



NEWS RELEASE

23 January 2024

Sentral REIT FY2023 Realised Net Income Increased by 0.8% to RM74.2 million **- FY2023 Distribution Per Unit of 6.68 sen translates to a Distribution Yield of 8.51%**

Kuala Lumpur, 23 January 2024: 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 RM74.2 million for the full year ended 31 December 2023 (“FY2023”). This is higher by 0.8% compared to the realised net income of RM73.6million recorded for the financial year ended 31 December 2022 (“FY2022”). The higher realised net income in FY2023 was mainly attributable to higher revenue contribution from Platinum Sentral and Menara Shell as well as revenue contribution from the newly acquired Menara CelcomDigi since 11 December 2023, net of higher utility expenses and finance cost. Correspondingly, SENTRAL recorded a realised earnings per unit (“EPU”) of 6.88 sen, a marginal increase of 0.14% compared to the FY2022 EPU of 6.87 sen after taking into account the enlarged total units in circulation of 1.195 billion units².

FY2023 distribution per unit (“DPU”) declared is 6.68 sen and is 2.0% lower compared to the FY2022 DPU of 6.82 sen. The FY2023 DPU of 6.68 sen translates to a distribution yield of 8.51% based on the closing price of RM0.785 per unit as at 29 December 2023.

FY2023 DPU of 6.68 sen consist of the following distribution declared:

1.	First interim distribution for the period from 1 January 2023 to 30 June 2023, paid to SENTRAL unitholders on 18 September 2023	3.19 sen
2.	Advance distribution for the period from 1 July 2023 to 6 December 2023, paid on 4 January 2023	2.81 sen
3.	Proposed final distribution for the period from 7 December 2023 to 31 December 2023	0.68 sen
FY2023 DPU		6.68 sen

The proposed final distribution of 0.68 sen is expected to be paid on Thursday, 29 February 2024.

SENTRAL's unaudited Consolidated Financial Statements for 4Q2023 and FY2023 results are available on its website (<https://sentralreit.com>) and on Bursa Malaysia's website (www.bursamalaysia.com).

Summary of SENTRAL's 4Q2023 and FY2023 Results

	(Unaudited) 4Q2023 (RM'000)	(Unaudited) 4Q2022 (RM'000)	Variance	(Unaudited) FY2023 (RM'000)	(Audited) FY2022 (RM'000)	Variance
Realised Revenue	44,890	36,630	22.6%	161,151	148,931	8.2%
Net Property Income	36,258	27,846	30.2%	124,867	114,696	8.9%
Realised Net Income	20,726	16,610	24.8%	74,221	73,625	0.8%
EPU (sen)	1.88	1.55	21.3% ³	6.88²	6.87 ¹	0.1%
Distributable Income	20,726	16,610	24.8%	74,221	73,625	0.8%
Distributable Income Per Unit (sen)	1.88	1.55	21.3% ³	6.88²	6.87 ¹	0.1%
Distribution Per Unit (DPU) (sen)	-	-	-	6.68²	6.82 ¹	-2.0%

Notes:

1. Based on total units in circulation of 1,071,783,000 SENTRAL units.
2. Based on the enlarged total units in circulation of 1,195,503,000 SENTRAL units subsequent to the completion of the placement exercise comprising of 123,720,000 million new SENTRAL units issued and listed on 8 December 2023.
3. Rounding difference.

Tan Sri Saw Choo Boon, Chairman of SRM said: "We are pleased to report that SENTRAL has recorded satisfactory performance in FY2023. This achievement was due to improved occupancy of its portfolio, anchored by its KL Sentral properties which remains resilient. Moving forward, its enhanced portfolio with the inclusion of Menara CelcomDigi is expected to contribute positively to the income growth of SENTRAL. The general economic conditions are expected to remain uncertain with inflationary pressures persisting in 2024. Therefore, SENTRAL's focus in 2024 will be on asset management and leasing strategies that are centered on cost optimisation and tenant retention, while we continue to pursue growth by actively exploring acquisition opportunities based on a prudent acquisition strategy."

Mr. Derek Teh Wan Wei, Chief Executive Officer of SRM said: "Leasing activities and tenant retention efforts in 2023 were encouraging with many companies moving back to its pre-COVID-19 operating mode. Our leasing strategies throughout the year successfully delivered a healthy renewal rate of approximately 133,000 sq. ft. of NLA or approximately 82% of the total leases due in 2023. In addition to the above, we are pleased to highlight that approximately 285,000 sq. ft. of vacant spaces were successfully leased in 2023. SRM's active leasing strategies were effective in leasing out SENTRAL's vacant office building in Cyberjaya, namely Sentral Building 4 as well as the retail spaces in Platinum Sentral and Plaza Mont' Kiara. These positive leasing outcomes together with the inclusion of the newly acquired Menara CelcomDigi translate to an improved portfolio occupancy rate of 89% as of 31 December 2023. As for 2024, approximately 282,000 sq. ft. or 14% of SENTRAL's total committed NLA will be up for renewal. In line with our on-going tenant retention strategies, we have initiated early renewal negotiations for some of these tenancies."

He added: “In December 2023, an additional RM362 mil debt was incurred to part finance the acquisition of Menara CelcomDigi. In tandem with the growth in the property portfolio, SENTRAL recorded a gearing ratio of 44.54% as at end of FY2023. Proactive measures in the medium term through portfolio realignment and future refinancing exercises will be undertaken to rebalance SENTRAL’s debt profile with its portfolio composition to yield a sustainable gearing ratio. The additional debt had also increased SENTRAL’s floating rate debt from 66% to 76% of its total debt. While SENTRAL’s average cost of debt remained stable with a competitive weighted average cost of debt of 4.40% p.a. and no further hikes on the overnight Policy Rate is anticipated, regular reviews will still be carried out to optimize its debt composition mix. SENTRAL’s debt maturity profile remained evenly distributed with the next debt refinancing due in 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 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 10 buildings comprising four in Cyberjaya, four in Kuala Lumpur, one in Petaling Jaya and one in Penang, valued at RM2.52 billion as at 31 December 2023.

Issued by:

Sentral REIT Management Sdn Bhd

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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.