



**MRCB** *Quill*  
REIT



# Corporate Presentation 2<sup>nd</sup> Quarter 2020 Financial Results

14 August 2020

# Important Notice

*This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MRCB-Quill REIT ("MQReit"). The past performance of MQReit is not necessarily indicative of the future performance of MQReit.*

*This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitations) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on the manager's current view of future events.*

*The value of units in MQReit (Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Main Board of Bursa Malaysia Securities Berhad. Listing of the Units on the Bursa Securities does not guarantee a liquid market for the Units.*

*The information in this Announcement must not be published outside Malaysia.*

# Contents

	<b>Slide No.</b>
• Financial Results	4
• Portfolio Update	12
• Conclusion	16



# Financial Results



Quill Building 5 - IBM

# Achieved EPU of 1.78 sen for 2Q 2020

(RM'000)	(Unaudited) 2Q 2020	(Unaudited) 2Q 2019	Variance
<b>Gross Revenue</b>	<b>40,108</b>	38,779	<b>3.4%</b>
<b>Net Property Income</b>	<b>31,484</b>	29,080	<b>6.5%</b>
<b>Net Income <sup>1</sup></b>	<b>19,081</b>	16,455	<b>16.0%</b>
<b>Distributable Income <sup>3</sup></b>	<b>19,081</b>	17,355	<b>16.0%</b>
<b>EPU <sup>2</sup></b>	<b>1.78 sen</b>	1.54 sen	<b>16.0%</b>
<b>Distributable Income Per Unit</b>	<b>1.78 sen</b>	1.62 sen	<b>9.9%</b>

- 1 Net Income refers to realised income after taxation (exclude gain from re-measurement of derivatives and revaluation surplus)
- 2 EPU refers to Realised Earnings Per Unit
- 3 Distributable Income refers to realised income after taxation adjusted for Manager's management fee payable in units and income previously not distributed.
- 4 DPU refers to Distribution Per Unit

# Declares DPU of 3.43 sen for 1H 2020

(RM'000)	(Unaudited) 1H 2020	(Unaudited) 1H 2019	Variance
Gross Revenue	82,844	80,909	2.4%
Net Property Income	64,280	61,867	3.9%
Net Income <sup>1</sup>	38,866	35,862	8.4%
Distributable Income <sup>3</sup>	38,866	36,762	5.7%
EPU <sup>2</sup>	3.63 sen	3.35 sen	8.4%
Distributable Income Per Unit	3.63 sen	3.43 sen	5.7%
DPU <sup>4</sup>	3.43 sen	3.43 sen	-

1 Net Income refers to realised income after taxation (exclude gain from re-measurement of derivatives and revaluation surplus)

2 EPU refers to Realised Earnings Per Unit

3 Distributable Income refers to realised income after taxation adjusted for Manager's management fee payable in units and income previously not distributed.

4 DPU refers to Distribution Per Unit

# Total Assets – RM2.2 billion

## NAV per unit – RM1.2034

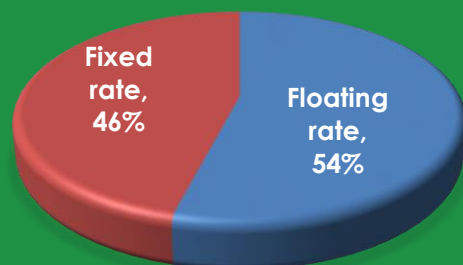
	Unaudited as at 30 Sept 2019 (RM'000)	Audited as at 31 Dec 2019 (RM'000)	Unaudited as at 31 Mar 2020 (RM'000)	Unaudited as at 30 Jun 2020 (RM'000)
Non Current Assets	2,180,173	2,144,136	2,144,013	2,143,808
Current Assets	53,411	69,568	59,757	84,846
<b>Total Assets</b>	<b>2,233,584</b>	<b>2,213,704</b>	<b>2,203,770</b>	<b>2,228,654</b>
Current Liabilities	353,817	354,118	18,838	25,351
Non Current Liabilities	532,235	877,452	877,452	876,742
Net Assets before Distribution	1,347,532	1,323,489	1,307,480	1,326,561
Provision for Distribution	(17,637)*	(36,119)	(19,785)*	(36,762)
Net Assets after Distribution	1,329,895	1,287,370	1,287,695	1,289,799
No of Units	1,071,783	1,071,783	1,071,783	1,071,783
<b>NAV per Unit (RM)</b>	<b>1.2408</b>	<b>1.2011</b>	<b>1.2015</b>	<b>1.2034</b>

\* Assuming 100% of realised net income is provided for income distribution

# Prudent Capital Management

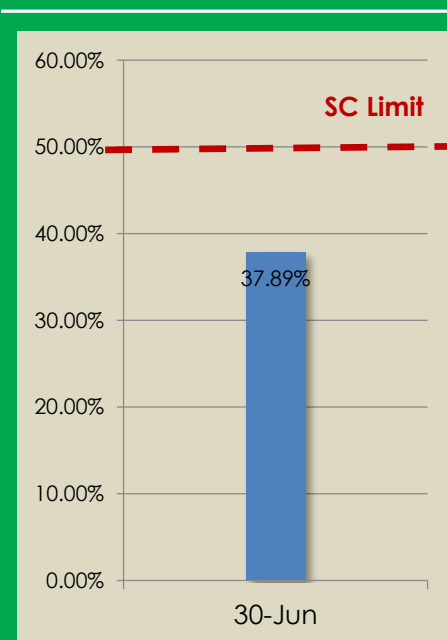
- ✓ Next refinancing due in Dec 2021
- ✓ Stable financial indicators

## Majority Fixed Rate Borrowings



Total Debt: RM844.37 mil  
(1Q 2020: RM844.43 mil)

## Gearing Ratio



Below SC limit of 50%  
**Decrease**  
(1Q 2020 : 38.32%)

## Average Cost of Debt

**4.22%** pa

**Decrease**  
(1Q 2020: 4.24% pa)

## Interest Coverage

**3.19<sub>x</sub>**  
(1Q 2020 3.17x)

## Average Debt to Maturity

**3.07** years

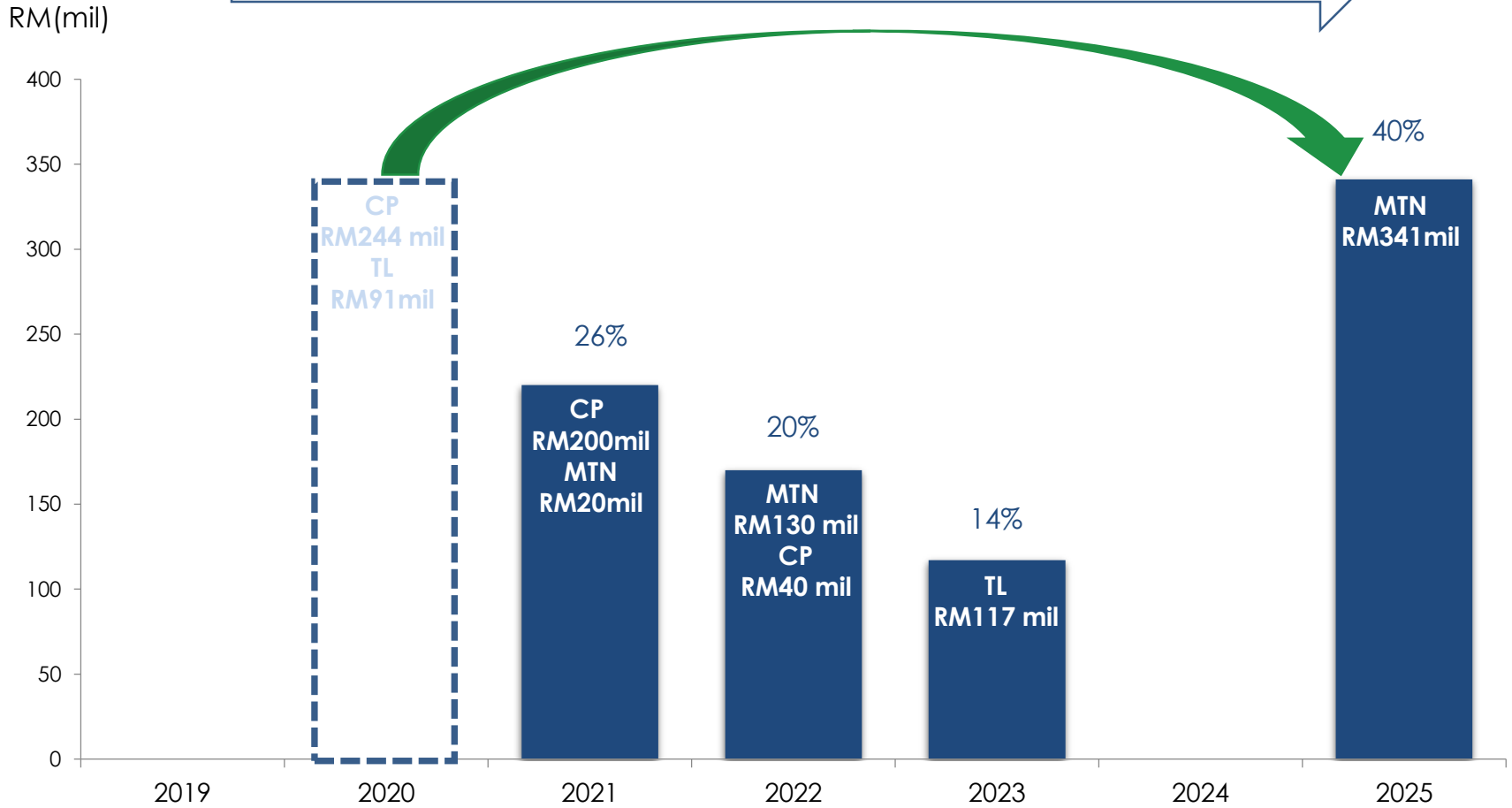
**Decrease**  
(1Q 2020 3.32 years)



# Debt Maturity Profile

Completed All Refinancing Due in 2020  
Next Refinancing Due in December 2021

Average debt to maturity : 3.32 years



Note;

1. MTN - Medium Term Notes
2. CP - Commercial Papers
3. TL - Term Loan

# Portfolio Update @ 30 June 2020



Quill Building 3 - BMW



# Portfolio of Quality Assets



**Quill Building 1**  
- DHL 1(c)



**Quill Building 4**  
- DHL 2(c)



**Platinum Sentral**  
- KL Sentral (a)



**Quill Building 3**  
- BMW(b)



**Quill Building 5**  
- IBM(c)



**Quill Building 2**  
- HSBC (b)



**Part of Plaza  
Mon't Kiara(a)**



**Wisma  
TechnipFMC (a)**



**TESCO Building  
Penang(b)**



**Menara Shell (a)**

**Market Value  
of  
10 Properties:  
RM2.14 bil<sup>(d)</sup>**

**Total NLA:  
2.2 mil sq ft**  
\*Excluding car park  
area

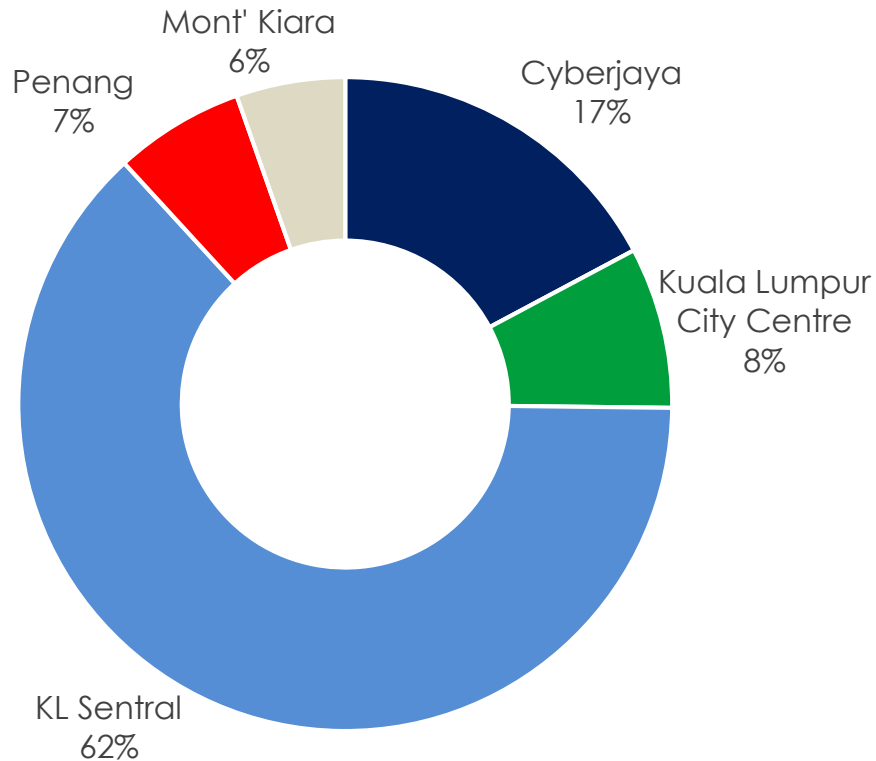
**Portfolio  
Occupancy  
Rate:  
90.4%**

**Weighted  
Average Term  
to Expiry:  
4.40 years**

- a) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn. Bhd, an independent firm of professional valuer registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- b) The Properties were valued by CH Williams Talhar & Wong Sdn. Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- c) The Properties were valued by Knight Frank Malaysia Sdn. Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.
- d) All properties were based on valuation as at 31 December 2019.

# Geographical Diversification

## By Valuation

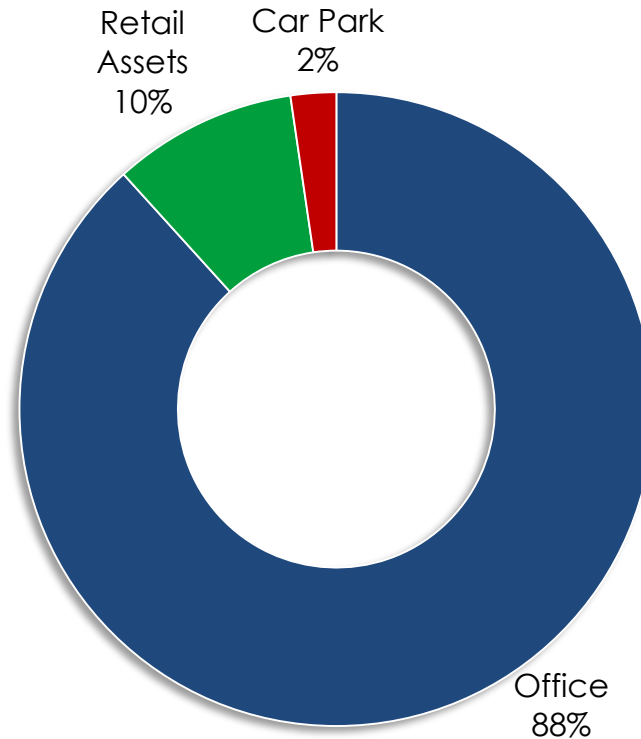


<b>Klang Valley</b>	<b>76%</b>
<b>Cyberjaya</b>	<b>17%</b>
<b>Penang</b>	<b>6%</b>

### Notes:

- (1) Other Klang Valley Area refers to Klang Valley generally excluding KL city centre, KL Sentral and Mont' Kiara. Klang Valley refers to Kuala Lumpur and Selangor State excluding Kuala Selangor, Sepang and Sabak Bernam.
- (2) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd and CH Williams Talhar & Wong Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

# Diversified Segmental Contributions



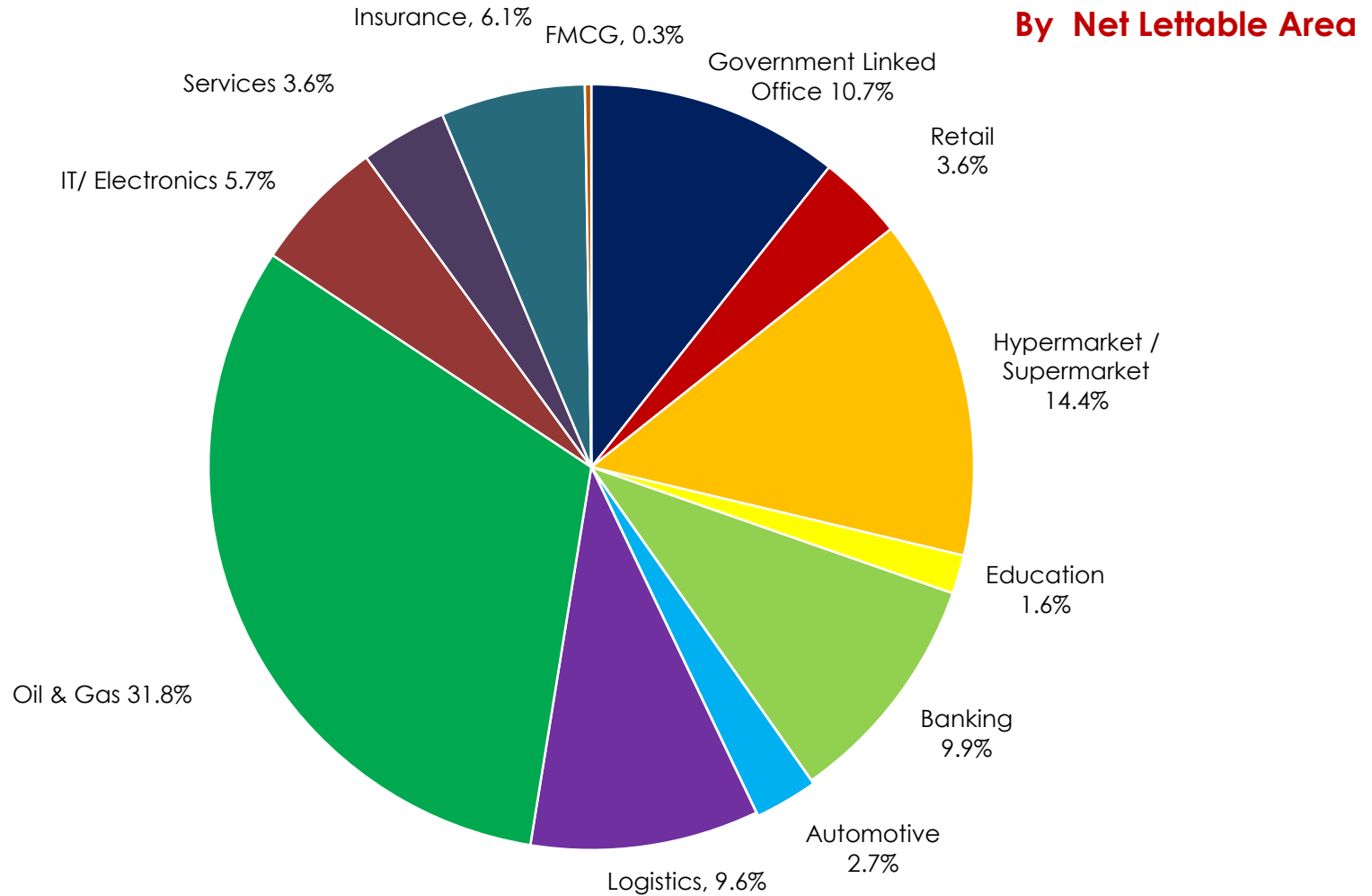
**By Valuation**

## Notes:

- (1) Office comprises Quill Buildings, Platinum Sentral, Wisma Technip and Menara Shell
- (2) Retail refers to retail portion of Plaza Mont' Kiara & TESCO Building Penang
- (3) Car Park refers to car parking bays in Plaza Mont' Kiara
- (4) The Properties were valued by Nawawi Tie Leung Property Consultants Sdn Bhd and CH Williams Talhar & Wong Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

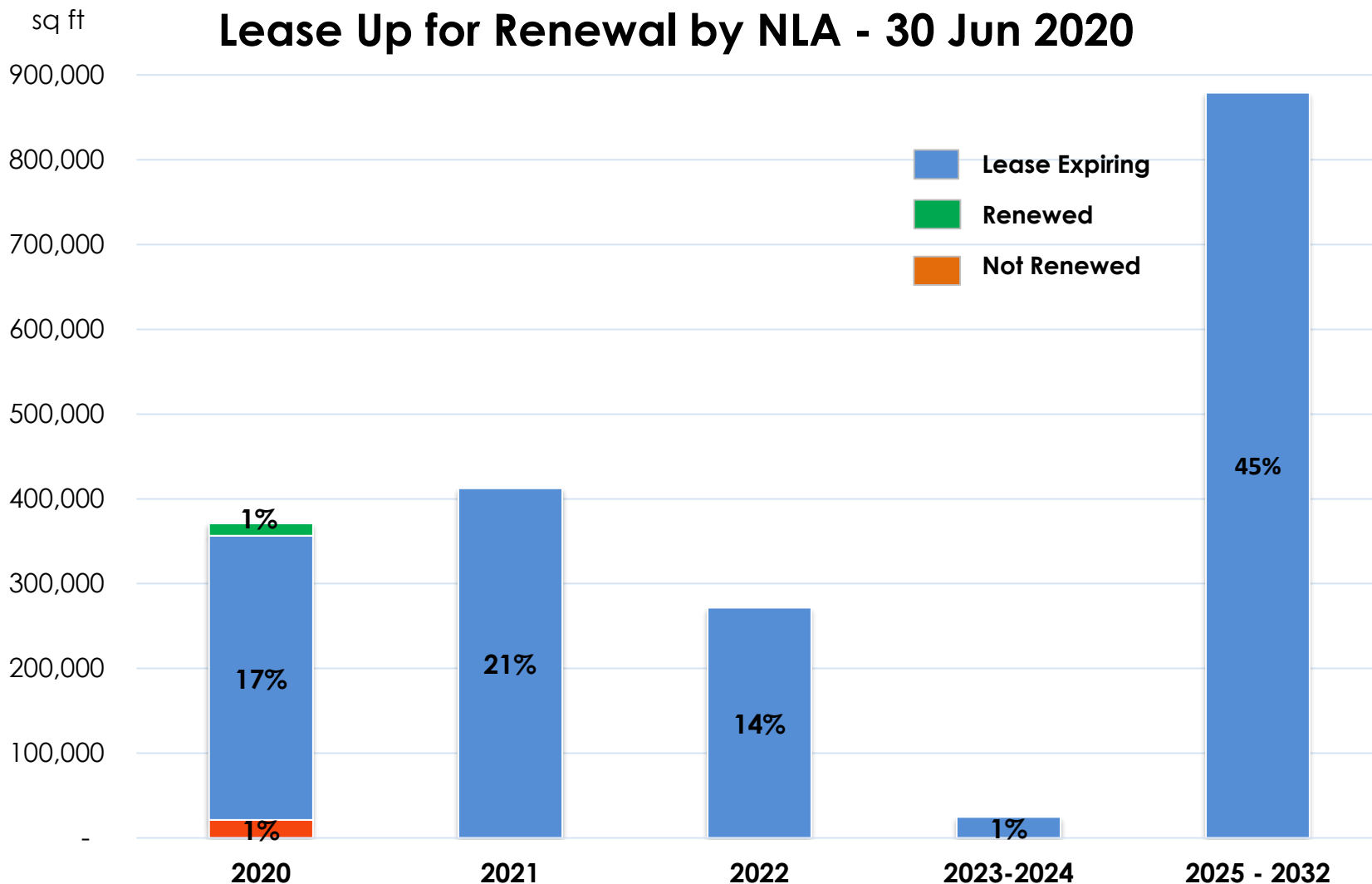


## Well Balanced Tenancy Mix



# Lease Expiry Profile

## - 19% of Total NLA due in 2020



*% of net lettable area that are due for renewal*  
MRCB-Quill REIT Presentation \*August 2020\*

# Conclusion



## 1H 2020 : MQREIT Declares DPU of 3.43 sen

- Achieved Realised EPU and Distributable Income Per Unit of 3.63 sen in 1H 2020, 8.4% higher than 1H 2019 Realised EPU of 3.35 sen
- Declares DPU of 3.43 sen in 1H 2020 (being 94.6% of the distributable income for 1H 2020), similar to the distribution in 1H 2019. Lower distribution payout in 1H 2020 for prudent cash management in view of COVID-19 uncertainties
- Approximately 36,000 sq ft of space due in 1H 2020, with 40% of these leases renewed
- MQREIT's portfolio occupancy rate as at 30 June 2020 was 90.4%

## Year 2020 Prospects – Ongoing Strategies

- Proactive asset management strategies to focus on tenant relations and continuous building improvements
- Prudent capital management strategies
- Continue to explore yield accretive acquisition opportunities
- Amidst COVID-19 managing cash flow and exercising financial discipline





**MRCB** *Quill*  
REIT



**Thank you**

For enquires, please contact:  
Ms Joyce Loh  
(General Line: 603-2786 8080)  
(Fax : 603-2780 0098)