



NEWS RELEASE

7 August 2024

Sentral REIT Declares Higher Distribution Per Unit of 3.21 Sen for 1H 2024

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 RM40.42 million for the six-month period from 1 January 2024 to 30 June 2024 ("1H 2024"). This is a 14.5% increase over the realised net income of RM35.3 million reported for the six-month period from 1 January 2023 to 30 June 2023 ("1H 2023"). The higher realised income for the period was underpinned by stronger net property income ("NPI"), net of higher finance cost, manager's fee and trustee's fee. SENTRAL's 1H 2024 Earnings Per Unit ("EPU") of 3.38 sen was 2.7% higher than the 1H 2023 realized EPU of 3.19 sen based on 1,195,503,000 units in circulation after the placement exercise in December 2023.

SENTRAL declares an income distribution and distribution per unit ("DPU") of RM38.4 million and 3.21 sen, respectively for 1H 2024. The annualised 1H 2024 DPU translates to a yield of 8.02% based on SENTRAL's closing price of RM0.80 on 28 June 2024. As SENTRAL pays distribution semi-annually, the DPU of 3.21 sen is expected to be distributed on 18 September 2024. The book closure date has been fixed for 22 August 2024.

SENTRAL's unaudited Consolidated Financial Statements for 2Q 2024 and 1H 2024 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 2024 and 1H 2024 Results

	(unaudited) 2Q 2024 (RM'000)	(unaudited) 2Q 2023 (RM'000)	Variance	(unaudited) 1H 2024 (RM'000)	(unaudited) 1H 2023 (RM'000)	Variance
Realised Gross Revenue	48,123	38,374	25.4%	96,239	76,089	26.5%
Net Property Income	37,911	29,208	29.8%	76,059	58,485	30.0%
Realised Net Income	20,526	17,632	16.4%	40,420	35,297	14.5%
Distributable Income	20,526	17,632	16.4%	40,420	35,297	14.5%
EPU	1.72	1.65	4.4%*	3.38	3.29	2.7%
Distributable Income Per Unit	1.72	1.65	4.4%*	3.38	3.29	2.7%
DPU	-	-	-	3.21	3.19	0.6%

Note:

* Difference is due to rounding.

Tan Sri Saw Choo Boon, Chairman of SRM, stated: "SENTRAL continues to forge ahead amidst a challenging operating environment. The increase in its gross revenue, NPI, realised EPU and DPU for 1H 2024 demonstrates its operational resilience and agility. We are pleased that the addition of Menara CelcomDigi into SENTRAL's portfolio since December 2023 has shown to be accretive. SENTRAL's operations continue to be bolstered by healthy contributions from its existing properties in KL Sentral."

Mr. Derek Teh Wan Wei, Chief Executive Officer of SRM said: "SENTRAL has approximately 282,000 sq. ft. or 14% of its total committed net lettable area ("NLA") due for renewal in 2024, with approximately 170,000 sq. ft. or 60% of these NLA due in 1H 2024. SENTRAL's 1H 2024 tenant retention rate declined to 39.4% due to tenant transitions in its KL Sentral properties. Correspondingly, SENTRAL recorded a lower average occupancy rate of 84% as at 30 June 2024. Our leasing activities remain robust with targeted marketing initiatives implemented to identify new tenants for these vacated spaces, while negotiations for tenancies due in the last quarter and in 2025 have commenced ahead of time."

He added: "SENTRAL's average cost of debt was lower at 4.41% p.a. compared to the previous quarter due to the moderation in the KLIBOR in 2Q 2024. Regular reviews are being 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 10 buildings comprising four in Cyberjaya, four in Kuala Lumpur, one in Petaling Jaya and one in Penang, valued at RM2.52 billion as at 31 December 2023.

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.