

Subject : Revaluation of Properties

1.0 INTRODUCTION

The Board of Directors of Sentral REIT Management Sdn Bhd (“SRM”), the Manager of Sentral REIT (“SENTRAL”) is pleased to announce that pursuant to Clause 10.02(b)(i) of the Securities Commission (“SC”)’s Guidelines on Listed Real Estate Investment Trusts (“REITs”) and Paragraph 9.19(46) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the current market valuation and fair value loss of investment properties for all SENTRAL’s Properties* of RM2.522 billion and RM1.964 million, respectively shall be incorporated into the accounts of SENTRAL as at 31 December 2023.

Note:

* refers to Sentral Building 1 – DHL 1 and Sentral Building 2 – DHL 2, Sentral Building 4, Sentral Building 3 – BMW, part of Plaza Mont’ Kiara, Wisma Sentral Inai, Lotuss Building Penang, Platinum Sentral, Menara Shell and Menara CelcomDigi (collectively known as “the Properties”).

2.0 PURPOSE OF VALUATION

The revaluation exercise for the Properties has been conducted in accordance with Clause 10.02(b)(i) of the SC Guidelines on REITs, whereby a revaluation of a fund’s investment portfolio should be carried out at least once every financial year and is for accounting purposes in accordance to the Financial Reporting Standard 140 (Investment Property).

3.0 REVALUATION

The details of the revaluation are set out below:

Name of Properties	Valuation Date	Net book Value as at 31 Dec 2023 ^(a) (Prior to Proposed Revaluation) (RM’000)	Proposed Revaluation Amount (RM’000)	Surplus / (Deficit) to be incorporated into Fund (RM’000)
Sentral Building 1-DHL 1 and Sentral Building 2-DHL 2 ^(c)	31 Dec 2023	135,415	135,000	(415)
Sentral Building 4 ^(e)	31 Dec 2023	108,000	108,000	-
Sentral Building 3-BMW ^(e)	31 Dec 2023	71,000	71,000	-
Wisma Sentral Inai ^(b)	31 Dec 2023	153,700	154,000	300
Part of Plaza Mont Kiara ^(d)	31 Dec 2023	113,000	113,000	-
Lotuss Building Penang ^(c)	31 Dec 2023	140,000	145,000	5,000
Platinum Sentral ^(b)	31 Dec 2023	673,807	673,000	(807)
Menara Shell ^(d)	31 Dec 2023	672,158	672,500	342
Menara Celcom Digi ^(c)	31 Dec 2023	455,429	450,000	(5,429)
Total Valuation		2,522,510	2,521,500	(1,010)
Less: Investment Property – Accrued Rental Income			(14,480)	
Investment Properties			2,507,020	

Notes:

- (a) The Net Book Value as at 31 December 2023 (prior to the Proposed Revaluation) for the Properties comprise of the brought forward net book value as at 31 December 2022 together with asset enhancement related and acquisition costs incurred during the year.
- (b) The Properties were valued by Messrs. Nawawi Tie Leung Property Consultants Sdn Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.

- (c) *The Properties were valued by Messrs. CBRE WTW Valuation and Advisory Sdn Bhd (CBRE-WTW), an independent firm of professional valuer, registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.*
- (d) *The Properties were valued by Messrs. Knight Frank Malaysia Sdn Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.*
- (e) *The Properties were valued by Messrs. IVPS Property Consultant Sdn Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.*

The fair valuation loss on investment properties recognized in the Condensed Consolidated Statement of Comprehensive Income amounts to RM1.964 million. The reconciliation between the decrease in investment properties and fair value loss is as follows:

	RM'000
Decrease in investment properties as per valuation	(1,010)
Add: Unbilled lease income receivable	(954)
Fair value loss of investment properties (Unrealised)	(1,964)

4.0 EFFECTS ON THE NET ASSET VALUE

Based on the unaudited results as at 31 December 2023, the net asset value per unit of SENTRAL (after proposed final distribution) will be RM1.1253 upon incorporation of the fair value loss of investment properties of RM1.964 million.

5.0 DOCUMENTS AVAILABLE FOR INSPECTION

The valuation reports in relation to the revaluation dated 31 December 2023 are made available for inspection at the registered office of SRM at Level 33A, Menara NU 2, No.203, Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

The announcement is dated 23 January 2024.