



NEWS RELEASE

19 August 2022

Sentral REIT Declares Stable Distribution Per Unit of 3.40 Sen for 1H 2022

Sentral REIT Management Sdn Bhd (“SRM”), the manager of Sentral REIT (“SENTRAL” or the “Trust”), a listed real estate investment trust, wishes to announce that SENTRAL has recorded a realised net income and realised Earnings Per Unit (“EPU”) of RM38.8 million and 3.62 sen, respectively for the six months period from 1 January 2022 to 30 June 2022 (“1H 2022”).

SENTRAL declares a distribution income and distribution per unit (“DPU”) of RM36.4 million and 3.40 sen, respectively for 1H 2022. The annualised 1H 2022 DPU translates to a yield of 7.08% based on SENTRAL’s closing price of RM0.96 on 30 June 2022. As SENTRAL pays distribution semi-annually, the DPU of 3.40 sen is expected to be distributed on 30 September 2022. The books closure date has been fixed for 6 September 2022.

SENTRAL recorded second quarter 2022 (“2Q 2022”) realised net income of RM18.45 million, a decline of 18.5% compared to the corresponding quarter in the preceding year. The lower realised income for the quarter was due to lower revenue generated from several properties in the portfolio, net of lower finance cost as well as the gain on divestment of Quill Building 5 recorded in the same quarter last year.

SENTRAL’s unaudited Consolidated Financial Statements for 2Q 2022 and 1H 2022 results are available on its website (www.sentralreit.com) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL’s 2Q 2022 and 1H 2022 Results

	(unaudited) 2Q 2022 (RM’000)	(unaudited) 2Q 2021 (RM’000)	Variance	(unaudited) 1H 2022 (RM’000)	(unaudited) 1H 2021 (RM’000)	Variance
Realised Gross Revenue	37,052	38,196	-3.0%	76,353	79,239	-3.6%
Net Property Income	27,936	29,041	-3.8%	58,446	60,449	-3.3%
Realised Net Income	18,451	22,643	-18.5%	38,811	43,338	-10.5%
Distributable Income*	18,451	22,643	-18.5%	38,811	43,338	-10.5%
EPU	1.72 sen	2.11 sen	-18.5%	3.62	4.04 sen	-10.5%
Distributable Income Per Unit*	1.72 sen	2.11 sen	-18.5%	3.62	4.04 sen	-10.5%
DPU**	-	-	-	3.40	3.43 sen	-0.9%

* *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.*

** *DPU refers to Distribution Per Unit*

Tan Sri Saw Choo Boon, Chairman of SRM said: “The Klang Valley office market sector continues to experience rental and occupancy pressures as a result of excess supply. However, we expect the sector to pick up in anticipation of the gradual improvement in economic activities and business sentiment this year. Riding on this positive momentum, we will continue to work towards strengthening the portfolio’s performance to ensure sustainable performance of the Trust.”

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 68% of these leases due in 1H 2022. Approximately 51,000 sq. ft. or 15% of leases due in 1H 2022 have been successfully renewed. The non-renewals for the said period were due to the departure of tenants at Quill Building 2 and Wisma Technip. Correspondingly, SENTRAL’s portfolio occupancy rate as at 30 June 2022 was lower at 78%. Leasing momentum for the office sector is expected to gradually pick up especially in localities within the Kuala Lumpur fringes such as KL Sentral. We will intensify efforts to market the available office spaces under the portfolio to achieve a healthy portfolio occupancy.”

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

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%).

Issued by:

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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.