

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
<b>Total income</b>				
Gross revenue				
-Realised gross revenue	40,616,293	41,815,210	160,645,430	165,692,080
-Unrealised rental income (unbilled lease income receivable) (a)	(178,495)	(2,352,384)	(1,042,254)	(1,678,282)
	40,437,798	39,462,826	159,603,176	164,013,798
Property operating expenses	(10,710,999)	(10,021,152)	(36,953,846)	(37,893,590)
Net property income	29,726,799	29,441,674	122,649,330	126,120,208
Interest income	1,018,685	1,157,766	2,639,082	2,912,894
Change in fair value of investment properties				
-As per valuation	(15,700,919)	(7,176,172)	(15,700,919)	(7,176,172)
-Unbilled lease income receivable (a)	178,495	2,352,384	1,042,254	1,678,282
Gain on divestment of investment property	-	-	3,754,026	-
	15,223,060	25,775,652	114,383,773	123,535,212
<b>Total expenditure</b>				
Manager's fees	(3,091,983)	(3,196,054)	(12,616,535)	(12,796,372)
Trustee's fee	(163,500)	(167,532)	(664,577)	(665,681)
Finance costs	(7,921,799)	(8,586,034)	(31,087,822)	(35,370,825)
Valuation fees	(52,290)	(42,399)	(316,100)	(324,020)
Auditors' remuneration	(41,505)	(46,822)	(147,637)	(157,198)
Tax agent's fee	(6,596)	(5,828)	(26,423)	(35,052)
Administrative expenses	(600,926)	(292,192)	(729,080)	(403,308)
	(11,878,599)	(12,336,861)	(45,588,174)	(49,752,456)
<b>Income before taxation</b>	<b>3,344,461</b>	<b>13,438,791</b>	<b>68,795,599</b>	<b>73,782,756</b>
Income tax expense (b)	1,450,654	(1,213,414)	1,450,654	(1,213,414)
<b>Income net of taxation</b>	<b>4,795,115</b>	<b>12,225,377</b>	<b>70,246,253</b>	<b>72,569,342</b>
<b>Other comprehensive income</b>				
Loss on remeasurement of financial derivatives	-	-	-	(1,865)
Adjustment of remeasurement of matured derivatives	-	-	-	326,103
<b>Total comprehensive income for the financial year</b>	<b>4,795,115</b>	<b>12,225,377</b>	<b>70,246,253</b>	<b>72,893,580</b>
<b>Income net of taxation for the year is made up as follows:</b>				
Realised	19,034,819	20,610,976	84,485,957	80,954,941
Unrealised				
- Unrealised rental income (in relation to unbilled lease income receivable)	(178,495)	(2,352,384)	(1,042,254)	(1,678,282)
- Changes in fair value of investment properties				
-as per valuation	(15,700,919)	(7,176,172)	(15,700,919)	(7,176,172)
-unbilled lease income receivable	178,495	2,352,384	1,042,254	1,678,282
- Amortisation of deferred lease income	577,431	624,116	577,431	624,116
- Unwinding of discount on security deposits	(566,870)	(620,129)	(566,870)	(620,129)
- Deferred tax on Real Property Gains Tax on investment properties held	1,450,654	(1,213,414)	1,450,654	(1,213,414)
	(14,239,704)	(8,385,599)	(14,239,704)	(8,385,599)
<b>Income net of taxation</b>	<b>4,795,115</b>	<b>12,225,377</b>	<b>70,246,253</b>	<b>72,569,342</b>
<b>EARNINGS PER UNIT (c)</b>				
- after manager's fees (sen)	0.45	1.14	6.55	6.77
- before manager's fees (sen)	0.74	1.44	7.73	7.96
<b>EARNINGS PER UNIT (REALISED) (d)</b>				
- after manager's fees (sen)	1.78	1.92	7.88	7.55
- before manager's fees (sen)	2.06	2.22	9.06	8.75
<b>Realised Net Income/ Distributable Income (e)</b>	<b>19,034,819</b>	<b>20,610,976</b>	<b>84,485,957</b>	<b>80,954,941</b>
<b>DISTRIBUTABLE INCOME PER UNIT</b>	<b>1.78</b>	<b>1.92</b>	<b>7.88</b>	<b>7.55</b>

<b>INCOME DISTRIBUTION</b>				
Interim income distribution (f) (g)	-	-	36,762,157	36,762,157
Final income distribution (h)	42,656,964	39,120,080	42,656,964	39,120,080
	<u>42,656,964</u>	<u>39,120,080</u>	<u>79,419,121</u>	<u>75,882,237</u>
<b>Income distribution per unit</b>				
<b>Gross (sen)</b>				
Interim income distribution	-	-	3.43	3.43
Final income distribution	3.98	3.65	3.98	3.65
Total income distribution	<u>3.98</u>	<u>3.65</u>	<u>7.41</u>	<u>7.08</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 1,071,783,000 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.
- (d) Earnings Per Unit (Realised) for the current quarter/ period is computed based on the realised net income for the quarter/ period divided by 1,071,783,000 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.
- (e) 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.
- (f) Income distribution of 3.43 sen per unit being the distributable of income for the financial period 1 January 2021 to 30 June 2021 was paid on 20 September 2021.
- (g) Income distribution of 3.43 sen per unit being the distributable of income for the financial period 1 January 2020 to 30 June 2020 was paid on 30 September 2020.
- (h) Proposed final gross distribution of 3.98 sen per unit relates to the distribution of income for the period 1 July 2021 to 31 December 2021, will be payable on 28 February 2022 to all unitholders as at book closure date on 8 February 2022. Please refer to Note B16 for details of the distribution.

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021 (UNAUDITED)**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
	<b>31.12.2021 UNAUDITED RM</b>	<b>31.12.2020 AUDITED RM</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	131,633	268,636
Investment properties	2,065,892,839	2,080,850,585
Investment properties-accrued rental income	15,107,161	16,149,415
Lease receivables	91,788	332,703
	<u>2,081,223,421</u>	<u>2,097,601,339</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	5,373,984	4,659,879
Lease receivables	240,915	440,508
Deposits with licensed financial institution	88,727,239	81,338,555
Cash and cash equivalents	4,810,668	3,622,207
	<u>99,152,806</u>	<u>90,061,149</u>
Asset held for sale	-	40,000,000
	<u>99,152,806</u>	<u>130,061,149</u>
<b>TOTAL ASSETS</b>	<b><u>2,180,376,227</u></b>	<b><u>2,227,662,488</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	675,656,454	627,139,697
Security deposits	11,716,798	13,576,426
Other payables	1,108,964	1,585,426
Deferred tax liability	12,132,721	13,583,375
	<u>700,614,937</u>	<u>655,884,924</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	19,200,716	19,102,327
Borrowings	129,992,582	217,836,968
Security deposits	12,702,222	11,336,515
	<u>161,895,520</u>	<u>248,275,810</u>
<b>TOTAL LIABILITIES</b>	<b><u>862,510,457</u></b>	<b><u>904,160,734</u></b>
<b>NET ASSETS VALUE ("NAV")</b>	<b><u>1,317,865,770</u></b>	<b><u>1,323,501,754</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	81,989,002	87,624,986
<b>Total unitholders' funds</b>	<b><u>1,317,865,770</u></b>	<b><u>1,323,501,754</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 (i)	1.2296	1.2349
- after income distribution (ii)	1.1898	1.1984

(i) Net Asset Value per unit before the proposed final gross income distribution of 3.98 sen per unit.

(ii) Net Asset Value per unit after the proposed final gross income distribution of 3.98 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 2020 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 2021 (UNAUDITED)**

	← Distributable →			Non-Distributable	Total Undistributed and Non-Distributable Income	Unitholders' Funds
	Unitholders' Capital	Undistributed Income Realised	Undistributed Income Unrealised	Cash flow hedge reserve		
	RM	RM	RM	RM		
<b>As at 1 January 2021</b>	1,235,876,768	57,078,942	30,546,044	-	87,624,986	1,323,501,754
Total Comprehensive Income for the financial year	-	84,485,957	(14,239,704)	-	70,246,253	70,246,253
	1,235,876,768	141,564,899	16,306,340	-	157,871,239	1,393,748,007
<b>Unitholders' transactions</b>						
Distribution to unitholders	-	(75,882,237)	-	-	(75,882,237)	(75,882,237)
<b>As at 31 December 2021</b>	1,235,876,768	65,682,662	16,306,340	-	81,989,002	1,317,865,770
<b>As at 1 January 2020</b>	1,235,876,768	49,005,245	38,931,643	(324,238)	87,612,650	1,323,489,418
Total Comprehensive Income for the financial year	-	80,954,941	(8,385,599)	324,238	72,893,580	72,893,580
	1,235,876,768	129,960,186	30,546,044	-	160,506,230	1,396,382,998
<b>Unitholders' transactions</b>						
Distribution to unitholders	-	(72,881,244)	-	-	(72,881,244)	(72,881,244)
<b>As at 31 December 2020</b>	1,235,876,768	57,078,942	30,546,044	-	87,624,986	1,323,501,754

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 2020 and the accompanying explanatory notes attached to the financial statements.

**SENTRAL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021 (UNAUDITED)**

	<b>CURRENT YEAR TO DATE 31.12.2021 RM</b>	<b>PRECEDING YEAR TO DATE 31.12.2020 RM</b>
<b>OPERATING ACTIVITIES</b>		
Income before tax	68,795,599	73,782,756
Adjustments for:		
Finance costs	31,087,822	35,370,825
Depreciation	172,416	214,269
Fair value adjustments	14,658,665	5,497,890
Unbilled lease income	1,042,254	1,678,282
Allowance for impairment of trade receivables	440,577	778,425
Reversal for impairment of trade receivables	(374,511)	(741,289)
Finance income	(2,639,082)	(2,912,894)
Written off of investment property	765,000	-
Gain on divestment of investment property	(3,754,026)	-
Operating cash flows before changes in working capital	<u>110,194,714</u>	<u>113,668,264</u>
Receivables	(416,460)	1,541,812
Payables	682,987	3,154,642
Cash flows from operations	<u>110,461,241</u>	<u>118,364,718</u>
Income tax paid	-	-
Net cash flows generated from operating activities	<u>110,461,241</u>	<u>118,364,718</u>
<b>INVESTING ACTIVITIES</b>		
Additions to investment properties	(657,919)	(1,166,155)
Proceed from divestment of QB5	41,850,000	-
Purchase of plant & equipment	(35,413)	(119,640)
Changes in deposits in financial institution	(3,265,053)	(19,745,120)
Interest received	2,138,448	2,164,685
Net cash flow generated from investing activities	<u>40,030,063</u>	<u>(18,866,230)</u>
<b>FINANCING ACTIVITIES</b>		
Distribution to unitholders	(75,882,237)	(72,881,244)
Proceeds from borrowings	(27,123,513)	341,000,000
Repayment of borrowings	258,380,616	(335,000,000)
Finance costs paid	(300,000,000)	(30,040,152)
Transaction costs paid	(554,078)	(620,340)
Cash flows used in financing activities	<u>(145,179,212)</u>	<u>(97,541,736)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,312,092	1,956,752
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>14,855,043</u>	<u>12,898,291</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<u><b>20,167,135</b></u>	<u><b>14,855,043</b></u>
<b>Cash and cash equivalents at end of the year comprises:</b>		
Deposits with licensed financial institutions	88,727,239	81,338,555
Cash on hand and at banks	4,810,668	3,622,207
Total deposits, cash and bank balances	<u>93,537,907</u>	<u>84,960,762</u>
Less: Deposits with licensed financial institution with maturity of more than 3 months	(69,992,773)	(66,450,205)
Debt service reserves accounts pledged	(3,377,999)	(3,655,514)
<b>Cash and cash equivalents</b>	<u><b>20,167,135</b></u>	<u><b>14,855,043</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 2020 and the accompanying explanatory notes to the financial statements.

**SENTRAL REIT**  
**EXPLANATORY NOTES FOR YEAR ENDED 31 DECEMBER 2021**

**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 2020 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 2020.

**A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The audit report of the financial statements for the preceding year ended 31 December 2020 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 for 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 2021, 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 C H Williams Talhar & Wong Sdn. Bhd. on 31 December 2021. Total deficit on revaluation amounted to RM15,700,919 were charged to the statement of comprehensive income and is unrealised in nature.

## **A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 DECEMBER 2021**

**Proposed establishment of Commercial Papers (CPs) Programme of RM300.0 million in nominal value (CP Programme) and Medium Term Notes (MTNs) Programme of RM3,000.0 million in nominal value (MTN Programme), subject to a combined limit of RM3,000.0 million in aggregate in nominal value (collectively referred to as the Programmes) by TRUSMADI CAPITAL SDN BHD (Issuer)**

As announced on 15 October 2021, the manager of SENTRAL, is pleased to announce that the Issuer, a wholly-owned special purpose vehicle of Maybank Trustees Berhad (as the trustee for and on behalf of SENTRAL), has lodged the Programmes with the Securities Commission on the same day.

The CP Programme shall have a legal tenure of seven (7) years from the date of the first issue of the CPs under the CP Programme, whereas the MTN Programme shall have perpetual tenure from the date of the first issue of the MTNs under the MTN Programme. Issuance of CPs and/ or MTNs from time to time under the Programmes may be rated and/ or unrated which will be determined prior to such issuance.

On 17 December 2021, the manager of SENTRAL, announced that the Issuer has made its first issuance of RM240.0 million in nominal value of CPs and RM20.0 million in nominal value of MTNs of the respective Programmes.

Proceeds raised from the issuance of CPs and MTNs under the Programmes will be utilised by the Issuer for advancing to Sentral REIT pursuant to the REIT Trustess Financing Agreement (Issue 1), to refinance the maturing notes of RM260.0 million in nominal value under the existing commercial papers programme and/ or medium term notes programme, subject to an aggregate combined programme limit of RM3,000.0 million in nominal value established by Kinabalu Capital Sdn. Bhd..

**A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 DECEMBER 2021**

There is no significant events subsequent to the quarter ended 31 December 2021.

**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 2021 are as follows:

	As at 31 December 2021
Approved and contracted for :	RM
Investment properties	<u>6,601,586</u>

## **B1 REVIEW OF PERFORMANCE**

### **Quarter Results (4Q 2021 vs 4Q 2020)**

SENTRAL recorded gross revenue of RM40.4 million in 4Q 2021, an increase of approximately RM1.0 million or 2.5% compared to 4Q 2020. The increase were mainly due to the adjustments on unbilled lease income receivable pursuant to MFRS 16 Leases; net off with lower revenue generated from Platinum Sentral, QB3-BMW, Wisma Technip and Menara Shell in 4Q 2021.

Property operating expenses for 4Q 2021 were RM10.7 million, an increase of approximately RM0.7 million or 6.9% compared to 4Q 2020, mainly due to higher operating expenses incurred for some of the properties under the portfolio.

These have resulted in slightly higher net property income by 1.0% compared to 4Q 2020.

Manager's fees incurred for 4Q 2021 were RM3.1 million, marginally lower by 3% compared to 4Q 2020. Finance costs incurred for 4Q 2021 of RM7.9 million were lower by 9.7% compared to 4Q 2020, mainly due to lower KLIBOR rate in 4Q 2021 compared to 4Q 2020; and adjustment on unwinding of discount on security deposits under MFRS 9.

SENTRAL recorded a net profit after tax of RM4.8 million in 4Q 2021 (4Q 2020 : RM12.2 million), which consist of realised income of RM19.0 million (4Q 2020 : RM20.6 million); and unrealised loss amounted to RM14.2 million in 4Q 2021 (4Q 2020 : RM8.4 million).

### **Financial Year-To-Date Results (YTD 4Q 2021 vs YTD 4Q 2020)**

SENTRAL recorded gross revenue of RM159.6 million in YTD December 2021, a decrease of RM4.4 million or 2.7% over the previous financial year ended YTD December 2020. The decrease was mainly due to lower revenue generated from QB3-BMW, PMK and Platinum Sentral.

Property operating expenses for YTD December 2021 were RM37.0 million, a decrease of RM0.9 million or 2.5% against the previous financial year ended 31 December 2020. The decrease was mainly attributable to lower expenses incurred by some of the properties under the portfolio.

Overall, the net property income for YTD December 2021 was decreased by RM3.5 million or 2.8% compared to YTD December 2020.

Manager's fees for YTD December 2021 were approximately RM12.6 million, marginally lower by 1.4% compared to YTD December 2020. Finance costs for YTD December 2021 amounted to RM31.1 million were 11.0% lower due to lower KLIBOR rate in YTD December 2020 and adjustment on unwinding of discount on security deposits under MFRS 9. A gain on divestment of QB5 - IBM amounted to RM3.8 million was recorded in YTD December 2021, upon the completion of disposal on 21 April 2021.

SENTRAL recorded a net income after tax of RM70.2 million in YTD December 2021 (YTD December 2020 : RM72.6 million), which consist of realised income of RM84.5 million (YTD December 2020 : RM81.0 million) and an unrealised loss amounted to RM14.2 million (YTD December 2020 : RM8.4 million).

## **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 2020.

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 2020 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**

The existing supply of purpose-built office space in Greater Kuala Lumpur / Klang Valley, has been increasing at a steady pace over the years. As of 3Q2021(p), its cumulative existing supply stands at circa 112.7 million sq. ft. In the supply pipeline is circa 10.4 million sq ft of space with scheduled completions by 2023. The bulk of incoming office supply at circa 8.3 million sq ft (79.5%) will be from Kuala Lumpur whilst the remaining space of circa 2.1 million sq ft (20.5%) will come from Selangor.

In 3Q2021, the overall occupancy rate of office space in Kuala Lumpur declined further to post at 74.3% (2020: 76.0%), impacted by the coronavirus pandemic. The overall occupancy rates for the sub-markets of Petaling Jaya, Subang Jaya and Cyberjaya declined by 3.8%, 2.0% and 2.2% to record at 74.7%, 79.1% and 73.4% respectively (2020: Petaling Jaya – 78.5%, Subang Jaya – 81.1% and Cyberjaya – 75.6%)

The average rental rate of office space in Kuala Lumpur declined to RM6.39 per sq ft per month in 3Q2021(p) (2020: RM6.60 per sq ft per month). In the sub-markets of Petaling Jaya, Subang Jaya, Shah Alam and Cyberjaya, the average monthly rentals were in the region of RM4.40 per sq ft; RM4.17 per sq ft; RM3.45 per sq ft and RM3.80 per sq ft respectively.

Kuala Lumpur office market is seen to be sustaining the pandemic with landlords continuing to offer incentives such as rent-free period, refurbishment cost amortization, flexible tenancy terms and space usage to remain competitive in the market.

(extracted from Property Market Overview 2021 prepared by Knight Frank Malaysia Sdn Bhd for Sentral REIT)

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

The existing cumulative supply of retail space in Kuala Lumpur currently stands at circa 29.15 million sq ft. The bulk of retail supply comes from KL Fringe with about 18.37 million sq ft (63.0%) while KL City accounts for the remaining 10.77 million sq ft (37.0%) of space. Meanwhile, the cumulative supply of retail space in Selangor stood at circa 33.87 million sq ft as of 1H2021, following the completion of Setia City Mall Phase 2 with approximately 450,000 sq ft NLA.

The average occupancy rate of shopping centres in Kuala Lumpur peaked at 89.8% in 2014 and has since continued to downtrend. Despite recording a slight improvement in 2019 at 83.4% (2018: 82.8%), the average occupancy level declined to 82.0% in 3Q2021 following the adverse impact of the prolonged COVID-19 pandemic. Similar to the trend in Kuala Lumpur, the average occupancy rate of shopping centres in Selangor peaked at 87.9% in 2015 before declining to 79.2% in 3Q2021.

Kuala Lumpur's premier shopping destination, namely Suria KLCC, command high rental rates ranging from RM36.54 per sq ft to RM213.84 per sq ft per month. In KL Fringe, rentals at popular shopping centres such as Mid Valley Megamall and The Gardens Mall currently range between RM15.00 per sq ft and RM80.00 per sq ft per month. During the review period, the lower band of rental rates of selected shopping centres in Selangor range from about RM4.12 per sq ft to RM23.85 per sq ft per month while the rental rates in the upper band are from RM8.40 per sq ft to RM44.00 per sq ft per month.

The rental and occupancy levels of Klang Valley's retail market are expected to experience further downward pressure in the short to mid-term, with expiry of the COVID 19 Act 2020 on 31 December 2021 coupled with the high supply pipeline of retail space and weak demand.

(extracted from Property Market Overview 2021 prepared by Knight Frank Malaysia Sdn Bhd for Sentral REIT)

#### **B4 PROSPECTS**

In 2021, 22% of SENTRAL's total committed net lettable area ("NLA") or approximately 440,000 sq. ft. were due for renewal. 66% of these leases have been successfully renewed. Moving forward, approximately 28% or 511,00 sq. ft. of committed leases are due in 2022 with negotiations for leases due in 1Q 2022 in progress.

With the on-going uncertainties due to pandemic, the Klang Valley office and retail markets are expected to remain challenging. We will continue to focus on asset management and leasing strategies that are centred on cost optimisation and tenant retention to overcome the challenging operating environment.

#### **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 2021.

**(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**

The disposal of QB5 was completed on 21 April 2021 with a gain on divestment amounted to RM3,754,026 recorded in the second quarter ended 30 June 2021.

**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 and period to date.

**B10 STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals during the current quarter and period to date.

**B11 UTILISATION OF PROCEEDS RAISED FROM ANY NEW ISSUANCE**

There were no issuance of new units during the current quarter and period to date.

**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 2021**

As at 31 December 2021, SENTRAL's portfolio comprises nine buildings as follows:

Investment properties	Cost of Investment	Market Value/ Net Carrying amount as at 31 December 2021	Market value/ Net Carrying amount as % of NAV
	RM	RM	
<u>Commercial buildings</u>			
1 QB1 - DHL 1 & QB4 - DHL 2	109,100,000	135,000,000	10.24%
2 QB2 - HSBC	107,500,000	119,000,000	9.03%
3 QB3 - BMW	59,400,000	74,000,000	5.62%
4 Wisma Technip	125,000,000	170,000,000	12.90%
5 Part of Plaza Mont' Kiara	90,000,000	115,000,000	8.73%
6 Tesco Building Penang	132,000,000	140,000,000	10.62%
7 Platinum Sentral	740,000,000	670,000,000	50.84%
8 Menara Shell	640,000,000	658,000,000	49.93%
	<u>2,003,000,000</u>	<u>2,081,000,000</u>	

No capital expenditure were incurred during the quarter. The NAV as at 31 December 2021 is RM1,317,865,770.

**B14 BORROWINGS AND DEBT SECURITIES**

	As at 31 December 2021
	RM
<b><u>NON-CURRENT LIABILITIES:</u></b>	
(a) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")	76,943,806
(b) CPs/ MTNs Programme of up to RM450 million	340,606,987
(c) CPs/ MTNs Programme of up to RM3,000 million (Issue 1)	258,105,661
	<u>675,656,454</u>
<b><u>CURRENT LIABILITIES:</u></b>	
(d) CPs/ MTNs Programme of up to RM3 billion-Issue 1	-
(d) CPs/ MTNs Programme of up to RM3 billion-Issue 2	129,992,582
	<u>129,992,582</u>
<b>TOTAL BORROWINGS</b>	<b><u>805,649,036</u></b>

**B14 BORROWINGS AND DEBT SECURITIES (CONT'D)**

<b>(a) <u>Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")</u></b>	<b>RM</b>
Term Loan draw down	117,000,000
Transaction cost b/f	(89,897)
	<u>116,910,103</u>
Amortisation of transaction costs during the year	33,703
Early redeemed on 13 September 2021	(40,000,000)
	<u><u>76,943,806</u></u>

On 18 July 2013, SENTRAL through its SPE, Trusmadi Capital Sdn. Bhd. ("Trusmadi") established a RM150 million Fixed Rate Term Loan Facility agreement for five years ("RM150 million Term Loan").

On 13 September 2013, Tranche 1 of the Facility of the RM117 million at interest rate of 4.60% per annum was drawdown to repay the RM117 million MTN outstanding under the RM134 million CP/ MTN Programme which matured in September 2013. Tranche 2 will be used for capital expenditure and investments at the interest rate of Reference Malaysian Government Securities ("MGS") + 1.4% per annum.

On 13 September 2018, the term loan facility was extended for a further term of five (5) years from 13 September 2018 to 13 September 2023, at interest rate of 4.75% per annum. The transaction costs relating to the programme are amortised over the tenure of the programme and are charged to profit or loss.

On 13 September 2021, RM40 million term loan facility had been early redeemed via the proceeds from disposal of QB5.

**(b) 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"):**

<b><u>RM341 million in nominal value of MTN</u></b>	<b>RM</b>
Face value of MTNs issued	341,000,000
Transaction costs on CP/ MTN issued	(517,028)
Amortisation of transaction costs during the year	124,015
	<u><u>340,606,987</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.

**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”)**

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

	<b>RM</b>
Face value of MTNs issued	20,000,000
Transaction costs on CP/ MTN issued	(42,622)
Amortisation of transaction costs during the year	710
	<u>19,958,088</u>

(b) **RM240 million in nominal value of CP (“Issue 1”) issued on 17 December 2021**

	<b>RM</b>
Face value of CP issued	240,000,000
Discount	(1,619,384)
Cash proceeds	<u>238,380,616</u>
Accretion of interest expenses	269,897
	238,650,513
Transaction costs on CP/ MTN issued	(511,456)
Amortisation of transaction costs during the year	8,516
	<u>238,147,573</u>
<b>Total Issue 1</b>	<b><u>258,105,661</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 billion (“MTN Perpetual Programme”) with Pacific Trustees Berhad (“Pacific Trustees”), as the trustee of the CPs/MTNs Programme.

On 17 December 2021, RM240 million nominal value of CP and RM20 million in nominal value of MTN out of the respective programme were issued to refinance the RM220 million MTN and CP under Kinabalu Capital CPMTN-Issue 1 and RM40 million CP under Kinabalu Capital CPMTN-Issue 2, as disclosed in (d) below.

**B14 BORROWINGS AND DEBT SECURITIES (CONT'D)****(d) Commercial Papers Programme ("CP Programme") and Medium Term Notes Programme ("MTN Programme") with aggregate combined limit of RM3.0 billion in nominal value ("RM3 billion Programme")**

	<b>RM</b>
(i) Issue 1	-
(ii) Issue 2	129,992,582
	<u>129,992,582</u>

**(i) (a) RM144 million in nominal value of CP and RM20 million in nominal value of MTN ("Issue 1") issued on 22 December 2016**

	<b>RM</b>
Face value of CP/ MTN issued	164,000,000
Discount	(1,895,592)
Cash proceeds	<u>162,104,408</u>
Accretion of interest expenses	1,895,592
	<u>164,000,000</u>
Transaction costs b/f	(85,927)
Amortisation of transaction costs during the year	85,927
Redeemed on 17 December 2021	<u>(164,000,000)</u>
	<u>-</u>

**(b) RM21 million in nominal value of CP ("Issue 1") issued on 6 March 2017**

	<b>RM</b>
Face value of CP issued	21,000,000
Discount	(153,444)
Cash proceeds	<u>20,846,556</u>
Accretion of interest expenses	153,444
	<u>21,000,000</u>
Transaction costs b/f	(8,387)
Amortisation of transaction costs during the year	8,387
Redeemed on 17 December 2021	<u>(21,000,000)</u>
	<u>-</u>

**B14 BORROWINGS AND DEBT SECURITIES (CONT'D)****(c) Commercial Papers Programme ("CP Programme") and Medium Term Notes Programme ("MTN Programme") with aggregate combined limit of RM3.0 billion in nominal value ("RM3 billion Programme") (cont'd)****(c) RM35 million in nominal value of CP ("Issue 1") issued on 29 March 2019**

	<b>RM</b>
Face value of CPs issued	35,000,000
Discount	(204,592)
Cash proceeds	<u>34,795,408</u>
Accretion of interest expenses	<u>204,592</u>
	35,000,000
Transaction costs on CP/ MTN issued	(1,954)
Amortisation of transaction costs during the period	1,954
Redeemed on 17 December 2021	<u>(35,000,000)</u>
	<u>-</u>
	<u>-</u>
<b>Total Issue 1</b>	<u>-</u>

On 30 November 2016, SENTRAL through its SPE, Kinabalu Capital Sdn Bhd ("Kinabalu") established a RM3.0 billion nominal value of CP/ MTN Programme. The CP Programme shall have a legal tenure of seven (7) years from the date of the first issue of the CPs under the CP Programme, whereas the MTN Programme shall have a legal tenure of twenty (20) years from the date of the first issue of MTNs under the MTN Programme.

On 22 December 2016, RM144 million nominal value of CP and RM20 million in nominal value of MTN out of the respective programme were issued at the interest rate of 4.13% per annum and 4.30% per annum respectively. The proceeds raised from the issuance were utilised to part-finance the acquisition of Menara Shell together with a 5-storey podium and a 4-storey basement car park.

On 6 March 2017, RM21 million in nominal value of CP were issued at the interest rate of 4.14% per annum. The proceeds raised from this issuance were utilised to partially redeem the CPs under the RM270 million CP/ MTN Programme which matured on 6 March 2017.

On 29 March 2019, RM35 million in nominal value of CPs were issued at the interest rate of 4.29% per annum. The proceeds from this issuance were utilised to partially redeem the Senior CPs under the RM279 million CP/ MTN Programme issued by Murud.

On 17 December 2021, the entire Issue 1 CP/MTN of RM220 million and Issue 2 RM40 million CP outstanding (Note ii below) were redeemed via the issuance of RM240 million nominal value of CP and RM20 million in nominal value of MTN under Trusmadi Capital Issue 1 RM3,000 million Programme, as disclosed in note (c) above.

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

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

##### (c) Commercial Papers Programme ("CP Programme") and Medium Term Notes Programme ("MTN Programme") with aggregate combined limit of RM3.0 billion in nominal value ("RM3 billion Programme") (cont'd)

###### (ii) RM40 million in nominal value of CP and RM130 million in nominal value of MTN ("Issue 2") issued on 6 March 2017

	<b>RM</b>
Face value of CPs issued	170,000,000
Discount	(292,274)
Cash proceeds	<u>169,707,726</u>
Accretion of interest expenses	<u>292,274</u>
	170,000,000
Transaction costs on CP/ MTN issued	(67,888)
Amortisation of transaction costs during the period	60,470
Partial redeemed on 17 December 2021	<u>(40,000,000)</u>
<b>Total Issue 2</b>	<b><u><u>129,992,582</u></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.

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

#### 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 RM36,762,157 or 3.43 sen per unit, being the income distribution for the period 1 January 2021 to 30 June 2021 was made on 20 September 2021.

A final income distribution of RM42,656,964, or 3.98 sen per unit is proposed, for the income distribution for the period 1 July 2021 to 31 December 2021. The proposed final income distribution has been approved by the Board and the Trustee on 20 January 2022 and will be payable on 28 February 2022 to all unitholders as at book closure date on 8 February 2022.

The total gross distribution relating to the financial year ended 31 December 2021 amounted to RM79,419,121 or 7.41 sen per unit, being approximately 94.00% of the total distributable income of SENTRAL for the financial year ended 31 December 2021.

Distribution to Unitholders is from the following sources:-

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Gross revenue	40,616,293	41,815,210	160,645,430	165,692,080
Interest income	441,254	533,650	2,061,651	2,288,778
Gain on divestment of investment property	-	-	3,754,026	-
	<u>41,057,547</u>	<u>42,348,860</u>	<u>166,461,107</u>	<u>167,980,858</u>
Total property and trust expenses	<u>(22,022,728)</u>	<u>(21,737,884)</u>	<u>(81,975,150)</u>	<u>(87,025,917)</u>
Total Realised Income/ Distributable Income	19,034,819	20,610,976	84,485,957	80,954,941
Previous year's undistributed realised income	46,647,843	36,467,966	17,958,862	12,886,158
Total realised income available for distribution	65,682,662	57,078,942	102,444,819	93,841,099
Proposed/ Declared income distribution	<u>(42,656,964)</u>	<u>(39,120,080)</u>	<u>(79,419,121)</u>	<u>(75,882,237)</u>
<b>Balance undistributed realised income</b>	<b><u>23,025,698</u></b>	<b><u>17,958,862</u></b>	<b><u>23,025,698</u></b>	<b><u>17,958,862</u></b>
Gross final income distribution (RM)		42,656,964		
of which		RM		
- taxable distribution		37,843,488	3.53 sen per unit	
- tax exempt distribution		4,813,476	0.45 sen per unit	
		<u>42,656,964</u>	<u>3.98 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 2021	As at 30 September 2021
	RM	RM
NAV before provision for income distribution	1,317,865,770	1,313,070,656
Provision for income distribution	(42,656,964)	(22,112,851)
NAV after provision for income distribution	1,275,208,806	1,290,957,805
Number of units in circulation (units)	1,071,783,000	1,071,783,000
NAV per unit (RM) (after provision for distribution)	1.1898	1.2045
Market price (RM)	0.905	0.870

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 2021 are :

	RM
Base fee	2,181,586
Performance fee	910,397
	<u>3,091,983</u>

The Manager was entitled to a divestment fee of RM225,000 in respect of the disposal of QB5-IBM which was disposed on 21 April 2021. The divestment fee was charged to the income statement and netted off against the gain on divestment of investment property.

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 2021 amounted to RM163,500.

**B20 UNITHOLDINGS BY THE MANAGER**

As at 31 December 2021, the Manager held 2,857,000 units in SENTRAL.

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

	No. of units	Percentage of total units	Market Value as at 31 December 2021 RM
Malaysian Resources Corporation Berhad HLIB Nominee (Tempatan) Sdn. Bhd. for: -Quill Land Sdn. Bhd.	298,297,000	27.83%	269,958,785
Sentral REIT Management Sdn. Bhd. (formerly known as MRCB Quill Management Sdn. Bhd.)	59,040,000	5.51%	53,431,200
Quill Resources Holding Sdn. Bhd.	2,857,000	0.27%	2,585,585
Global Jejaka Sdn. Bhd.	361,000	0.03%	326,705
	185,000	0.02%	167,425
	360,740,000	33.66%	326,469,700

The Manager's directors' direct unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 December 2021 RM
Dato' Dr. Low Moi Ing, J.P	50,000	0.005%	45,250
Dato' Michael Ong Leng Chun	55,000	0.005%	49,775
Kwan Joon Hoe	450,000	0.042%	407,250

The Manager's directors' indirect unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 December 2021 RM
Dato' Dr. Low Moi Ing, J.P	59,401,000 (a)	5.54%	53,757,905
Dato' Michael Ong Leng Chun	59,401,000 (b)	5.54%	53,757,905
Tan Sri Saw Choo Boon	185,000 (c)	0.02%	167,425

(a) Deemed interest by virtue of her direct shareholding in Quill Land Sdn. Bhd., and Quill Resources Holding Sdn. Bhd.

(b) Deemed interest by virtue of his direct shareholding in Quill Land Sdn. Bhd., and Quill Resources Holding Sdn. Bhd.

(c) 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 December 2021 of RM0.905 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 AND YEAR TO DATE**

	Current Quarter	Cumulative Quarter
	RM	RM
Interest expenses on CPMTN	6,198,193	24,660,768
Interest expenses on term loan	921,890	4,984,897
Amortisation of transaction costs	106,774	393,721
Credit facility costs	128,072	481,566
Interest expenses on unwinding of discount on rental deposits	566,870	566,870
Total finance costs	7,921,799	31,087,822

**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 2021 and of its financial performance and cash flows for the quarter/ year ended on that date and duly authorised for release by the Board of Directors of the Manager on 20 January 2022.

**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 (formerly known as MRCB Quill Management Sdn Bhd)**

**(Company No: 200601017500 (737252-X))**

**As the Manager of SENTRAL REIT**

**Kuala Lumpur**

**Date : 20 January 2022**