

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2024 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Total income				
Gross revenue				
-Realised gross revenue	47,378,617	44,889,881	191,149,615	161,151,227
-Unrealised rental income (unbilled lease income receivable) (a)	830,632	1,772,670	3,670,294	954,156
	48,209,249	46,662,551	194,819,909	162,105,383
Property operating expenses	(11,499,882)	(10,404,909)	(44,453,078)	(37,238,756)
Net property income	36,709,367	36,257,642	150,366,831	124,866,627
Finance income	1,775,759	1,047,252	4,219,317	2,978,081
Change in fair value of investment properties				
-As per valuation	(1,336,965)	(1,009,737)	(1,336,965)	(1,009,737)
-Unbilled lease income receivable (a)	(830,632)	(1,772,670)	(3,670,294)	(954,156)
	36,317,529	34,522,487	149,578,889	125,880,815
Total expenditure				
Manager's fees	(3,719,497)	(3,355,007)	(14,969,768)	(12,532,231)
Trustee's fee	(193,156)	(171,545)	(773,555)	(654,678)
Finance costs	(13,932,500)	(10,627,527)	(53,714,412)	(38,074,638)
Valuation fees	(136,110)	(76,850)	(353,160)	(296,300)
Auditors' remuneration	(45,360)	(47,011)	(167,768)	(160,141)
Tax agent's fee	(20,167)	(7,684)	(47,979)	(47,736)
Administrative expenses	(584,725)	(501,738)	(944,441)	(884,036)
	(18,631,515)	(14,787,362)	(70,971,083)	(52,649,760)
Income before taxation	17,686,014	19,735,125	78,607,806	73,231,055
Income tax credit/ (expense) for the year (b)	207,114	(522,683)	207,114	(522,683)
Income net of taxation	17,893,128	19,212,442	78,814,920	72,708,372
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	17,893,128	19,212,442	78,814,920	72,708,372
Income net of taxation for the year is made up as follows:				
Realised	18,893,850	20,725,553	79,815,642	74,221,483
Unrealised				
- Unrealised rental income (in relation to unbilled lease income receivable)	830,632	1,772,670	3,670,294	954,156
- Changes in fair value of investment properties				
-as per valuation	(1,336,965)	(1,009,737)	(1,336,965)	(1,009,737)
-unbilled lease income receivable	(830,632)	(1,772,670)	(3,670,294)	(954,156)
- Amortisation of deferred lease income	956,592	461,225	956,592	461,225
- Unwinding of discount on security deposits	(827,463)	(441,916)	(827,463)	(441,916)
- Deferred tax on Real Property Gains Tax on investment properties held	207,114	(522,683)	207,114	(522,683)
	(1,000,722)	(1,513,111)	(1,000,722)	(1,513,111)
Income net of taxation	17,893,128	19,212,442	78,814,920	72,708,372
EARNINGS PER UNIT (c)				
- after manager's fees (sen)	1.50	1.75	6.59	6.74
- before manager's fees (sen)	1.81	2.05	7.84	7.90
EARNINGS PER UNIT (REALISED) (d)				
- after manager's fees (sen)	1.58	1.88	6.68	6.88
- before manager's fees (sen)	1.89	2.19	7.93	8.04
Realised Net Income/ Distributable Income	18,893,850	20,725,553	79,815,642	74,221,483
No of Units in Circulation/ Weighted Average No of Units	1,195,503,000	1,100,023,435	1,195,503,000	1,078,901,137
DISTRIBUTABLE INCOME PER UNIT (e)	1.58	1.88	6.68	6.88

INCOME DISTRIBUTION					
Interim income distribution	(f) (g)	38,375,647	34,189,878	38,375,647	34,189,878
Advance income distribution	(h)	-	30,117,102	-	30,117,102
Final income distribution	(i) (j)	37,658,345	8,129,421	37,658,345	8,129,421
Total income distribution		<u>76,033,992</u>	<u>72,436,401</u>	<u>76,033,992</u>	<u>72,436,401</u>
INCOME DISTRIBUTION PER UNIT					
Gross (sen)					
Interim income distribution	(f) (g)	3.21	3.19	3.21	3.19
Advance income distribution	(h)	-	2.81	-	2.81
Final income distribution	(i) (j)	3.15	0.68	3.15	0.68
Total income distribution per unit		<u>6.36</u>	<u>6.68</u>	<u>6.36</u>	<u>6.68</u>

- (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) Tax expenses relates to deferred tax expenses recognised in the provision of deferred tax liabilities on Real Property Gains Tax ("RPGT") on the fair value gain in the investment properties.
- (c) Earnings Per Unit ("EPU") for the current quarter/ period is computed based on the net income for the quarter/ period divided by 1,195,503,000 units during the quarter/ period. EPU for the preceding year corresponding quarter/ period is divided by weighted average units in circulation of 1,100,023,435/ 1,078,901,137 units respectively.
- (d) Earnings Per Unit (Realised) for the current quarter/ period is computed based on the realised net income for the quarter/ period divided by 1,195,503,000 units during the quarter/ period. EPU (Realised) for the preceding year corresponding quarter/ period is divided by weighted average units in circulation of 1,100,023,435/ 1,078,901,137 units respectively.
- (e) Distributable income per unit for the current quarter/ period is computed based on the units in circulation of 1,195,503,000 units during the quarter/ period. Distributable income per unit for the preceding year corresponding quarter/ period is based on the weighted average units in circulation of 1,100,023,435/ 1,078,901,137 units.
- (f) Income distribution of RM38,375,647 or 3.21 sen per unit being the distributable income for the financial period 1 January 2024 to 30 June 2024 was paid on 18 September 2024.
- (g) Income distribution of RM34,189,878 or 3.19 sen per unit being the distributable of income for the financial period 1 January 2023 to 30 June 2023 was paid on 18 September 2023.
- (h) An advance income distribution of RM30,117,102 or 2.81 sen per unit being the distributable of income for the financial period 1 July 2023 to 6 December 2023 was paid on 4 January 2024.
- (i) Proposed final gross income distribution of RM37,658,345 or 3.15 sen per unit relates to the distributable income for the financial period 1 July 2024 to 31 December 2024, will be payable on 28 February 2025 to all existing 1,195,503,000 unitholders as at book closure date on 10 February 2025. Please refer to Note B16 for details of the distribution.
- (j) Income distribution of RM8,129,421 or 0.68 sen per unit being the distributable of income for the financial period 7 December 2023 to 31 December 2023 was paid on 29 February 2024.

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (UNAUDITED)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31.12.2024	31.12.2023
	UNAUDITED	AUDITED
	RM	RM
NON-CURRENT ASSETS		
Plant and equipment	12,751	11,877
Investment properties	2,504,349,981	2,507,020,275
Investment properties-accrued rental income	18,150,019	14,479,725
	<u>2,522,512,751</u>	<u>2,521,511,877</u>
CURRENT ASSETS		
Trade and other receivables	8,779,985	7,092,787
Deposits with licensed financial institution	81,225,356	53,710,756
Cash and cash equivalents	3,233,593	33,729,230
	<u>93,238,934</u>	<u>94,532,773</u>
TOTAL ASSETS	<u>2,615,751,685</u>	<u>2,616,044,650</u>
NON-CURRENT LIABILITIES		
Borrowings	825,030,673	1,165,131,596
Security deposits	24,438,758	31,096,778
Other payables	7,514,466	1,751,724
Deferred tax liability	9,866,589	10,073,703
	<u>866,850,486</u>	<u>1,208,053,801</u>
CURRENT LIABILITIES		
Trade and other payables	18,805,324	49,043,244
Borrowings	340,979,304	-
Security deposits	3,325,368	5,466,254
	<u>363,109,996</u>	<u>54,509,498</u>
TOTAL LIABILITIES	<u>1,229,960,482</u>	<u>1,262,563,299</u>
NET ASSETS VALUE ("NAV")	<u>1,385,791,203</u>	<u>1,353,481,351</u>
UNITHOLDERS' FUNDS		
Unitholders' funds attributable to unitholders of SENTRAL		
Unitholders' capital	1,326,569,811	1,326,569,811
Undistributed and non-distributable income	59,221,392	26,911,540
Total unitholders' funds	<u>1,385,791,203</u>	<u>1,353,481,351</u>
NUMBER OF UNITS IN CIRCULATION	1,195,503,000	1,195,503,000
NET ASSET VALUE PER UNIT		
- before income distribution (i)	1.1592	1.1321
- after income distribution (ii)	1.1277	1.1253

(i) Net Asset Value per unit before the proposed final gross income distribution of 3.15 sen per unit.

(ii) Net Asset Value per unit after the proposed final gross income distribution of 3.15 sen per unit.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 DECEMBER 2024 (UNAUDITED)

	Unitholders' Capital	Distributable		Total Undistributed and Non-Distributable Income	Unitholders' Funds
		Undistributed Income Realised	Undistributed Loss Unrealised		
	RM	RM	RM	RM	RM
As at 1 January 2024	1,326,569,811	33,469,838	(6,558,298)	26,911,540	1,353,481,351
Total Comprehensive Income for the financial year	-	79,815,642	(1,000,722)	78,814,920	78,814,920
	<u>1,326,569,811</u>	<u>113,285,480</u>	<u>(7,559,020)</u>	<u>105,726,460</u>	<u>1,432,296,271</u>
Unitholders' transactions					
Distribution to unitholders	-	(46,505,068)	-	(46,505,068)	(46,505,068)
As at 31 December 2024	<u>1,326,569,811</u>	<u>66,780,412</u>	<u>(7,559,020)</u>	<u>59,221,392</u>	<u>1,385,791,203</u>
As at 1 January 2023	1,235,876,768	60,210,314	(5,045,187)	55,165,127	1,291,041,895
Issuance/ placements of new units on 11 December 2023	92,790,000	-	-	-	92,790,000
Expenses on issuance/ placements of new units	(2,096,957)	-	-	-	(2,096,957)
Total Comprehensive Income for the financial year	-	74,221,483	(1,513,111)	72,708,372	72,708,372
	<u>1,326,569,811</u>	<u>134,431,797</u>	<u>(6,558,298)</u>	<u>127,873,499</u>	<u>1,454,443,310</u>
Unitholders' transactions					
Distribution to unitholders	-	(100,961,959)	-	(100,961,959)	(100,961,959)
As at 31 December 2023	<u>1,326,569,811</u>	<u>33,469,838</u>	<u>(6,558,298)</u>	<u>26,911,540</u>	<u>1,353,481,351</u>

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 2023 and the accompanying explanatory notes attached to the financial statements.

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024 (UNAUDITED)

	CURRENT YEAR TO DATE 31.12.2024 RM	PRECEDING YEAR TO DATE 31.12.2023 RM
OPERATING ACTIVITIES		
Income before tax	78,607,806	73,231,055
Adjustments for:		
Finance costs	53,714,412	38,074,638
Depreciation	13,933	24,671
Fair value adjustments	5,007,259	1,963,893
Unbilled lease income	(3,670,294)	(954,156)
Allowance for impairment of trade receivables	-	5,839
Reversal for impairment of trade receivables	-	(5,839)
Finance income	(4,219,317)	(2,978,081)
Operating cash flows before changes in working capital	<u>129,453,799</u>	<u>109,362,020</u>
Receivables	(1,354,266)	(1,271,005)
Payables	(3,633,741)	14,928,919
Cash flows from operations	<u>124,465,792</u>	<u>123,019,934</u>
Income tax paid	-	-
Net cash flows generated from operating activities	<u>124,465,792</u>	<u>123,019,934</u>
INVESTING ACTIVITIES		
Additions to investment properties	(2,336,965)	(461,809,737)
Purchase of plant & equipment	(14,807)	-
Changes in deposits in financial institution	(32,638,077)	35,252,506
Interest received	2,929,793	2,915,806
Net cash flow generated from investing activities	<u>(32,060,056)</u>	<u>(423,641,425)</u>
FINANCING ACTIVITIES		
Distribution to unitholders	(76,622,170)	(70,844,857)
Drawdown of borrowings	-	362,000,000
Proceeds from issuance/ placements of new units	-	92,790,000
Expenses paid on issuance/ placements of new units	-	(2,096,957)
Finance costs paid	(51,402,680)	(36,599,653)
Transaction costs paid	-	(1,694,416)
Cash flows used in financing activities	<u>(128,024,850)</u>	<u>343,554,117</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(35,619,114)	42,932,626
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>53,308,965</u>	<u>10,376,339</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>17,689,851</u>	<u>53,308,965</u>
Cash and cash equivalents at end of the period comprises:		
Deposits with licensed financial institutions	81,225,356	53,710,756
Cash on hand and at banks	3,233,593	33,729,230
Total deposits, cash and bank balances	<u>84,458,949</u>	<u>87,439,986</u>
Less: Deposits with licensed financial institution with maturity of more than 3 months	(63,552,507)	(31,776,037)
Debt service reserves accounts pledged	(3,216,591)	(2,354,984)
Cash and cash equivalents	<u>17,689,851</u>	<u>53,308,965</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes to the financial statements.

SENTRAL REIT
EXPLANATORY NOTES FOR PERIOD ENDED 31 DECEMBER 2024

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 2023 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 2023.

A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2023

The audit report of the financial statements for the preceding year ended 31 December 2023 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

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 and financial year ended 31 December 2024, the investment properties were valued based on valuation performed by 4 independent registered valuers, i.e. Nawawi Tie Leung Property Consultants Sdn. Bhd., Knight Frank Malaysia Sdn. Bhd., IVPS Property Consultant Sdn. Bhd. and CBRE WTW Valuation & Advisory Sdn. Bhd. on 31 December 2024. Total deficit on revaluation amounted to RM1,336,965 were charged to the statement of comprehensive income and is unrealised in nature.

A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 DECEMBER 2024

There is no significant event during the quarter ended 31 December 2024.

A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 DECEMBER 2024

There is no significant event subsequent to the quarter ended 31 December 2024.

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 December 2024 are as follows:

	RM
Approved and contracted for :	
Investment properties	<u>2,556,131</u>

B1 REVIEW OF PERFORMANCE

Quarter Results (4Q 2024 vs 4Q 2023)

SENTRAL recorded gross revenue of RM48.2 million in 4Q 2024, an increase of RM1.5 million or 3.3% compared to 4Q 2023. The increase was mainly due to higher revenue generated from Menara CelcomDigi, Sentral Building 3, Sentral Building 1 and Sentral Building 2; and also the impact of revenue straight-lining over the lease term pursuant to requirements of MFRS 16 Leases.

Property operating expenses for 4Q 2024 were RM11.5 million, higher by 10.5% compared to 4Q 2023, mainly due to the inclusion of operating expenses for newly acquired Menara CelcomDigi into the portfolio.

Overall, these have resulted in higher net property income by approximately RM0.5 million or 1.2% compared to 4Q 2023.

Higher manager's fees by RM0.4 million or 10.9% were in line with the increase in total asset value and net investment income in 4Q 2024. Finance costs incurred for 4Q 2024 of RM13.9 million were higher by 31.1% compared to 4Q 2023, mainly due to the issuance of RM362 million MTN to part finance the acquisition of Menara CelcomDigi on 11 Dec 2023, movement in KLIBOR rate in 4Q 2024 compared to 4Q 2023 and adjustment on unwinding of discount on security deposit under MFRS 9.

As a result of all the above, SENTRAL recorded a net income after tax of RM17.9 million in 4Q 2024 (4Q 2023: RM19.2 million), which consist of realised income of RM18.9 million (4Q 2023: RM20.7 million); and unrealised loss amounted to RM1.0 million in 4Q 2024 (4Q 2023: RM1.5 million) mainly due to fair value adjustments on investment properties.

Financial Year-To-Date Results (YTD December 2024 vs YTD December 2023)

SENTRAL recorded gross revenue of RM195 million in YTD December 2024, an increase of approximately RM32.7 million or 20.2% compared to YTD December 2023. The increase was mainly due to higher revenue generated from Menara CelcomDigi (which was included to the portfolio since 11 December 2023), Sentral Building 4, Sentral Building 3, Sentral Building 1 and 2, and the impact of revenue straight-lining over the lease term pursuant to requirements of MFRS 16 Leases.

Property operating expenses for YTD December 2024 were RM44.5 million, higher by 19.4% compared to YTD December 2023, mainly due to the inclusion of operating expenses for newly acquired Menara CelcomDigi into the portfolio.

Overall, the net property income for YTD December 2024 increased by RM25.5 million or 20.4% compared to YTD December 2023.

Manager's fees incurred for YTD December 2024 were approximately RM15.0 million, increased by 19.5% compared to YTD December 2023, which were in line with the increase in total asset value and net investment income in YTD December 2024. Finance costs incurred for YTD December 2024 of RM53.7 million were higher by 41.1% compared to YTD December 2023, mainly due to the issuance of RM362 million MTN to part finance the acquisition of Menara CelcomDigi on 11 Dec 2023, movement in KLIBOR rate and adjustment on unwinding of discount on security deposit under MFRS 9.

SENTRAL recorded a net income after tax of RM78.8 million in YTD December 2024 (YTD December 2023: RM72.7 million), which consist of realised income of RM79.8 million (YTD December 2023 : RM74.2 million) and an unrealised loss amounted to RM1.0 million (YTD December 2023: RM1.5 million) mainly due to fair value adjustments on investment properties.

Current Quarter vs Immediate Preceding Quarter (4Q 2024 vs 3Q 2024)

As compared with the immediate preceding quarter ("3Q 2024"), gross revenue in 4Q 2024 of RM48.2 million was marginally higher by 0.7%, as compared to RM47.9 million in 3Q 2024. The property operating expenses for 4Q 2024 increased by RM1.2 million or 11.7% as compared to 3Q 2024, mainly due to higher operating expenses incurred for some of the properties under the portfolio. These has resulted in marginal reduction in net property income by 2.4%. Finance costs were higher in 4Q 2024 as compared to 3Q 2024 mainly due adjustment on unwinding of discount on security deposit under MFRS 9. Overall, realised net income after taxation of RM18.9 million were lower by 7.8% compared to 3Q 2024.

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 2023.

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 2023 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

Overall, the Klang Valley office market demonstrated positive performance in the first three quarters of 2024, marked by growth in occupancy rates and stable rent levels.

In 2024, the cumulative existing supply stands at circa 118.3 million sq. ft. By the end of 2025, circa 2.3 million sq. ft. of supply pipeline is scheduled to come on-stream. The incoming office supply is balanced between Kuala Lumpur and Selangor at circa 1.3 million sq. ft. (58.2%) and 1.0 million sq. ft. (41.8%), respectively.

The overall occupancy rate of office space in Klang Valley experienced a slight improvement in 2024 to record at 73.8% (2023: 73.2%). This is due to the uptick in occupancy rate of office space in Selangor (2024: 75.0% / 2023: 73.8%) and Kuala Lumpur (2024: 73.4% / 2023: 73.0%) whilst for the Cyberjaya sub-market, it was marginally lower by 0.5% to record at 69.8% (2023: 70.3%).

The average rental rate of office space in Kuala Lumpur was higher at RM6.32 per sq. ft. per month in 2024 (2023: RM6.19 per sq. ft. per month). Similarly, the average office rent in Selangor was slightly higher at RM4.19 per sq. ft. per month during the review period (2023: RM4.15 per sq. ft. per month).

(extracted from the Property Market Overview 2024 prepared by Knight Frank Malaysia Sdn Bhd dated 13 January 2025)

Review of retail market - Klang Valley

The cumulative supply of retail space in Klang Valley stood at circa 70.9 million sq. ft. as of 2024. Approximately 48.0% of the total existing stock (34.0 million sq. ft.) is in Kuala Lumpur with the balance supply of circa 36.9 million sq. ft. (52.0%) in Selangor. Looking ahead, three more retail developments with combined NLA of circa 3.7 million sq. ft. are scheduled for completion in 2025.

As of 3Q 2024, the overall occupancy rates of shopping centres in Kuala Lumpur and Selangor continued to improve further to record at 86.2% and 80.8% respectively. Kuala Lumpur's premier shopping destination, namely Suria KLCC, commands high rental rates ranging from RM35.00 per sq. ft. to RM206.85 per sq. ft. per month as of 1H2024. In KL Fringe, rentals at popular shopping centres such as Mid Valley Megamall and The Gardens Mall range between RM15.00 per sq. ft. and RM80.00 per sq. ft. per month. As for Selangor, rentals at prime shopping malls such as 1 Utama Shopping Centre range from RM10.50 per sq. ft. to RM46.12 per sq. ft. in 1H2024.

(extracted from the Property Market Overview 2024 prepared by Knight Frank Malaysia Sdn Bhd dated 13 January 2025)

B4 PROSPECTS

In 2024, approximately 282,000 sq. ft. or 14% of SENTRAL's total committed net lettable area ("NLA") were up for renewal. Of these leases, approximately 65% or an estimated 183,000 sq. ft. of NLA were successfully renewed or replaced with new tenants. Correspondingly, SENTRAL's portfolio occupancy remained stable 84% as at 31 Dec 2024 (3Q 2024: 84%).

A tenant led market environment and cost inflation remains competitive pressures in the Klang Valley office and retail markets. 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 continued 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 2024.

(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 DECEMBER 2024

As at 31 December 2024, SENTRAL's portfolio comprises ten buildings as follows:

Investment properties	Cost of Investment	Market Value/ Net Carrying amount as at 31 December 2024	Market value/ Net Carrying amount as % of NAV
	RM	RM	
<u>Commercial buildings</u>			
1 Sentral Building 1 (fka QB1 - DHL 1) & Sentral Building 2 (fka QB4 - DHL 2)	109,100,000	135,000,000	9.74%
2 Sentral Building 4 (fka QB2)	107,500,000	113,000,000	8.15%
3 Sentral Building 3 (fka QB3 - BMW)	59,400,000	71,000,000	5.12%
4 Wisma Sentral Inai (fka Wisma Technip)	125,000,000	150,000,000	10.82%
5 Part of Plaza Mont' Kiara	90,000,000	113,000,000	8.15%
6 Tesco Building Penang	132,000,000	145,000,000	10.46%
7 Platinum Sentral	740,000,000	673,000,000	48.56%
8 Menara Shell	640,000,000	672,500,000	48.53%
9 Menara CelcomDigi	450,000,000	450,000,000	32.47%
	<u>2,453,000,000</u>	<u>2,522,500,000</u>	

Capital expenditure of RM950,401 were incurred during the quarter. The NAV as at 31 December 2024 is RM1,385,791,203.

B14 BORROWINGS AND DEBT SECURITIES

As at 31 December
2024
RM

<u>CURRENT LIABILITIES:</u>	
(a) CPs/ MTNs Programme of up to RM450 million *	340,979,304
<u>NON-CURRENT LIABILITIES:</u>	
(b) CPs/ MTNs Programme of up to RM3,000 million **	490,535,516
(c) CPs/ MTNs Programme of up to RM3,000 million ***	334,495,157
TOTAL BORROWINGS	<u><u>1,166,009,977</u></u>

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

** 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) <u>RM341 million in nominal value of MTN</u>	RM
Face value of MTNs issued	341,000,000
Transaction costs b/f	(144,847)
Amortisation of transaction costs during the year	124,151
	<u><u>340,979,304</u></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) <u>Issue 3 - RM130 million in nominal value of MTN (Issue 3") issued on 4 March 2022</u>	RM
Face value of MTNs	130,000,000
Transaction costs on MTN issued	(199,477)
Amortisation of transaction costs during the year	62,960
Total Issue 3	<u><u>129,863,483</u></u>

(ii) <u>Issue 4 - RM362 million in nominal value of MTN (Issue 4") issued on 11 December 2023</u>	RM
Face value of MTNs	362,000,000
Transaction costs on MTN issued	(1,666,241)
Amortisation of transaction costs during the year	338,274
Total Issue 4	<u><u>360,672,033</u></u>

Total Issue 3 and 4 under Kinabalu Capital Sdn Bhd	<u><u>490,535,516</u></u>
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B14 BORROWINGS AND DEBT SECURITIES (cont'd)**(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. (cont'd)**

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 (Issue 2) 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.

On 11 December 2023, RM362 million in nominal value of MTNs from the CP/ MTN Programme were issued under Issue 4 at the interest rate of 4.35% per annum, to part finance the acquisition of Menara CelcomDigi.

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

(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**

	RM
Face value of MTNs	20,000,000
Transaction costs b/f	(25,343)
Amortisation of transaction costs during the year	8,685
	<u>19,983,342</u>

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

	RM
Face value of CPs	240,000,000
Discount	(2,583,986)
Cash proceeds	237,416,014
Accretion of interest expenses	545,508
	<u>237,961,522</u>
Transaction costs b/f	(304,123)
Amortisation of transaction costs during the year	104,228
	<u>237,761,627</u>

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

	RM
Face value of MTNs issued	77,000,000
Transaction costs on MTN issued	(364,836)
Amortisation of transaction costs during the year	115,024
	<u>76,750,188</u>
Total Issue 1	<u>334,495,157</u>

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. (cont'd)**
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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.

An interim income distribution of RM38,375,647 or 3.21 sen per unit, being approximately 94.94% of the distributable income for the period 1 January 2024 to 30 June 2024 was made on 18 September 2024 to all existing 1,195,503,000 unitholders as at book closure date on 22 August 2024.

A final income distribution of RM37,658,345 or 3.15 sen per unit is proposed, for the income distribution for the period 1 July 2024 to 31 December 2024. The proposed final income distribution has been approved by the Board and the Trustee on 22 January 2025 and will be payable on 28 February 2025 to all existing 1,195,503,000 unitholders as at book closure date on 10 February 2025.

Distribution to Unitholders is from the following sources:-

	Current Year Quarter 31.12.2024 RM	Preceding Year Corresponding Quarter 31.12.2023 RM	Current Year To Date 31.12.2024 RM	Preceding Year To Date 31.12.2023 RM
Realised:				
Gross revenue	47,378,617	44,889,881	191,149,615	161,151,227
Interest income	819,167	586,027	3,262,725	2,516,856
	<u>48,197,784</u>	<u>45,475,908</u>	<u>194,412,340</u>	<u>163,668,083</u>
Total property and trust expenses	(29,303,934)	(24,750,355)	(114,596,698)	(89,446,600)
Total Realised Income/ Distributable Income	18,893,850	20,725,553	79,815,642	74,221,483
Undistributed distributable income brought forward	47,886,562	42,861,387	25,340,417	23,555,335
Total realised income available for distribution	66,780,412	63,586,940	105,156,059	97,776,818
Proposed/ Declared income distribution	(37,658,345)	(38,246,523)	(76,033,992)	(72,436,401)
Balance undistributed realised income	<u>29,122,067</u>	<u>25,340,417</u>	<u>29,122,067</u>	<u>25,340,417</u>
Gross final income distribution (RM)		37,658,345		
of which		RM		
- taxable distribution		35,998,045	3.02 sen per unit	
- tax exempt distribution		1,660,300	0.13 sen per unit	
		<u>37,658,345</u>	<u>3.15 sen per unit</u>	

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 December 2024	As at 30 September 2024
	RM	RM
NAV before provision for income distribution	1,385,791,203	1,367,898,075
Provision for income distribution	(37,658,345)	(20,501,677)
NAV after provision for income distribution	1,348,132,858	1,347,396,398
Number of units in circulation (units)	1,195,503,000	1,195,503,000
NAV per unit (RM) (after provision for distribution)	1.1277	1.1271
Market price (RM)	0.795	0.785

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 December 2024 are :

	RM
Base fee	2,618,560
Performance fee	1,100,937
	<u>3,719,497</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 December 2024 amounted to RM193,156.

B20 UNITHOLDINGS BY THE MANAGER

As at 31 December 2024, 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 December 2024 RM
Malaysian Resources Corporation Berhad	334,036,700	27.94%	265,559,177
Global Jejaka Sdn. Bhd.	757,000	0.06%	601,815
	334,793,700	28.00%	266,160,992

The Manager's directors' direct unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 December 2024 RM
Tan Sri Saw Choo Boon	100,000	0.008%	79,500
Kwan Joon Hoe	600,000	0.050%	477,000
Po Yih Ming	40,000	0.003%	31,800

The Manager's directors' indirect unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 December 2024 RM
Tan Sri Saw Choo Boon	757,000 (a)	0.06%	601,815

(a) Deemed interest by way of his substantial shareholding in 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 December 2024 of RM0.795 per unit.

B22 UNITHOLDERS CAPITAL

	No. of units	RM
Issued and fully paid	1,195,503,000	1,326,569,811

B23 FINANCE COSTS INCURRED DURING THE QUARTER

	Current Quarter RM	Cumulative Quarter RM
<u>Realised:</u>		
Interest expenses on CPMTN	12,854,177	51,527,737
Amortisation of transaction costs	214,352	857,177
Credit facility costs	36,508	502,035
<u>Unrealised:</u>		
Interest expenses on unwinding of discount on rental deposits	827,463	827,463
Total finance costs	13,932,500	53,714,412

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 December 2024 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 22 January 2025.

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 : 22 January 2025