

SENTRAL REIT MANAGEMENT SDN BHD

Company No. 200601017500(737252-X)

APPOINTMENT OF SEMASA PARKING SDN BHD AS THE CAR PARK OPERATOR FOR MENARA SHELL AND PLATINUM SENTRAL

1. INTRODUCTION

The Board of Directors of Sentral REIT Management Sdn Bhd (“SRM” or “the Company”), being the manager of SENTRAL REIT (“SENTRAL”) wishes to announce that SENTRAL had today appointed Semasa Parking Sdn Bhd (“SPSB”) as the car park operator for the following buildings:

- (a) Menara Shell for a period of three (3) years commencing from 22 December 2022 to 21 December 2025; and
- (b) Platinum Sentral for a period of three (3) years commencing from 1 January 2023 to 31 December 2025

(collectively known as “the Transactions”).

The Transactions are deemed a related party transaction under paragraph 10.08 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the interests of the interested directors, major shareholders and/or person connected with the Transactions are disclosed in Section 8 of this announcement.

2. DETAILS OF THE TRANSACTIONS

The followings are the key details of the car park operation arrangements.

Menara Shell

Duration of Contract	Three (3) years 22 December 2022 to 21 December 2025
Guarantee Monthly Rental	RM200,000
Profit Sharing	90 (SENTRAL): 10 (SPSB)
Excess Revenue	Difference between Actual Revenue (net of Service Tax) per month & Fixed Monthly Revenue Threshold
Fixed Monthly Revenue Threshold	RM242,000 per month

Platinum Sentral

Duration of Contract	Three (3) years 1 January 2023 to 31 December 2025
Guarantee Monthly Rental	RM95,000
Profit Sharing	90 (SENTRAL): 10 (SPSB)
Excess Revenue	Difference between Actual Revenue (net of Service Tax) per month & Fixed Monthly Revenue Threshold
Fixed Monthly Revenue Threshold	RM122,000 per month

2.1 Information on SPSB

SPSB was incorporated in Malaysia on 6 August 1997 and its principal activity is operation and management of car parks and parking areas.

The issued share capital of SPSB is RM50,205,602 comprising 495,002 ordinary shares, 287,000 Non-Convertible Redeemable Preference Shares and 210,050 Redeemable Preference Shares A.

SPSB is a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB").

3. RATIONALE

SPSB is the major car park operator within Kuala Lumpur Sentral and has been appointed as the car park operator at Menara Shell and Platinum Sentral since the completion of the buildings.

SPSB has a good business relationship with the tenants of Menara Shell and Platinum Sentral and their service has been satisfactory.

4. RISK FACTORS

The Board does not foresee any material risk pursuant to the Transactions except for the inherent risk factors associated with the car park operation industry, whereby the income derived from car park operation is subject to demand and supply forces. The inherent risk is mitigated through the guarantee monthly rental from SPSB to SENTRAL.

5. EFFECTS OF TRANSACTIONS

5.1 Earnings, Net Assets and Gearing

The Transactions are not expected to have any material effect on the net assets per unit, earnings per unit and gearing of SENTRAL for the financial year ending 2022.

5.2 Share Capital and Substantial Unitholders' Unitholding

The Transactions will not have any effect on the issued and paid-up capital of SENTRAL as well as the substantial unitholders' unitholding in SENTRAL as it does not involve any issuance of units.

6. APPROVALS REQUIRED

The Transactions are not subjected to the approval of the unitholders of SENTRAL or any regulatory authority.

7. PERCENTAGE RATIO

The highest percentage ratio applicable to the Transactions pursuant to paragraph 10.02(g) of the Listing Requirements is 0.49%.

8. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS/UNITHOLDERS

The Transactions are deemed a related party transaction under Paragraph 10.08 of the Listing Requirements of Bursa Securities as it involves the interest of a related party, namely Employees Provident Fund (“EPF”). EPF is a major unitholder of SENTRAL and the largest shareholder of MRCB, holding 11.98% and 36.21% respectively.

MRCB is the largest unitholder of SENTRAL holding 27.83%. SRM is a 41% owned associate company of MRCB and SPSB is a wholly-owned subsidiary of MRCB.

Encik Ann Wan Tee, who is a Non-Independent Non-Executive Director of SRM, is also the Group Chief Financial Officer of MRCB.

Encik Kwan Joon Hoe, who is a Non-Independent Non-Executive Director of SRM, is also a Director of SPSB and the Group Chief Operating Officer of MRCB.

The Interested Directors have abstained and will continue to abstain from all Board deliberations and voting at meetings of the Board in relation to the Transactions.

Save as disclosed above, none of the Directors or major shareholders of SRM and/or major unitholders of SENTRAL or persons connected to them has any interest, whether direct or indirect, in the Transactions.

9. STATEMENT BY THE AUDIT AND RISK COMMITTEE OF SRM

The Audit and Risk Committee of SRM has reviewed the terms of the Transactions, is of the opinion that the Transaction is in the best interest of the Company, fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested unitholders of SENTRAL.

10. STATEMENT OF THE BOARD OF DIRECTORS OF SRM

The Board of Directors of SRM (save for the Interested Directors), having considered all aspects of the Transactions and after careful deliberation, is of the opinion that the terms of the Transaction is in the best interest of the Company, fair, reasonable and on normal commercial terms and not detrimental to the interest of the non-interested unitholders of SENTRAL.

11. TRANSACTIONS WITH SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

The Transactions entered into with the same party or with parties connected with one another for the preceding 12 months are as follows:-

Transacting Party	Nature of Transactions	Relevant Percentage Ratio	Aggregate Value RM	Related Party
Semasa Parking Sdn Bhd	Car Park Operation Agreement at Platinum Sentral for Jan 22 to Dec 22	0.051%	1,140,000	EPF
Semasa Parking Sdn Bhd	Second Supplemental Car Park Operation Agreement at Platinum Sentral - Revision of Rental Jan 21 to Sep 21	0.034%	756,000	EPF

[^] a wholly-owned subsidiary of MRCB

12. DOCUMENTS FOR INSPECTION

The Letters of Award in relation to the appointment of SPSB as car park operator for Menara Shell and Platinum Sentral are available for inspection at the registered office of SRM at Level 33A, Menara NU2, No. 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 5 December 2022.