

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM	RM	RM	RM
<b>Total income</b>				
Gross revenue				
-Realised gross revenue	37,714,420	39,300,419	37,714,420	39,300,419
-Unrealised rental income (unbilled lease income receivable) (a)	(237,507)	(539,125)	(237,507)	(539,125)
	<u>37,476,913</u>	<u>38,761,294</u>	<u>37,476,913</u>	<u>38,761,294</u>
Property operating expenses	(8,199,261)	(8,251,966)	(8,199,261)	(8,251,966)
Net property income	<u>29,277,652</u>	<u>30,509,328</u>	<u>29,277,652</u>	<u>30,509,328</u>
Interest income	618,767	458,139	618,767	458,139
Change in fair value of investment properties				
-Unbilled lease income receivable (a)	237,507	539,125	237,507	539,125
	<u>30,133,926</u>	<u>31,506,592</u>	<u>30,133,926</u>	<u>31,506,592</u>
<b>Total expenditure</b>				
Manager's fees	(3,044,065)	(3,109,280)	(3,044,065)	(3,109,280)
Trustee's fee	(161,027)	(163,061)	(161,027)	(163,061)
Finance costs	(9,114,391)	(7,302,208)	(9,114,391)	(7,302,208)
Valuation fees	(65,750)	(78,970)	(65,750)	(78,970)
Auditors' remuneration	(38,743)	(37,338)	(38,743)	(37,338)
Tax agent's fee	(6,609)	(6,609)	(6,609)	(6,609)
Administrative expenses	(38,978)	(449,472)	(38,978)	(449,472)
	<u>(12,469,563)</u>	<u>(11,146,938)</u>	<u>(12,469,563)</u>	<u>(11,146,938)</u>
<b>Income before taxation</b>	<b>17,664,363</b>	<b>20,359,654</b>	<b>17,664,363</b>	<b>20,359,654</b>
Income tax expense	-	-	-	-
<b>Income net of taxation</b>	<b>17,664,363</b>	<b>20,359,654</b>	<b>17,664,363</b>	<b>20,359,654</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>17,664,363</b>	<b>20,359,654</b>	<b>17,664,363</b>	<b>20,359,654</b>
<b>Income net of taxation for the period is made up as follows:</b>				
<b>Realised</b>	<b>17,664,363</b>	<b>20,359,654</b>	<b>17,664,363</b>	<b>20,359,654</b>
<b>Unrealised</b>	-	-	-	-
<b>EARNINGS PER UNIT (b)</b>				
- after manager's fees (sen)	1.65	1.90	1.65	1.90
- before manager's fees (sen)	1.93	2.19	1.93	2.19
<b>EARNINGS PER UNIT (REALISED) (c)</b>				
- after manager's fees (sen)	1.65	1.90	1.65	1.90
- before manager's fees (sen)	1.93	2.19	1.93	2.19
<b>Realised Net Income/ Distributable Income (d)</b>	<b>17,664,363</b>	<b>20,359,654</b>	<b>17,664,363</b>	<b>20,359,654</b>
<b>DISTRIBUTABLE INCOME PER UNIT</b>	<b>1.65</b>	<b>1.90</b>	<b>1.65</b>	<b>1.90</b>

(a) Recognition of unrealised rental income-unbilled lease income receivable pursuant to requirements of MFRS 16 Leases, to recognize income from operating lease on a straight-line basis, including contractual increase rates over the fixed tenure of the agreement.

(b) Earnings Per Unit ("EPU") for the current quarter/ period is computed based on the net income for the quarter/ period divided by 1,071,783,000 units during the quarter/ period. EPU for the preceding year corresponding quarter/ period is based on the units in circulation of 1,071,783,000.

(c) Earnings Per Unit (Realised) for the current quarter/ period is computed based on the realised net income for the quarter/ period divided by 1,071,783,000 units during the quarter/ period. Earnings Per Unit (Realised) for the preceding year corresponding quarter/ period is based on the units in circulation of 1,071,783,000.

(d) Distributable income per unit for the current quarter/ period is computed based on the units in circulation of 1,071,783,000. Distributable income per unit for the preceding year corresponding quarter/ period is based on the units in circulation of 1,071,783,000.

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023 (UNAUDITED)**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
	<b>31.03.2023</b>	<b>31.12.2022</b>
	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>RM</b>	<b>RM</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	28,829	36,548
Investment properties	2,050,402,757	2,047,174,431
Investment properties-accrued rental income	13,288,062	13,525,569
	<u>2,063,719,648</u>	<u>2,060,736,548</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	7,979,078	6,128,944
Lease receivables	58,103	91,788
Deposits with licensed financial institution	47,775,748	74,415,886
Cash and cash equivalents	4,601,268	5,343,980
	<u>60,414,197</u>	<u>85,980,598</u>
<b>TOTAL ASSETS</b>	<b><u>2,124,133,845</u></b>	<b><u>2,146,717,146</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	804,496,961	804,493,923
Security deposits	12,785,703	14,832,962
Other payables	907,693	907,693
Deferred tax liability	9,551,020	9,551,020
	<u>827,741,377</u>	<u>829,785,598</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	16,618,062	20,579,440
Security deposits	7,723,127	5,310,213
	<u>24,341,189</u>	<u>25,889,653</u>
<b>TOTAL LIABILITIES</b>	<b><u>852,082,566</u></b>	<b><u>855,675,251</u></b>
<b>NET ASSETS VALUE ("NAV")</b>	<b><u>1,272,051,279</u></b>	<b><u>1,291,041,895</u></b>
<b>UNITHOLDERS' FUNDS</b>		
<b>Unitholders' funds attributable to unitholders of SENTRAL</b>		
Unitholders' capital	1,235,876,768	1,235,876,768
Undistributed and non-distributable income	36,174,511	55,165,127
<b>Total unitholders' funds</b>	<b><u>1,272,051,279</u></b>	<b><u>1,291,041,895</u></b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	1,071,783,000	1,071,783,000
<b>NET ASSET VALUE PER UNIT</b>		
- before income distribution	1.1869	1.2046
- after income distribution (i)	1.1704	1.1704

(i) Net Asset Value assuming 100% of realised net income for the current quarter of RM17,664,363 is provided for income distribution.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

	Unitholders' Capital	Distributable		Total Undistributed and Non-Distributable Income	Unitholders' Funds
		Undistributed Income Realised	Undistributed Loss Unrealised		
	RM	RM	RM	RM	RM
<b>As at 1 January 2023</b>	1,235,876,768	60,210,314	(5,045,187)	55,165,127	1,291,041,895
Total Comprehensive Income for the financial period	-	17,664,363	-	17,664,363	17,664,363
	1,235,876,768	77,874,677	(5,045,187)	72,829,490	1,308,706,258
<b>Unitholders' transactions</b>					
Distribution to unitholders	-	(36,654,979)	-	(36,654,979)	(36,654,979)
<b>As at 31 March 2023</b>	1,235,876,768	41,219,698	(5,045,187)	36,174,511	1,272,051,279
<b>As at 1 January 2022</b>	1,235,876,768	65,682,662	16,306,340	81,989,002	1,317,865,770
Total Comprehensive Income for the financial period	-	20,359,654	-	20,359,654	20,359,654
	1,235,876,768	86,042,316	16,306,340	102,348,656	1,338,225,424
<b>Unitholders' transactions</b>					
Distribution to unitholders	-	(42,656,964)	-	(42,656,964)	(42,656,964)
<b>As at 31 March 2022</b>	1,235,876,768	43,385,352	16,306,340	59,691,692	1,295,568,460

The Condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the financial statements.

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

	<b>CURRENT YEAR TO DATE 31.03.2023 RM</b>	<b>PRECEDING YEAR TO DATE 31.03.2022 RM</b>
<b>OPERATING ACTIVITIES</b>		
Income before tax	17,664,363	20,359,654
Adjustments for:		
Finance costs	9,114,391	7,302,208
Depreciation	7,719	27,877
Allowance for impairment of trade receivables	-	20,479
Reversal for impairment of trade receivables	-	(94,548)
Finance income	(618,767)	(458,139)
Operating cash flows before changes in working capital	<u>26,167,706</u>	<u>27,157,531</u>
Receivables	(2,072,483)	939,225
Payables	(3,762,643)	(7,456,549)
Cash flows from operations	<u>20,332,580</u>	<u>20,640,207</u>
Income tax paid	-	-
Net cash flows generated from operating activities	<u>20,332,580</u>	<u>20,640,207</u>
<b>INVESTING ACTIVITIES</b>		
Additions to investment properties	(2,990,819)	(288,610)
Purchase of plant & equipment	-	(4,665)
Changes in deposits in financial institution	29,288,033	19,786,070
Interest received	874,801	585,025
Net cash flow generated from investing activities	<u>27,172,015</u>	<u>20,077,820</u>
<b>FINANCING ACTIVITIES</b>		
Distribution to unitholders	(36,654,979)	(42,656,964)
Finance costs paid	(8,944,433)	(7,003,783)
Proceeds from borrowings	-	207,000,000
Repayment of borrowings	-	(207,000,000)
Transaction costs paid	-	(732,735)
Cash flows used in financing activities	<u>(45,599,412)</u>	<u>(50,393,482)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,905,183</u>	<u>(9,675,455)</u>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>10,376,339</u>	<u>20,167,135</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<u><b>12,281,522</b></u>	<u><b>10,491,680</b></u>
<b>Cash and cash equivalents at end of the period comprises:</b>		
Deposits with licensed financial institutions	47,775,748	55,934,690
Cash on hand and at banks	<u>4,601,268</u>	<u>8,141,692</u>
Total deposits, cash and bank balances	52,377,016	64,076,382
Less: Deposits with licensed financial institution with maturity of more than 3 months	(38,980,847)	(52,427,690)
Debt service reserves accounts pledged	(1,114,647)	(1,157,012)
<b>Cash and cash equivalents</b>	<u><b>12,281,522</b></u>	<u><b>10,491,680</b></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes to the financial statements.

**SENTRAL REIT**  
**EXPLANATORY NOTES FOR PERIOD ENDED 31 MARCH 2023**

**A1 BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention except for investment properties and derivative financial instruments which are stated at fair value and presented in Ringgit Malaysia ("RM").

The financial statements comply with the Malaysian Financial Reporting Standards ("MFRS") : 134 "Interim Financial Reporting", provisions of the Trust Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts and should be read in conjunction with Sentral REIT's ("SENTRAL") audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these unaudited condensed consolidated financial statements.

**A2 BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of SENTRAL and its special purpose entities ("SPEs"). The SPEs were established for the specific purpose of raising financing on behalf of SENTRAL. A SPE is consolidated if, based on an evaluation of the substance of its relationship with SENTRAL and the SPE's risks and rewards, SENTRAL concludes that it controls the SPE. SPEs controlled by SENTRAL were established under terms that impose strict limitations on the decision-making powers of the SPE's management resulting in SENTRAL receiving all of the benefits related to the SPE's operations and net assets.

**A3 CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted in the interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2022.

**A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The audit report of the financial statements for the preceding year ended 31 December 2022 was unqualified.

**A5 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations of SENTRAL were not materially affected by seasonal or cyclical factors during the current quarter. Seasonal or cyclical factors include but are not limited to changes in rental demand and supply of properties which depend on market conditions, economic cycle, financial performance of its tenants, availability of credit facilities and interest rate environment.

**A6 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

During the current quarter under review, there were no unusual items due to their nature, size or incidence that affects the assets, liabilities, equity, net income or cash flows of SENTRAL.

**A7 CHANGES IN ESTIMATES OF AMOUNTS REPORTED**

There were no changes in the estimates of amounts reported during the current quarter.

## **A8 CHANGES IN DEBT AND EQUITY**

Saved as disclosed in B14, there were no repurchase, resale and repayment of debt and equity instruments in the current quarter.

## **A9 INCOME DISTRIBUTION POLICY**

In line with the Restated Trust Deed dated 2 December 2019 and Supplemental Trust Deed dated 24 December 2020, SENTRAL intends to distribute at least 90% (or any other lower percentage at the discretion of the Manager) of its distributable income at least semi-annually, or at such other intervals as the Manager may determine.

## **A10 SEGMENT REPORTING**

No segment information is prepared as SENTRAL's activities are predominantly in one industry segment and situated predominantly in Malaysia.

## **A11 VALUATION OF INVESTMENT PROPERTIES**

The investment properties are valued by independent registered valuers and the differences between the valuations and the book values of the respective properties are charged or credited to the profit or loss in the statement of comprehensive income.

For the quarter ended 31 March 2023, there were no revaluation of investment properties.

## **A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 MARCH 2023**

### **Proposed change in shareholding structure of Sentral REIT Management Sdn Bhd, the Manager of Sentral REIT**

On 6 October 2022, Sentral REIT Management Sdn Bhd ("SRM") announced that the existing shareholders of SRM, namely Quill Resources Holding Sdn Bhd ("QRSB") and Malaysian Resources Corporation Berhad ("MRCB") entered into a Share Sale Agreement dated 4 October 2022, whereby QRSB had agreed to dispose their shareholding of 39%, representing 390,000 ordinary shares in the capital of SRM to MRCB.

On 12 January 2023, SRM had received the approval from Securities Commission Malaysia on the proposed change in shareholding of SRM.

Following the completion of the Share Sale Agreement between QRSB and MRCB on 19 January 2023, the new shareholding of SRM is as follows:

<b>Shareholders</b>	<b>% of Shareholding</b>
Malaysian Resources Corporation Berhad	80%
Global Jejaka Sdn Bhd	20%

**A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 MARCH 2023**

There is no significant event subsequent to the quarter ended 31 March 2023.

**A14 CHANGES IN CONTINGENT LIABILITIES**

There are no contingent liabilities to be disclosed.

**A15 CAPITAL COMMITMENTS**

The amount of capital commitment not provided for in the condensed consolidated financial statements as at 31 March 2023 are as follows:

	RM
Approved and contracted for :	
Investment properties	<u><u>4,325,879</u></u>

## **B1 REVIEW OF PERFORMANCE**

### **Quarter Results (1Q 2023 vs 1Q 2022)**

SENTRAL recorded gross revenue of RM37.5 million in 1Q 2023, a decrease of approximately RM1.3 million or 3.3% compared to 1Q 2022. The decrease was mainly due to lower revenue generated from QB2 and Wisma Technip; partially offset by the increase in revenue from Menara Shell, Platinum Sentral and Plaza Mont Kiara.

Property operating expenses for 1Q 2023 were RM8.2 million, lower by 0.6% compared to 1Q 2022, mainly due to lower operating expenses incurred for some of the properties under the portfolio.

These have resulted in lower net property income by 4.0% compared to 1Q 2022.

Manager's fees incurred for 1Q 2023 were RM3.0 million, lower by 2.1% compared to 1Q 2022. Finance costs incurred for 1Q 2023 of RM9.1 million were higher by 24.8% compared to 1Q 2022, mainly due to higher KLIBOR rate in 1Q 2023 compared to 1Q 2022.

As a result of all the above, net income after taxation for the current quarter under review of RM17.7 million was lower by RM2.7 million or 13.2% compared to 1Q 2022.

### **Financial Year-To-Date Results (YTD 1Q 2023 vs YTD 1Q 2022)**

Review of financial year-to-date results is the same as above.

### **Current Quarter vs Immediate Preceding Quarter (1Q 2023 vs 4Q 2022)**

As compared with the immediate preceding quarter ("4Q 2022"), gross revenue in 1Q 2023 of RM37.5 million was lower by 3.0%, as compared to 4Q 2022 of RM36.4 million. The property operating expenses for 1Q 2023 has reduced RM0.3 million or 4.0% as compared to 4Q 2022, mainly due to lower operating expenses incurred for some of the properties under the portfolio. This has resulted in net property income increased by 5.1%. Finance costs were higher in 1Q 2023 by 3.5% mainly due to higher KLIBOR rate in 1Q 2023. Overall, realised net income after taxation of RM17.7 million were marginally higher by 6.3% compared to 4Q 2022.

## **B2 INVESTMENT OBJECTIVES AND STRATEGIES**

The investment objective of SENTRAL is to acquire and invest in commercial properties primarily in Malaysia with a view to provide long-term growth and sustainable distribution of income to unitholders to achieve long-term growth in the net asset value per unit. There has been no change in the investment objective of SENTRAL since the date of the Annual Report for 2022.

The Manager will continue to focus on its portfolio management and acquisition growth strategy, active asset management strategy and capital management strategy to achieve the objective of SENTRAL. There has been no change in the strategies employed by the Manager since the date of the Annual Report for 2022 as they remain relevant in the current market conditions.



### **B3 REVIEW OF THE MARKETS IN WHICH SENTRAL INVESTS IN DURING THE PERIOD AND GENERAL ASSESSMENT OF THE FUTURE PROSPECTS OF THESE MARKETS**

#### **Review of office market - Klang Valley**

As of 2H2022, the cumulative supply of office in Klang Valley stood at circa 113.9 million sq ft. By the first half of 2023, another seven office buildings are scheduled for completion and will add circa 5.1 million sq ft of space to Klang Valley's existing cumulative office stock.

The overall occupancy rate of purpose-built office space in KL City recorded at 67.5%. The occupancy demand in KL Fringe remained resilient at 86.1%. The overall occupancy rate in Selangor recorded 73.2%.

The average rental rate of office space in KL City experienced downward pressure to record at RM6.41 per sq ft per month. The lack of catalyst to boost office demand coupled with fundamental shift in the way people work post COVID-19 sees supply outpacing demand. In KL Fringe however, the average rent remained relatively stable, driven by a wider pool of tenants/occupiers and high quality decentralized offices, particularly in areas with ease of accessibility and adequate transportation links. Rental rate recorded at RM5.63 per sq ft per month. Similarly in Selangor, rental rate remained resilient at RM4.10 per sq ft per month.

The office market in Klang Valley remains tenant favorable and challenging in the medium term amid additional supply and limited demand. With no immediate catalyst to boost office demand amid rising new supply, there is growing pressure on the office market. Landlords are focusing on retaining tenants through cost-cutting, asset upgrading, and leasing tactics. In the near term, the rental rates and occupancy levels of office buildings in Klang Valley, in particular KL City are expected to experience further pressure – amid growing mismatch in supply and demand and as more organizations embrace the hybrid work model.

(extracted from the Real Estate Highlight 2H22 by Knight Frank Malaysia Sdn Bhd)

#### **Review of retail market - Klang Valley**

As of 2H2022, the cumulative supply of retail space in Klang Valley stands at circa 67.72 million sq ft. 1H2023 will see the scheduled completions/opening of three shopping centres/supporting retail components in the Klang Valley with a collective retail space of circa 1.94 million sq ft. They are KSL Esplanade Mall (650,000 sq ft), retail component of 8 Conlay (120,000 sq ft), and Pavilion Damansara Heights (1,170,000 sq ft).

The proactive and decisive implementation of business continuity efforts such as rental rebates and marketing assistance by mall operators in 2020 and 2021 helped to sustain occupancy levels during the prolonged pandemic period. With all economic sectors and businesses now allowed to operate fully, mall operators have continued to strengthen business relations by resuming marketing/promotional activities and events – digitally and on-ground campaigns.

The growth momentum is, however, threatened by concerns on weaker economic outlook. Growing inflationary pressure and rising interest rates environment pose unrelenting challenges to the industry, clouding consumer sentiments and waning on their purchasing power. Following four times of interest rates upward revision to 2.75%, Bank Negara is anticipated to further tighten its monetary policy to curb inflation.

(extracted from the Real Estate Highlight 2H22 by Knight Frank Malaysia Sdn Bhd)

#### **B4 PROSPECTS**

In 2023, approximately 162,000 sq. ft. or 10% of SENTRAL's total committed net lettable area ("NLA") will be up for renewal. 42% or 67,500 sq. ft. of the aforementioned 162,000 sq. ft committed NLA were due for renewal in 1Q2023. We are pleased to report that approximately 67,000 sq. ft. or 99% of leases due in 1Q2023 were successfully renewed. Correspondingly, SENTRAL recorded a portfolio occupancy rate of 77% in 1Q2023, similar to the portfolio occupancy recorded in the previous quarter.

The Klang Valley office and retail markets are expected to remain challenging. SENTRAL will continue to focus on asset management and leasing strategies that are centred on cost optimisation and tenant retention in the current operating environment. Efforts will be intensified to market the available office spaces under the portfolio with the focus on bringing in new tenants from the IT, e-commerce, serviced office and shared services sectors.

#### **B5 REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to SENTRAL and the revenue can be reliably measured.

Revenues from the rental of investment properties, service charges, car park income and utilities recovery are recognised on an accrual basis.

#### **B6 PROFIT FORECAST/ PROFIT GUARANTEE VARIANCE**

**(a) Profit forecast**

There has been no profit forecast issued by SENTRAL for the financial year 2023.

**(b) Profit guarantee**

SENTRAL is not involved in any arrangement whereby it provides profit guarantee.

#### **B7 TAXATION**

Under Section 61A of the Income Tax Act 1967, the undistributed income of a REIT are exempted from income tax provided that the REIT distributes 90% or more of its total income for the year. If the REIT is unable to meet the 90% distribution criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As SENTRAL intends to distribute at least 90% of its total income for the year to its unitholders, no provision for tax has been made in the current quarter.

#### **B8 PROFIT ON SALE OF INVESTMENTS IN UNQUOTED SECURITIES/ PROPERTIES**

There were no disposals of investments in unquoted securities/ properties during the current quarter.

## B9 PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

There were no purchases or disposals of investments in quoted securities during the current quarter.

## B10 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals during the current quarter.

## B11 UTILISATION OF PROCEEDS RAISED FROM ANY NEW ISSUANCE

There were no issuance of new units during the current quarter.

## B12 CIRCUMSTANCES WHICH MATERIALLY AFFECT ANY INTEREST OF THE UNITHOLDERS

As at the date of this report, the directors of the Manager are not aware of any circumstances not otherwise disclosed in this report which would materially affect the interest of the unitholders.

## B13 COMPOSITION OF INVESTMENT PORTFOLIO AS AT 31 MARCH 2023

As at 31 March 2023, SENTRAL's portfolio comprises nine buildings as follows:

Investment properties	Cost of Investment	Market Value/ Net Carrying amount as at 31 March 2023	Market value/ Net Carrying amount as % of NAV
	RM	RM	
<u>Commercial buildings</u>			
1 QB1 - DHL 1 & QB4 - DHL 2	109,100,000	135,373,500	10.64%
2 QB2	107,500,000	108,000,000	8.49%
3 QB3 - BMW	59,400,000	71,000,000	5.58%
4 Wisma Technip	125,000,000	153,700,000	12.08%
5 Part of Plaza Mont' Kiara	90,000,000	113,000,000	8.88%
6 Tesco Building Penang	132,000,000	140,000,000	11.01%
7 Platinum Sentral	740,000,000	670,697,891	52.73%
8 Menara Shell	640,000,000	671,919,428	52.82%
	<u>2,003,000,000</u>	<u>2,063,690,819</u>	

Capital expenditure of RM2,990,819 were incurred during the quarter. The NAV as at 31 March 2023 is RM1,272,051,279.

## B14 BORROWINGS AND DEBT SECURITIES

As at 31 March 2023

RM

### NON-CURRENT LIABILITIES:

(a) CPs/ MTNs Programme of up to RM450 million	340,762,069
(b) CPs/ MTNs Programme of up to RM3,000 million *	129,753,323
(c) CPs/ MTNs Programme of up to RM3,000 million **	333,981,569
<b>TOTAL BORROWINGS</b>	<b>804,496,961</b>

\* The programme established through its SPE, Kinabalu Capital Sdn. Bhd. ("Kinabalu")

\*\* The programme established through its SPE, Trusmadi Capital Sdn. Bhd. ("Trusmadi")

### **(a) Commercial Papers ("CP")/ Medium Term Notes ("MTNs") (collectively the CP/ MTN) Programme ("CP/MTN Programme") of up to RM450 million in nominal value ("RM450 million Programme") under Murud Capital Sdn. Bhd.**

(i) <b><u>RM341 million in nominal value of MTN</u></b>	<b>RM</b>
Face value of MTNs issued	341,000,000
Transaction costs b/f	(268,953)
Amortisation of transaction costs during the period	31,022
	<u>340,762,069</u>

On 30 March 2020, SENTRAL through its SPE, Murud Capital Sdn. Bhd. ("Murud") established a RM450 million nominal value of CP/ MTN Programme for a legal tenure of 7 years. On the same day, RM341 million nominal values of MTNs were issued at the blended interest rate of 3.99% per annum, the proceeds from the issuance were utilised to repay the existing RM244 million Senior CP and RM91 million Fixed Rate Subordinated Term Loan which due on 30 March 2020, and the balance is for working capital purposes.

The transaction costs relating to the programme are amortised to profit or loss over the tenure of the programme.

### **(b) Commercial Papers Programme ("CP Programme") and Medium Term Notes Programme ("MTN Programme") with aggregate combined limit of RM3,000 million in nominal value ("RM3,000 million Programme") under Kinabalu Capital Sdn. Bhd.**

(i) <b><u>RM130 million in nominal value of MTN (Issue 3") issued on 4 March 2022</u></b>	<b>RM</b>
Face value of MTNs	130,000,000
Transaction costs on MTN issued	(262,406)
Amortisation of transaction costs during the period	15,729
<b>Total Issue 3</b>	<b><u>129,753,323</u></b>

On 6 March 2017, RM40 million in nominal value of CPs and RM130 million nominal value of MTNs from the CP/ MTN Programme were issued at the interest rate of 4.14% per annum and 4.40% per annum respectively. The proceeds raised from this issuance were utilised to redeem the CPs/ MTNs under the RM270 million CP/ MTN Programme which matured on 6 March 2017.

On 17 December 2021, the issue 2 of RM40 million in nominal value of CPs were early redeemed using the proceeds from the new issuance of MTNs of RM3,000 million in nominal value ("MTN Programme"), and the Commercial Papers ("CPs") Programme of RM300 million in nominal value issued by Trusmadi (as disclosed in Note B14(c) below).

On 4 March 2022, the proceed from the new issuance of RM130 million MTN issued by Kinabalu under Issue 3 was utilised to fully redeem the Issue 2 of RM130 million in nominal value of MTN matured on the same day.

The transaction costs relating to the programme are amortised over the tenure of the programme and are charged to profit or loss.

**B14 BORROWINGS AND DEBT SECURITIES (cont'd)**

- (c) **Medium Term Notes (“MTNs”) Programme of RM3,000 million in nominal value (“MTN Programme”), and the Commercial Papers (“CPs”) Programme of RM300.0 million in nominal value (“CP Programme”), subject to a combined limit of up to RM3,000 million in aggregate in nominal value (collectively the “Programmes”) under Trusmadi Capital Sdn.Bhd.**

(i) **RM20 million in nominal value of MTN ("Issue 1") issued on 17 December 2021**

	<b>RM</b>
Face value of MTNs	20,000,000
Transaction costs b/f	(34,025)
Amortisation of transaction costs during the period	2,170
	<u>19,968,145</u>

(ii) **RM240 million in nominal value of CP ("Issue 1") issued on 17 December 2021**

	<b>RM</b>
Face value of CPs	240,000,000
Discount	(2,641,408)
Cash proceeds	237,358,592
Accretion of interest expenses	488,087
	<u>237,846,679</u>
Transaction costs b/f	(408,306)
Amortisation of transaction costs during the period	26,042
	<u>237,464,415</u>

(iii) **RM77 million in nominal value of MTN issued on 14 March 2022**

	<b>RM</b>
Face value of MTNs issued	77,000,000
Transaction costs on MTN issued	(479,688)
Amortisation of transaction costs during the period	28,697
	<u>76,549,009</u>
<b>Total Issue 1</b>	<b><u>333,981,569</u></b>

On 17 December 2021, SENTRAL through its SPE, Trusmadi Capital Sdn. Bhd. ("Trusmadi") established a CP programme of up to RM300 million in nominal value ("CP Programme"); and MTN perpetual programme of up to RM3,000 million ("MTN Perpetual Programme").

On 17 December 2021, RM240 million in nominal value of CPs and RM20 million in nominal value of MTNs out of each respective programme were issued, where the proceeds from the issuance were utilised to repay the RM20 million MTN and RM200 million CPs under Kinabalu Capital CPMTN-Issue 1 and RM40 million CP under Kinabalu Capital CPMTN-Issue 2, which was due on 22 December 2021.

On 14 March 2022, RM77 million in nominal value of MTNs were issued to repay the Trusmadi outstanding RM77 million term loan which was due on the same day.

The transaction costs relating to the programme are amortised over the tenure of the programme and are charged to profit or loss.

## B15 CHANGES IN MATERIAL LITIGATION

The Manager is not aware of any pending material litigation as at the date of issuance of this report.

## B16 INCOME DISTRIBUTION

SENTRAL intends to distribute at least 90% of its distributable income at least semi-annually, or at such other intervals as the Manager may determine.

A final income distribution of RM36,654,979, or 3.42 sen per unit, being income distribution for the period 1 July 2022 to 31 December 2022, has been made on 28 February 2023.

No income distribution was proposed for the current quarter as SENTRAL's distribution of income is paid on a half-yearly basis.

Income distribution to resident individuals, non-resident individuals, resident institutional investors, non-resident institutional investors and non-resident companies are subject to withholding tax as follows:

Resident and non-resident individuals	10%
Resident and non-resident institutional investors	10%
Resident companies (flow through)	0%
Non-resident companies	24%

## B17 CHANGES IN NAV AND MARKET PRICE SINCE THE LAST REPORTING DATE

	As at 31 March 2023	As at 31 December 2022
	RM	RM
NAV before provision for income distribution	1,272,051,279	1,291,041,895
Provision for income distribution	(17,664,363)	(36,654,979)
NAV after provision for income distribution	1,254,386,916	1,254,386,916
Number of units in circulation (units)	1,071,783,000	1,071,783,000
NAV per unit (RM) (after provision for distribution)	1.1704	1.1704
Market price (RM)	0.86	0.895

NAV per unit is arrived at by dividing the NAV with the number of units in circulation as at the date of reporting.

The Manager believes that the movement in market price is due mainly to changes in market sentiment.

## **B18 MANAGER'S FEE AND SOFT COMMISSION**

Pursuant to the Trust Deed, the Manager is entitled to receive from SENTRAL the following fees:

- (i) Base fee of 0.4% per annum of the gross asset value, payable monthly in arrears;
- (ii) Performance fee of 3% per annum on the net investment income, payable semi-annually in arrears;
- (iii) Acquisition fee of 1% of the acquisition value of any asset, being authorised investments, acquired by SENTRAL; and
- (iv) Divestment fee of 0.5% of the disposal value of any asset divested by SENTRAL.

Total fees accrued to the Manager for the quarter ended 31 March 2023 are :

	RM
Base fee	2,140,047
Performance fee	904,018
	<u>3,044,065</u>

During the quarter, the Manager did not receive any soft commission from its brokers/dealers, by virtue of transaction conducted for SENTRAL.

## **B19 TRUSTEE'S FEE**

Trustee's fee is payable to Maybank Trustees Berhad ("Trustee"), which is computed at 0.03% per annum on the first RM2.5 billion gross asset value and 0.02% per annum on the gross asset value in excess of RM2.5 billion, payable monthly in arrears.

Trustee's fee accrued to the Trustee for the quarter ended 31 March 2023 amounted to RM161,027.

**B20 UNITHOLDINGS BY THE MANAGER**

As at 31 March 2023, the Manager does not have any unitholdings in SENTRAL.

**B21 UNITHOLDINGS BY PARTIES RELATED TO THE MANAGER**

	No. of units	Percentage of total units	Market Value as at 31 March 2023 RM
Malaysian Resources Corporation Berhad	299,468,000	27.94%	257,542,480
Global Jejaka Sdn. Bhd.	757,000	0.07%	651,020
	300,225,000	28.01%	258,193,500

The Manager's directors' direct unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 March 2023 RM
Kwan Joon Hoe	450,000	0.042%	387,000
Po Yih Ming	20,000	0.002%	17,200

The Manager's directors' indirect unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 March 2023 RM
Tan Sri Saw Choo Boon	757,000 (a)	0.07%	651,020

(a) Deemed interest by way of his substantial shareholding in Morningale Sdn. Bhd. and Jendela Elit Sdn. Bhd., which in turn are substantial shareholders of Global Jejaka Sdn. Bhd.

The market value of the units is computed based on the closing price as of 31 March 2023 of RM0.86 per unit.



**B22 UNITHOLDERS CAPITAL**

	No. of units	
	Current Quarter	Preceding Quarter
Approved fund size	1,100,000,000	1,100,000,000
Issued and fully paid	1,071,783,000	1,071,783,000

**B23 FINANCE COSTS INCURRED DURING THE QUARTER**

	Current Quarter	Cumulative Quarter
	RM	RM
Interest expenses on CPMTN	8,843,811	8,843,811
Amortisation of transaction costs	130,455	130,455
Credit facility costs	140,125	140,125
Total finance costs	9,114,391	9,114,391

**B24 RESPONSIBILITY STATEMENT AND STATEMENT BY THE DIRECTORS OF THE MANAGER**

The Manager is responsible for the preparation of the quarterly report.

In the opinion of the directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: Interim Financial reporting and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of SENTRAL as at 31 March 2023 and of its financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 11 May 2023.

**BY ORDER OF THE BOARD**

**MOHAMED NOOR RAHIM YAHAYA**  
**COMPANY SECRETARY (MAICSA No. 0866820)**  
**HO NGAN CHUI**  
**COMPANY SECRETARY (MAICSA No. 7014785)**  
**SENTRAL REIT MANAGEMENT SDN. BHD.**  
**(Company No: 200601017500 (737252-X))**  
**As the Manager of SENTRAL REIT**  
**Kuala Lumpur**

**Date : 11 May 2023**