



NEWS RELEASE

25 July 2023

Sentral REIT's total asset size increases by 21% with the acquisition of Menara CelcomDigi

Kuala Lumpur, 25 July 2023: Sentral REIT ("SENTRAL" or "the Trust"), has signed a conditional sale and purchase agreement ("SPA") today to acquire a 27-storey purpose-built office building erected on 6 levels of podium and 3 levels of basement parking known as Menara CelcomDigi ("the Property") located at Petaling Jaya ("PJ") Sentral for RM450.0 million from Puncak Wangi Sdn Bhd ("PWSB"), a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB") ("Proposed Acquisition").

The Proposed Acquisition is expected to expand SENTRAL's total asset size by 21% from RM2.15 billion as at 31 December 2022 to approximately RM2.60 billion, upon completion of the exercise.

The purchase consideration was arrived at based on the market value of RM450.0 million as stated in the valuation certificate dated 20 July 2023, by CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as CH Williams Talhar & Wong Sdn Bhd), an independent registered valuer appointed by SENTRAL. The valuation methodologies used were the investment method as the primary method of valuation in arriving at the market value of the Property and comparison method as a check.

The purchase of the Property will be fully paid in cash which will be raised through a combination of equity and debt funding exercises. The equity funding exercise will entail a proposed placement involving the issuance of up to 123,720,000 placement units ("Proposed Placement"). The Proposed Placement will be placed out to institutional investors to be identified later, at an issue price to be determined by way of bookbuilding. As part of the Proposed Placement, MRCB has given an undertaking to subscribe for

placement units for up to 34,568,734 placement units to maintain their current percentage unitholdings in SENTRAL (“Proposed Placement to MRCB”). The actual number of placement units to be issued cannot be determined at this juncture and will depend on the actual placement size and the issue price of the placement units, which can only be determined upon completion of the bookbuilding exercise for the Proposed Placement. The basis to determine the actual placement size will be decided based on the optimal debt to equity ratio and the gearing level of SENTRAL will be within the 50% gearing threshold stipulated under the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts.

The Proposed Acquisition shall be conditional upon, among others, the approvals being obtained from the shareholders of PWSB and/or its holding company, non-interested unitholders of SENTRAL, and Bursa Securities. The Proposed Acquisition is expected to be completed by the end of 2023 after obtaining all the necessary approvals and completion of the debt funding and Proposed Placement exercises.

Tan Sri Saw Choo Boon, Chairman of Sentral REIT Management Sdn. Bhd. said: “The Property is a strategic fit to SENTRAL’s current portfolio of nine quality commercial properties. We are positive about the growth prospects of the Trust as we increase its footprint in Klang Valley. We believe that PJ Sentral is an attractive and prime business area strategically located within Klang Valley. The Property is fully occupied and anchored by a reputable tenant, Celcom Berhad (formerly known as Celcom Axiata Berhad) (“Celcom”) under a long-term lease. This acquisition will further expand SENTRAL’s portfolio in terms of income, tenant mix and geographical spread, and will enable SENTRAL to deliver stable returns to its unitholders.”

He added: “MRCB’s commitment to support the growth of SENTRAL as its sponsor is further reinforced with its undertaking to subscribe for placement units to be issued pursuant to the Proposed Placement. This will further align the interest of MRCB to that of SENTRAL and is a testament of its confidence in the prospects of SENTRAL. The increase in the number of SENTRAL units in circulation as a result of the Proposed Placement is also expected to improve the trading liquidity and marketability of SENTRAL.”

Details of the Property:

Menara CelcomDigi is strategically located within the prime commercial hub of PJ. It enjoys good visibility from Federal Highway, one of the main thoroughfares in Klang Valley, and is surrounded by hotels, government offices, mature residential and commercial projects as well as a within a 5-minute walk from the Taman Jaya Light Rail Transit (LRT) station.

Address	Menara CelcomDigi, No. 6, Persiaran Barat, Seksyen 52, PJ Sentral, 46200 Petaling Jaya, Selangor Darul Ehsan
Legal title	HSD 277413, Lot No. PT 11, Seksyen 52, Town of Petaling Jaya, District of Petaling, State of Selangor
Tenure	Leasehold for a total lease period of 99 years expiring on 10 November 2110 (unexpired term of approximately 87 years)
Age of Building	Approximately 5 years
Net Lettable Area	450,000 sq. ft. (as per the lease agreement dated 20 January 2020 signed between PWSB and Celcom)
Occupancy	100% (single tenant)
Car Park (lots)	788 car parking bays 287 motorcycle parking bays
Tenant	Celcom
Green Building Compliance	Leadership in Energy and Environmental Design (LEED) Core and Shell Gold Certification by the United States Green Building Council

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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.