



NEWS RELEASE

10 August 2023

Sentral REIT Declares Distribution Per Unit of 3.19 Sen for 1H 2023

Sentral REIT Management Sdn Bhd (“SRM”), the manager of Sentral REIT (“SENTRAL”), a listed real estate investment trust, wishes to announce that SENTRAL has recorded a realised net income and realised Earnings Per Unit (“EPU”) of RM35.3 million and 3.29 sen, respectively for the six months period from 1 January 2023 to 30 June 2023 (“1H 2023”).

SENTRAL declares an income distribution and distribution per unit (“DPU”) of RM34.2 million and 3.19 sen, respectively for 1H 2023. The annualised 1H 2023 DPU translates to a yield of 7.83% based on SENTRAL’s closing price of RM0.815 on 30 June 2023. As SENTRAL pays distribution semi-annually, the DPU of 3.19 sen is expected to be distributed on 18 September 2023. The books closure date has been fixed for 25 August 2023.

SENTRAL recorded second quarter of 2023 (“2Q 2023”) realised net income of RM17.6 million, a decline of approximately 4.4% compared to the corresponding quarter in preceding year. The lower realised income for the quarter was mainly due to higher finance cost and utilities expenses, notwithstanding higher net property income contribution.

SENTRAL’s unaudited Consolidated Financial Statements for 2Q 2023 and 1H 2023 results are available on its website (<http://sentralreit.com>) and on the website of Bursa Malaysia Securities Berhad (www.bursamalaysia.com).

Summary of SENTRAL’s 2Q 2023 and 1H 2023 Results

	(unaudited) 2Q 2023 (RM'000)	(unaudited) 2Q 2022 (RM'000)	Variance	(unaudited) 1H 2023 (RM'000)	(unaudited) 1H 2022 (RM'000)	Variance
Realised Gross Revenue	38,374	37,052	3.6%	76,089	76,353	-0.4%
Net Property Income	29,208	27,936	4.6%	58,485	58,446	0.1%
Realised Net Income	17,632	18,451	-4.4%*	35,297	38,811	-9.1%
Distributable Income*	17,632	18,451	-4.4%*	35,297	38,811	-9.1%
EPU	1.65	1.72 sen	-4.4%*	3.29	3.62	-9.1%
Distributable Income Per Unit	1.65	1.72 sen	-4.4%*	3.29	3.62	-9.1%
DPU	-	-	-	3.19	3.40	-6.2%

Note:

* Due to rounding

Tan Sri Saw Choo Boon, Chairman of SRM said: “SENTRAL’s overall performance remains resilient despite the challenging operating conditions and high interest rate environment. SENTRAL’s operation will continue to be sustained through healthy contributions from its KL Sentral properties and will be further strengthened with the inclusion of Menara CelcomDigi upon completion of the acquisition exercise. Subject to obtaining the necessary approvals, the acquisition of Menara CelcomDigi is expected to be completed and contribute income to SENTRAL by the end of 2023.”

Mr. Derek Teh Wan Wei, Chief Executive Officer of SRM said: “SENTRAL has approximately 162,000 sq. ft. or 10% of its total committed net lettable area (“NLA”) due for renewal in 2023, with approximately 47% of these NLA due in 1H 2023. SENTRAL achieved a renewal rate of 98% for the NLA due in 1H 2023. SENTRAL’s average occupancy rate as at 30 June 2023 has been maintained at 77% compared to the first quarter of 2023. The healthy renewal rate achieved in 1H 2023 has provided stability to SENTRAL’s occupancy rate. We will continue with our active leasing management strategies and marketing efforts to lease out the current vacant spaces with targeted strategies to address market changes.

He added: “SENTRAL’s average cost of debt maintained at 4.44% p.a. compared to the previous quarter but was higher than the preceding year’s quarter due to the impact of higher Overnight Policy Rate (“OPR”) in 2023. Regular reviews will be carried out to provide an optimal mix of fixed and floating rate borrowings where practical, notwithstanding the expectation of the OPR maintaining at 3.0% for the rest of this year.”

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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 9 buildings comprising four in Cyberjaya, four in Kuala Lumpur, and one in Penang, valued at RM2.0607 billion as at 31 December 2022.

Issued by:

Sentral REIT Management Sdn Bhd

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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.