

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	RM	RM	RM	RM
Total income				
Gross revenue				
-Realised gross revenue	39,300,419	41,043,489	39,300,419	41,043,489
-Unrealised rental income (unbilled lease income receivable) (a)	(539,125)	(20,022)	(539,125)	(20,022)
	<u>38,761,294</u>	<u>41,023,467</u>	<u>38,761,294</u>	<u>41,023,467</u>
Property operating expenses	(8,251,966)	(9,614,754)	(8,251,966)	(9,614,754)
Net property income	30,509,328	31,408,713	30,509,328	31,408,713
Interest income	458,139	484,970	458,139	484,970
Change in fair value of investment properties				
-Unbilled lease income receivable (a)	539,125	20,022	539,125	20,022
	<u>31,506,592</u>	<u>31,913,705</u>	<u>31,506,592</u>	<u>31,913,705</u>
Total expenditure				
Manager's fees	(3,109,280)	(3,176,205)	(3,109,280)	(3,176,205)
Trustee's fee	(163,061)	(166,945)	(163,061)	(166,945)
Finance costs	(7,302,208)	(7,687,852)	(7,302,208)	(7,687,852)
Valuation fees	(78,970)	(88,083)	(78,970)	(88,083)
Auditors' remuneration	(37,338)	(37,554)	(37,338)	(37,554)
Tax agent's fee	(6,609)	(6,609)	(6,609)	(6,609)
Administrative expenses	(449,472)	(55,625)	(449,472)	(55,625)
	<u>(11,146,938)</u>	<u>(11,218,873)</u>	<u>(11,146,938)</u>	<u>(11,218,873)</u>
Income before taxation	20,359,654	20,694,832	20,359,654	20,694,832
Income tax expense (b)	-	-	-	-
Income net of taxation	20,359,654	20,694,832	20,359,654	20,694,832
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial year	20,359,654	20,694,832	20,359,654	20,694,832
Income net of taxation for the year is made up as follows:				
Realised	20,359,654	20,694,832	20,359,654	20,694,832
Unrealised	-	-	-	-
EARNINGS PER UNIT (c)				
- after manager's fees (sen)	1.90	1.93	1.90	1.93
- before manager's fees (sen)	2.19	2.23	2.19	2.23
EARNINGS PER UNIT (REALISED) (d)				
- after manager's fees (sen)	1.90	1.93	1.90	1.93
- before manager's fees (sen)	2.19	2.23	2.19	2.23
Realised Net Income/ Distributable Income (e)	20,359,654	20,694,832	20,359,654	20,694,832
DISTRIBUTABLE INCOME PER UNIT	1.90	1.93	1.90	1.93

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

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

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

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

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (UNAUDITED)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31.3.2022 UNAUDITED RM	31.12.2021 AUDITED RM
NON-CURRENT ASSETS		
Plant and equipment	108,421	131,633
Investment properties	2,066,720,574	2,065,892,839
Investment properties-accrued rental income	14,568,036	15,107,161
Lease receivables	58,103	91,788
	<u>2,081,455,134</u>	<u>2,081,223,421</u>
CURRENT ASSETS		
Trade and other receivables	4,453,382	5,373,984
Lease receivables	203,160	240,915
Deposits with licensed financial institution	55,934,690	88,727,239
Cash and cash equivalents	8,141,692	4,810,668
	<u>68,732,924</u>	<u>99,152,806</u>
TOTAL ASSETS	<u>2,150,188,058</u>	<u>2,180,376,227</u>
NON-CURRENT LIABILITIES		
Borrowings	805,030,501	675,656,454
Security deposits	10,615,459	11,716,798
Other payables	1,108,964	1,108,964
Deferred tax liability	12,132,721	12,132,721
	<u>828,887,645</u>	<u>700,614,937</u>
CURRENT LIABILITIES		
Trade and other payables	14,404,546	19,200,716
Borrowings	-	129,992,582
Security deposits	11,327,407	12,702,222
	<u>25,731,953</u>	<u>161,895,520</u>
TOTAL LIABILITIES	<u>854,619,598</u>	<u>862,510,457</u>
NET ASSETS VALUE ("NAV")	<u>1,295,568,460</u>	<u>1,317,865,770</u>
UNITHOLDERS' FUNDS		
Unitholders' funds attributable to unitholders of SENTRAL		
Unitholders' capital	1,235,876,768	1,235,876,768
Undistributed and non-distributable income	59,691,692	81,989,002
Total unitholders' funds	<u>1,295,568,460</u>	<u>1,317,865,770</u>
NUMBER OF UNITS IN CIRCULATION	1,071,783,000	1,071,783,000
NET ASSET VALUE PER UNIT		
- before income distribution	1.2088	1.2296
- after income distribution (i)	1.1898	1.1898

(i) Net Asset Value assuming 100% of realised net income for the current quarter of RM20,359,654 is provided for income distribution.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the financial statements.

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

	Unitholders' Capital	Distributable		Total Undistributed and Non-Distributable Income	Unitholders' Funds
		Undistributed Income Realised	Undistributed Income Unrealised		
	RM	RM	RM	RM	RM
As at 1 January 2022	1,235,876,768	65,682,662	16,306,340	81,989,002	1,317,865,770
Total Comprehensive Income for the financial year	-	20,359,654	-	20,359,654	20,359,654
	<u>1,235,876,768</u>	<u>86,042,316</u>	<u>16,306,340</u>	<u>102,348,656</u>	<u>1,338,225,424</u>
Unitholders' transactions					
Distribution to unitholders	-	(42,656,964)	-	(42,656,964)	(42,656,964)
As at 31 March 2022	<u>1,235,876,768</u>	<u>43,385,352</u>	<u>16,306,340</u>	<u>59,691,692</u>	<u>1,295,568,460</u>
As at 1 January 2021	1,235,876,768	57,078,942	30,546,044	87,624,986	1,323,501,754
Total Comprehensive Income for the financial year	-	20,694,832	-	20,694,832	20,694,832
	<u>1,235,876,768</u>	<u>77,773,774</u>	<u>30,546,044</u>	<u>108,319,818</u>	<u>1,344,196,586</u>
Unitholders' transactions					
Distribution to unitholders	-	(39,120,080)	-	(39,120,080)	(39,120,080)
As at 31 March 2021	<u>1,235,876,768</u>	<u>38,653,694</u>	<u>30,546,044</u>	<u>69,199,738</u>	<u>1,305,076,506</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 2021 and the accompanying explanatory notes attached to the financial statements.

SENTRAL REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022 (UNAUDITED)

	CURRENT YEAR TO DATE 31.3.2022 RM	PRECEDING YEAR TO DATE 31.3.2021 RM
OPERATING ACTIVITIES		
Income before tax	20,359,654	20,694,832
Adjustments for:		
Finance costs	7,302,208	7,687,852
Depreciation	27,877	45,325
Allowance for impairment of trade receivables	20,479	19,863
Reversal for impairment of trade receivables	(94,548)	(7,853)
Finance income	(458,139)	(484,970)
Operating cash flows before changes in working capital	<u>27,157,531</u>	<u>27,955,049</u>
Receivables	939,225	(1,661,164)
Payables	(7,456,549)	(3,740,092)
Cash flows from operations	<u>20,640,207</u>	<u>22,553,793</u>
Income tax paid	-	-
Net cash flows generated from operating activities	<u>20,640,207</u>	<u>22,553,793</u>
INVESTING ACTIVITIES		
Additions to investment properties	(288,610)	(81,191)
Purchase of plant & equipment	(4,665)	-
Changes in deposits in financial institution	19,786,070	13,675,770
Interest received	585,025	523,544
Net cash flow generated from investing activities	<u>20,077,820</u>	<u>14,118,123</u>
FINANCING ACTIVITIES		
Distribution to unitholders	(42,656,964)	(39,120,080)
Finance costs paid	(7,003,783)	(6,930,749)
Proceeds from borrowings	207,000,000	-
Repayment of borrowings	(207,000,000)	-
Transaction costs paid	(732,735)	-
Cash flows used in financing activities	<u>(50,393,482)</u>	<u>(46,050,829)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,675,455)	(9,378,913)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	20,167,135	14,855,043
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>10,491,680</u>	<u>5,476,130</u>
Cash and cash equivalents at end of the period comprises:		
Deposits with licensed financial institutions	55,934,690	59,649,928
Cash on hand and at banks	8,141,692	2,256,151
Total deposits, cash and bank balances	<u>64,076,382</u>	<u>61,906,079</u>
Less: Deposits with licensed financial institution with maturity of more than 3 months	(52,427,690)	(55,616,928)
Debt service reserves accounts pledged	(1,157,012)	(813,021)
Cash and cash equivalents	<u>10,491,680</u>	<u>5,476,130</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes to the financial statements.

SENTRAL REIT
EXPLANATORY NOTES FOR YEAR ENDED 31 MARCH 2022

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 2021 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 2021.

A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2021

The audit report of the financial statements for the preceding year ended 31 December 2021 was unqualified.

A5 SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A6 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

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

A7 CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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

A8 CHANGES IN DEBT AND EQUITY

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

A9 INCOME DISTRIBUTION POLICY

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

A10 SEGMENT REPORTING

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

A11 VALUATION OF INVESTMENT PROPERTIES

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

For the quarter ended 31 March 2022, there were no revaluation of investment properties.

A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 MARCH 2022

Appointment of Semasa Parking Sdn. Bhd. as the car park operator for Platinum Sentral

As announced on 23 February 2022, the Manager of Sentral REIT, had on 23 February 2022, appointed Semasa Parking Sdn. Bhd. ("SPSB"), as the car park operator for Platinum Sentral for a period of 1 year commencing from 1 January 2022 to 31 December 2022. SPSB is a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB").

The transaction is 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.

A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 MARCH 2022

There is no significant event subsequent to the quarter ended 31 March 2022.

A14 CHANGES IN CONTINGENT LIABILITIES

There are no contingent liabilities to be disclosed.

A15 CAPITAL COMMITMENTS

The amount of capital commitment not provided for in the condensed consolidated financial statements as at 31 March 2022 are as follows:

	As at 31 March 2022
	RM
Approved and contracted for :	
Investment properties	<u>5,911,281</u>

B1 REVIEW OF PERFORMANCE

Quarter Results (1Q 2022 vs 1Q 2021)

SENTRAL recorded gross revenue of RM38.8 million in 1Q 2022, a decrease of approximately RM2.3 million or 5.5% compared to 1Q 2021. The decrease was mainly due to lower revenue generated from Wisma Technip, Menara Shell and QB3-BMW.

Property operating expenses for 1Q 2022 were RM8.3 million, a decrease of approximately RM1.4 million or 14.2% compared to 1Q 2021, mainly due to lower operating expenses incurred for some of the properties under the portfolio.

These have resulted in slightly lower net property income by 2.9% compared to 1Q 2021.

Manager's fees incurred for 1Q 2022 were RM3.1 million, marginally lower by 2.1% compared to 1Q 2021. Finance costs incurred for 1Q 2022 of RM7.3 million were lower by 5.0% compared to 1Q 2021, mainly due to lower interest on borrowings after the completion of refinancing exercise in Mar 2022.

As a result of all the above, net income after taxation for the current quarter under review of RM20.4 million was lower by RM0.3 million or 1.6% compared to 1Q 2021.

Financial Year-To-Date Results (YTD 1Q 2022 vs YTD 1Q 2021)

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

Current Quarter vs Immediate Preceding Quarter (1Q 2022 vs 4Q 2021)

As compared with the immediate preceding quarter ("4Q 2021"), gross revenue in 1Q 2022 of RM38.8 million was lower by 4.2%, as compared to 4Q 2021 of RM40.4 million. The property operating expenses for 1Q 2022 has reduced RM2.5 million or 23.0% as compared to 4Q 2021, mainly due to lower operating expenses incurred for some of the properties under the portfolio. This has resulted in net property income increased by 2.6%. Finance costs were lower in 1Q 2022 by 7.8% due to lesser number of days in 1Q 2022 as compared to 4Q 2021; and also savings on interests after refinancing exercise in Mar 2022. Overall, realised net income after taxation of RM20.4 million were marginally higher by 7.0% compared to 4Q 2021.

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 2021.

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 2021 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 current estimated supply of office space in KL city is 58.86 million sq ft, followed by KL fringe with 29.43 million sq ft and Selangor with 24.36 million sq ft. This brings the total to 112.65 million sq ft. There is a total of 11.51 million sq ft of office space currently under construction with a projected increase of 10.2% in office space over the next three years.

Office occupancy in KL city and KL Fringe remained resilient. Average occupancy rates in KL city and KL Fringe rose 0.1% to 65.5% and 0.7% to 86.4%, respectively. The overall occupancy rate in Selangor was marginally lower at 74.1% in 4Q2021 compared with 74.4% in 3Q2021. Cyberjaya, meanwhile, saw improvement in its occupancy rate, from 72.6% in 3Q2021 to 73.6% in 4Q2021.

Average rental rates for Prime A+ office in KL city's new central business district (CBD) remained at RM10.17 per sq ft in 4Q2021. However, the rental rates for the city's Grade A offices dropped quarter on quarter (q-o-q), with the new CBD and old CBD declining by 0.4% and 0.6% to RM5.97 per sq ft and RM5.04 per sq ft respectively. In KL fringe, the average rental rates for Grade A offices remained unchanged. KL Sentral, Mid Valley City (MVC)/ KL Eco City (KLEC), Bangsar South/ Kerinchi and Pantai/ Bangsar registered the same rates q-o-q at RM7.02 per sq ft, RM6.02 per sq ft, RM5.53 per sq ft and RM5.61 per sq ft respectively.

(extracted from The Edge | Knight Frank Kuala Lumpur and Selangor Office Monitor (4Q2021))

Review of retail market - Klang Valley

In general, the retail sector is expected to improve due to the reopening of the economy and the easing of travel restrictions. However, caution will likely increase in light of the risk of new infection wave. With many retail spaces slated to open in 2022 e.g., The Exchange Mall, Mitsui Shopping Park LaLaport KL, these new malls can potentially attract footfall, as they are built with features or attractions which can cater to pent-up demand on retail experience.

Take-up rate in the new malls can be expected to partially come from strong, market-dominant multinational brands, as opposed to smaller/ domestic players, as risk of investment in these new malls can be higher than older, established malls. Nonetheless, the occupancy rate is expected to continue facing downward pressure due to the completion of new supplies amidst the market shifting towards e-commerce. Tenant retention and lease flexibility will continue to impact on the performance of malls in 2022. Rentals are to remain subdued following the persistent operational challenges faced by retailers.

(extracted from JLL 2022 Property Market Outlook – Greater Kuala Lumpur)

B4 PROSPECTS

In 2022, 28% of SENTRAL's total committed net lettable area ("NLA") or approximately 511,000 sq. ft. are due for renewal. Approximately 5% or 26,000 sq. ft. of these leases are due in 1Q 2022, of which 56% have been successfully renewed. Negotiations are in progress for the renewals due in 2Q 2022 and 3Q 2022.

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 2022.

(b) Profit guarantee

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

B7 TAXATION

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

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

B8 PROFIT ON SALE OF INVESTMENTS IN UNQUOTED SECURITIES/ PROPERTIES

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

B9 PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

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

B10 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals during the current quarter.

B11 UTILISATION OF PROCEEDS RAISED FROM ANY NEW ISSUANCE

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

B12 CIRCUMSTANCES WHICH MATERIALLY AFFECT ANY INTEREST OF THE UNITHOLDERS

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

B13 COMPOSITION OF INVESTMENT PORTFOLIO AS AT 31 MARCH 2022

As at 31 March 2022, SENTRAL's portfolio comprises nine buildings as follows:

Investment properties	Cost of Investment	Market Value/ Net Carrying amount as at 31 March 2022	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	10.42%
2 QB2 - HSBC	107,500,000	119,000,000	9.19%
3 QB3 - BMW	59,400,000	74,000,000	5.71%
4 Wisma Technip	125,000,000	170,000,000	13.12%
5 Part of Plaza Mont' Kiara	90,000,000	115,000,000	8.88%
6 Tesco Building Penang	132,000,000	140,000,000	10.81%
7 Platinum Sentral	740,000,000	670,000,000	51.71%
8 Menara Shell	640,000,000	658,288,610	50.81%
	<u>2,003,000,000</u>	<u>2,081,288,610</u>	

Capital expenditure of RM288,610 were incurred during the quarter. The NAV as at 31 March 2022 is RM1,295,568,460.

B14 BORROWINGS AND DEBT SECURITIES

As at 31 March 2022
RM

NON-CURRENT LIABILITIES:

(a) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")	-
(b) CPs/ MTNs Programme of up to RM450 million	340,637,998
(c) CPs/ MTNs Programme of up to RM3,000 million *	129,848,149
(d) CPs/ MTNs Programme of up to RM3,000 million **	334,544,354
TOTAL BORROWINGS	805,030,501

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

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

(a) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan") under Trusmadi Capital Sdn. Bhd.

(i) <u>RM150 million Term Loan</u>	RM
Term Loan drawn down	77,000,000
Transaction cost b/f	(56,194)
	<hr/>
	76,943,806
Amortisation of transaction costs during the period	56,194
Early redemption on 13 March 2022	(77,000,000)
	<hr/>
	-

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.

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

On 14 March 2022, the balance RM77 million term loan facility had been early redeemed using the proceeds from the new issuance of RM77 million Medium Term Notes ("MTN") issued by Trusmadi (as disclosed in Note B14 (d) below).

As such, there was no outstanding balance under RM150 million Term Loan as at 31 March 2022.

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

B14 BORROWINGS AND DEBT SECURITIES (CONT'D)

- (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") 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	(393,013)
Amortisation of transaction costs during the period	31,011
	<u>340,637,998</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.

- (c) **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>RM130 million in nominal value of MTN ("Issue 2") issued on 6 March 2017</u>	RM
Face value of MTN	130,000,000
Transaction costs b/f	(7,417)
Amortisation of transaction costs during the period	7,417
Full redemption on 13 March 2022	(130,000,000)
Total Issue 2	<u><u>-</u></u>

(ii) <u>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	(154,423)
Amortisation of transaction costs during the period	2,572
Total Issue 3	<u>129,848,149</u>

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

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

On 4 March 2022, the issue 2 of RM130 million in nominal value of MTN was fully redeemed using the proceeds from the new issuance of RM130 million MTN issued by Kinabalu under Issue 3.

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

B14 BORROWINGS AND DEBT SECURITIES (cont'd)

(d) **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	(41,912)
Transaction costs on MTNs issued	(804)
Amortisation of transaction costs during the period	2,182
	<u>19,959,466</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	(1,637,222)
Cash proceeds	238,362,778
Accretion of interest expenses	266,938
	<u>238,629,716</u>
Transaction costs b/f	(502,941)
Transaction costs on CPs issued	(9,661)
Amortisation of transaction costs during the period	26,191
	<u>238,143,305</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	(567,847)
Amortisation of transaction costs during the period	9,430
	<u>76,441,583</u>
Total Issue 1	<u>334,544,354</u>

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

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

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

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

B15 CHANGES IN MATERIAL LITIGATION

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

B16 INCOME DISTRIBUTION

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

A final income distribution of RM42,656,964, or 3.98 sen per unit, being income distribution for the period 1 July 2021 to 31 December 2021, has been made on 28 February 2022.

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

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

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

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

	As at 31 March 2022	As at 31 December 2021
	RM	RM
NAV before provision for income distribution	1,295,568,460	1,317,865,770
Provision for income distribution	(20,359,654)	(42,656,964)
NAV after provision for income distribution	1,275,208,806	1,275,208,806
Number of units in circulation (units)	1,071,783,000	1,071,783,000
NAV per unit (RM) (after provision for distribution)	1.1898	1.1898
Market price (RM)	0.945	0.905

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

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

B18 MANAGER'S FEE AND SOFT COMMISSION

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

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

Total fees accrued to the Manager for the quarter ended 31 March 2022 are :

	RM
Base fee	2,164,082
Performance fee	945,198
	<u>3,109,280</u>

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

B19 TRUSTEE'S FEE

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

Trustee's fee accrued to the Trustee for the quarter ended 31 March 2022 amounted to RM163,061.

B20 UNITHOLDINGS BY THE MANAGER

As at 31 March 2022, 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 March 2022 RM
Malaysian Resources Corporation Berhad	298,297,000	27.83%	281,890,665
HLIB Nominee (Tempatan) Sdn. Bhd. for:			
-Quill Land Sdn. Bhd.	59,040,000	5.51%	55,792,800
Sentral REIT Management Sdn. Bhd.	2,857,000	0.27%	2,699,865
Quill Resources Holding Sdn. Bhd.	361,000	0.03%	341,145
Global Jejaka Sdn. Bhd.	185,000	0.02%	174,825
	360,740,000	33.66%	340,899,300

The Manager's directors' direct unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 March 2022 RM
Dato' Dr. Low Moi Ing, J.P	50,000	0.005%	47,250
Dato' Michael Ong Leng Chun	55,000	0.005%	51,975
Kwan Joon Hoe	450,000	0.042%	425,250

The Manager's directors' indirect unitholding in SENTRAL:

	No. of units	Percentage of total units	Market Value as at 31 March 2022 RM
Dato' Dr. Low Moi Ing, J.P	59,401,000 (a)	5.54%	56,133,945
Dato' Michael Ong Leng Chun	59,401,000 (b)	5.54%	56,133,945
Tan Sri Saw Choo Boon	185,000 (c)	0.02%	174,825

(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 March 2022 of RM0.945 per unit.

B22 UNITHOLDERS CAPITAL

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

B23 FINANCE COSTS INCURRED DURING THE QUARTER

	Current Quarter	Cumulative Quarter
	RM	RM
Interest expenses on CPMTN	6,261,506	6,261,506
Interest expenses on term loan	721,479	721,479
Amortisation of transaction costs	167,686	167,686
Credit facility costs	151,537	151,537
Total finance costs	7,302,208	7,302,208

B24 RESPONSIBILITY STATEMENT AND STATEMENT BY THE DIRECTORS OF THE MANAGER

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

In the opinion of the directors of the Manager, the quarterly report has been prepared in accordance with MFRS 134: Interim Financial reporting and Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of SENTRAL as at 31 March 2022 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 12 May 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.
(Company No: 200601017500 (737252-X))
As the Manager of SENTRAL REIT
Kuala Lumpur

Date : 12 May 2022