



NEWS RELEASE

19 January 2023

Sentral REIT Declares FY2022 Distribution Per Unit of 6.82 sen

- FY2022 Distribution Yield of 7.6%

Kuala Lumpur, 19 January 2023: Sentral REIT Management Sdn Bhd (“SRM”), the Manager of Sentral REIT (“SENTRAL” or “Trust”), a listed real estate investment trust, wishes to announce that SENTRAL achieved a realised net income and distributable income of RM73.6 million for the full year ended 31 December 2022 (“FY2022”). This is 12.9% lower compared to the realised net income and distributable income of RM84.49 million recorded for the financial year ended 31 December 2021 (“FY2021”). The lower realised net income in FY2022 was mainly attributable to lower revenue contribution from Wisma Technip and Quill Building 2. The FY2022 realised net income was also lower compared to the previous year due to the one-off gain on divestment of Quill Building 5 recorded in FY2021. Correspondingly, realised earnings per unit (“EPU”) and distributable income per unit of 6.87 sen for FY2022 was achieved.

FY2022 distribution per unit (“DPU”) declared is 6.82 sen and is 8.0% lower compared to the FY2021 DPU of 7.41 sen (which included the one-off gain from the divestment of Quill Building 5). The FY2021 DPU of 6.82 sen translates to a distribution yield of 7.62% based on the closing price of RM0.895 per unit as at 30 December 2022.

FY2022 DPU of 6.82 sen consist of an interim distribution of 3.40 sen which was paid to SENTRAL unitholders on 6 September 2022 and the proposed final distribution of 3.42 sen for the six-month period ended 31 December 2022. The proposed final distribution of 3.42 sen is expected to be paid on Tuesday, 28 February 2023.

SENTRAL’s unaudited Consolidated Financial Statements for 4Q2022 and FY2022 results are available on its website (www.sentralreit.com) and on Bursa Malaysia’s website (www.bursamalaysia.com).

Summary of SENTRAL's 4Q2022 and FY2022 Results

	(Unaudited) 4Q2022 (RM'000)	(Unaudited) 4Q2021 (RM'000)	Variance	(Unaudited) FY2022 (RM'000)	(Unaudited) FY2021 (RM'000)	Variance
Realised Revenue	36,630	40,616	-9.8%	148,931	160,645	-7.3%
Net Property Income	27,846	29,727	-6.3%	114,696	122,649	-6.5%
Realised Net Income	16,610	19,035	-12.7%	73,625	84,486	-12.9%
EPU	1.55	1.78	-12.7%*	6.87	7.88	-12.9%*
Distributable Income	16,610	19,035	-12.7%	73,625	84,486	-12.9%
Distributable Income Per Unit (DPU)	1.55	1.78	-12.7%*	6.87	7.88	-12.9%*
Distribution Per Unit (DPU)	-	-	-	6.82	7.41	-8.0%

* Rounding Difference

Tan Sri Saw Choo Boon, Chairman of SRM said: "We are pleased to report that amidst the challenging office market environment, SENTRAL has recorded satisfactory financial performance in FY2022 anchored by our office portfolio in KL Sentral which remains resilient. While the general economic conditions are expected to remain uncertain with inflationary pressures affecting businesses in 2023, asset management and leasing strategies centered on tenant retention as well as prudent cost management will remain our focus to achieve a sustainable occupancy and income contribution in 2023."

Mr. Derek Teh Wan Wei, Chief Executive Officer of SRM said: "Leasing activities and tenant retention efforts in 2022 were challenging with the incoming supply of office space into Kuala Lumpur coupled with flight to quality by businesses looking for newer premises. Correspondingly, SENTRAL recorded a renewal rate of 41% for the leases due in 2022. Notwithstanding, we are pleased to highlight that approximately 121,000 sq. ft. of vacant spaces were successfully leased in 2022 as a result of SRM's active leasing strategies to fill the vacant office spaces in KL Sentral and retail spaces in Plaza Mont Kiara. This additional take-up resulted in an improvement in SENTRAL's portfolio occupancy rate from 73% recorded in the previous quarter to 77% as at 31 December 2022. For 2023, approximately 162,000 sq. ft. or 10% 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. Concurrently, marketing efforts will be intensified to lease out current vacant spaces with the aim of improving the portfolio occupancy rate in 2023."

He added: "SENTRAL's the debt maturity profile in 4Q2022 remains well-distributed with the next debt refinancing due only in 2025. SENTRAL's average cost of debt remained stable with a competitive weighted average cost of debt of 3.62% p.a. despite the rising interest rate environment. 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 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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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.