



NEWS RELEASE

9 November 2023

Sentral REIT Achieves Stable 3Q 2023 of RM18.2 Million and Increased Portfolio Occupancy of 86%

Kuala Lumpur, 9 November 2023: 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 and realized earnings per unit (“EPU”) of RM18.2 million and 1.70 sen respectively for the third quarter of 2023 (“3Q 2023”), which is similar to the realised net income and EPU recorded in the preceding quarter.

Correspondingly for the nine months period from 1 January 2023 to 30 September 2023 (“YTD 2023”), SENTRAL recorded a realised net income and EPU of RM53.5 million and 4.99 sen respectively, a decrease of 6.2% from the corresponding period in 2022. The lower income recorded in YTD 2023 was mainly due to higher utility expenses and finance cost.

SENTRAL’s unaudited Consolidated Financial Statements for 3Q 2023 and YTD 2023 results are available on its website (<https://sentralreit.com>) and on Bursa Securities’ website (www.bursamalaysia.com).

Summary of SENTRAL’s 3Q 2023 and YTD 2023 Results

| | (unaudited) 3Q 2023 (RM’000) | (unaudited) 3Q 2022 (RM’000) | Variance | (unaudited) YTD 2023 (RM’000) | (unaudited) YTD 2022 (RM’000) | Variance |
|--------------------------------|---|---|-----------------|--|--|-----------------|
| Realised Revenue | 40,173 | 35,949 | 11.7% | 116,261 | 112,301 | 3.5% |
| Net Property Income | 30,124 | 28,405 | 6.1% | 88,609 | 86,851 | 2.0% |
| Realised Net Income | 18,199 | 18,205 | -** | 53,496 | 57,015 | -6.2% |
| Distributable Income* | 18,199 | 18,205 | -** | 53,496 | 57,015 | -6.2% |
| EPU | 1.70 | 1.70 sen | -** | 4.99 | 5.32 | -6.2% |
| Distributable Income Per Unit* | 1.70 | 1.70 sen | -** | 4.99 | 5.32 | -6.2% |

* 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.

** Negligible

Tan Sri Saw Choo Boon, Chairman of SRM said: “SENTRAL’s portfolio performance has been resilient throughout the year as reflected in its stable YTD 2023 net property income compared to the preceding period. This reflects the operational strength and quality of SENTRAL’s assets despite the ongoing supply pressures faced in the Klang Valley office market. SENTRAL’s financial performance may continue to be impacted by broader market uncertainties, including the increase in sales and services tax, utility costs and higher interest rates but SENTRAL remains committed to drive sustainable income and long-term growth. We will maintain our focus on growing and repositioning SENTRAL’s property portfolio to adapt to market changes.”

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. As at 3Q 2023, approximately 54% of these NLA were due and we are pleased to inform that SENTRAL achieved a renewal rate of 95% for these leases. In addition, SENTRAL successfully leased out the entire NLA of Sentral Building 4 (formerly known as Quill Building 2) of approximately 185,000 sq. ft. with effect from August 2023. This reinforces the resilience of SENTRAL’s portfolio and translates to an improvement in its portfolio occupancy from 77% recorded in the previous quarter to 86% as at 30 September 2023. Leasing efforts are ongoing to lease out the balance of vacant spaces within the portfolio with targeted strategies to address market requirements.”

He added: “SENTRAL’s capital management approach continues to be prudent and disciplined with a weighted average cost of debt of 4.4% p.a. as at 30 September 2023. The risk of interest rate fluctuations is abated with the expectation that the overnight policy rate will remain stable at 3.00% throughout the rest of the year. However, regular reviews will still be carried out to rebalance SENTRAL’s fixed and floating rate borrowings composition.”

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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.

SRM is the Manager of Sentral REIT and its shareholders are Malaysian Resources Corporation Berhad (80%) and Global Jejaka Sdn Bhd (20%).

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.