



NEWS RELEASE

11 May 2023

Sentral REIT Achieved 1Q 2023 Realised Net Income of RM17.7 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 RM17.7 million for the first quarter of 2023 (“1Q 2023”). This is a decrease of approximately 13.2% from the realised net income of RM20.4 million recorded for the first quarter of 2022 (“1Q 2022”). The lower realised income for the quarter was mainly due to lower realised revenue and occupancy as well as higher finance cost and utility expenses.

Correspondingly, SENTRAL recorded a realised earnings per unit (“EPU”) and distributable income per unit of 1.65 sen which is approximately 13.2% lower than the EPU and distributable income per unit of 1.90 sen recorded in 1Q 2022.

SENTRAL’s unaudited Consolidated Financial Statements for 1Q 2023 is available on its website (<http://sentralreit.com>) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL’s 1Q 2023 Results

	(Unaudited) 1Q 2023 (RM'000)	(Unaudited) 1Q 2022 (RM'000)	Variance %
Realised Revenue	37,714	39,300	-4.0
Net Property Income	29,278	30,509	-4.0
Realised Net Income	17,664	20,360	-13.2
Distributable Income	17,664	20,360	-13.2
EPU	1.65 sen	1.90 sen	-13.2
Distributable Income Per Unit	1.65 sen	1.90 sen	-13.2

Tan Sri Saw Choo Boon, Chairman of SRM said: “The office market environment remains challenging. We will continue to focus on improving our financial performance while navigating macroeconomic uncertainties and rising costs. We remain firmly committed to delivering sustainable value to our stakeholders through disciplined execution of our ongoing strategies to achieve organic growth across the existing portfolio, while actively exploring accretive investments.”

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 due for renewal in 2023, with approximately 42% of these leases due in 1Q 2023. SENTRAL achieved a renewal rate of 99% for these leases due in 1Q 2023. Correspondingly, SENTRAL’s average occupancy rate as at 31 March 2023 was maintained at 77% compared to the fourth quarter of 2022. In line with our on-going tenant retention strategies, we have initiated early renewal negotiations for some leases due in the remaining quarters of 2023. We have also intensified marketing efforts to lease out the current vacant spaces within the portfolio with the view of improving the portfolio occupancy rate this year.”

He added: “In terms of capital management, SENTRAL’s debt maturity profile remains well-spread with no debt expiring this year. SENTRAL’s average cost of debt increased to 4.44% p.a. from 3.62% p.a. in the previous quarter due to the full impact of the increase in the Overnight Policy Rate (“OPR”) from 1.75% to 2.75% in 2022. In view of the recent increase in OPR by another 25 bps from 2.75% to 3.0% this month, regular reviews will be carried out to provide an optimal mix of fixed and floating rate borrowings where practical, in anticipation of further OPR increase 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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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.