% from the realised net income of RM20.7 million recorded for the first quarter of 2021 (“1Q 2021”). The lower realised income for the quarter was mainly due to lower realised revenue net of lower property expenses and finance cost.

Correspondingly, SENTRAL recorded a realised earnings per unit (“EPU”) and distributable income per unit of 1.90 sen which is approximately 1.6% lower than the EPU and distributable income per unit of 1.93 sen recorded in 1Q 2021.

SENTRAL’s unaudited Consolidated Financial Statements for 1Q 2022 is available on its website (www.sentralreit.com) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL’s 1Q 2022 Results

	(Unaudited) 1Q 2022 (RM'000)	(Unaudited) 1Q 2021 (RM'000)	Variance %
Realised Gross Revenue	39,300	41,043	-4.3
Net Property Income	30,509	31,409	-2.9
Realised Net Income	20,360	20,695	-1.6
Distributable Income	20,360	20,695	-1.6
EPU	1.90 sen	1.93 sen	-1.6
Distributable Income Per Unit	1.90 sen	1.93 sen	-1.6

Tan Sri Saw Choo Boon, Chairman of SRM said: “The gradual move to the endemic phase is expected to augur well for the Klang Valley office market. While we may still experience some fluctuation in earnings, we remain optimistic that SENTRAL’s operation will be able to weather these market uncertainties over time. We will continue to focus on tenant retention to maintain a stable occupancy and healthy weighted average lease expiry (“WALE”) for SENTRAL’s asset portfolio.”

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 5% of these leases due in 1Q 2022. SENTRAL achieved a renewal rate of 56% for these leases due in 1Q 2022. Correspondingly, SENTRAL’s average occupancy rate as at 31 March 2022 was lower at 86%. Negotiations are progressing as scheduled for the leases due in the second and third quarter of 2022 which represent 27% and 28% respectively, of the total leases due for renewal in 2022.”

He added: “In terms of capital management, SENTRAL had successfully refinanced its RM130 million debt due in March 2022. As part of SENTRAL’s proactive capital management initiative to take advantage for the current interest rate environment, we had also initiated early refinancing of SENTRAL’s RM77 million term loan which is due in September 2023. The completion of the above refinancing exercises has extended SENTRAL’s debt average term to maturity from 3.16 years to 4.05 years. This addresses all of SENTRAL’s refinancing needs until 2025.”

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About Sentral 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 (“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. Currently, Sentral REIT owns nine commercial buildings comprising of 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

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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.