



**MRCB** *Quill*  
REIT



# Corporate Presentation

## 3<sup>rd</sup> Quarter 2020

## Financial Results

11 November 2020

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# Financial Results



Quill Building 5 - IBM

# MQREIT Records 21.8% Increase in 3Q 2020 Realised Net Income

(RM'000)	(Unaudited) 3Q 2020	(Unaudited) 3Q 2019	Variance
Gross Revenue	41,707	39,461	5.7%
Net Property Income	32,398	29,735	9.0%
Net Income <sup>1</sup>	21,478	17,637	21.8%
Distributable Income <sup>3</sup>	21,478	17,637	21.8%
EPU <sup>2</sup>	2.00 sen	1.65 sen	21.8%
Distributable Income Per Unit	2.00 sen	1.65 sen	21.8%

- 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

# MQREIT Records 12.8% Increase in YTD 2020 Realised Net Income

(RM'000)	(Unaudited) YTD 2020	(Unaudited) YTD 2019	Variance
Gross Revenue	124,551	120,370	3.5%
Net Property Income	96,679	91,603	5.5%
Net Income <sup>1</sup>	60,344	53,500	12.8%
Distributable Income <sup>3</sup>	60,344	54,400	10.9%
EPU <sup>2</sup>	5.63 sen	4.99 sen	12.8%
Distributable Income Per Unit	5.63 sen	5.08 sen	10.9%

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# Total Assets – RM2.2 billion

## NAV per unit – RM1.2034

	Audited as at 31 Dec 2019 (RM'000)	Unaudited as at 31 Mar 2020 (RM'000)	Unaudited as at 30 Jun 2020 (RM'000)	Unaudited as at 30 Sept 2020 (RM'000)
Non Current Assets	2,144,136	2,144,013	2,143,808	2,143,960
Current Assets	69,568	59,757	84,846	66,346
<b>Total Assets</b>	<b>2,213,704</b>	<b>2,203,770</b>	<b>2,228,654</b>	<b>2,210,306</b>
Current Liabilities	354,118	18,838	25,351	24,607
Non Current Liabilities	877,452	877,452	876,742	874,423
Net Assets before Distribution	1,323,489	1,307,480	1,326,561	1,311,276
Provision for Distribution	(36,119)	(19,785)*	(36,762)	(21,477)*
Net Assets after Distribution	1,287,370	1,287,695	1,289,799	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>1.2011</b>	<b>1.2015</b>	<b>1.2034</b>	<b>1.2034</b>

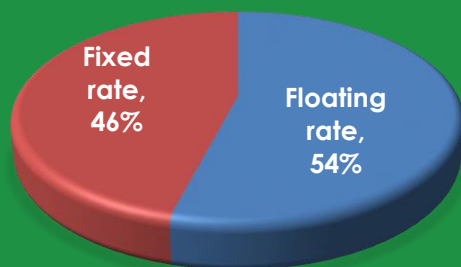
\* Assuming 100% of realised net income is provided for income distribution

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# Prudent Capital Management

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

## Balanced Fixed and Floating Rate Composition

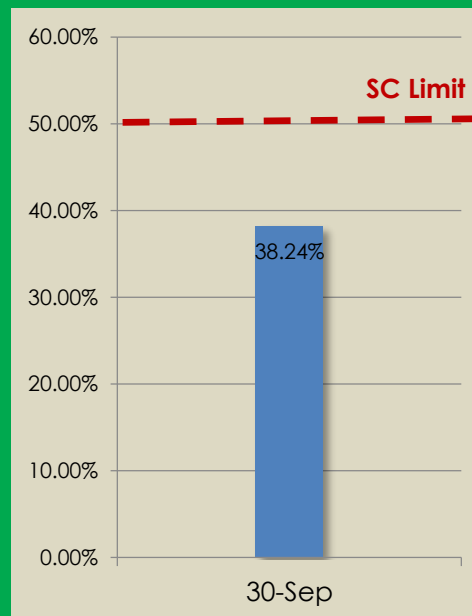


Total Debt: RM845.30 mil  
(2Q 2020: RM844.37 mil )

## Interest Coverage

**3.34<sub>x</sub>**  
(2Q 2020 3.19x)

## Gearing Ratio



Below SC limit of 50%  
**Increase**  
(2Q 2020 : 37.9%)

## Average Cost of Debt

**4.09%<sub>pa</sub>**

**Decrease**  
(2Q 2020: 4.22% pa)

## Average Debt to Maturity

**2.82 years**

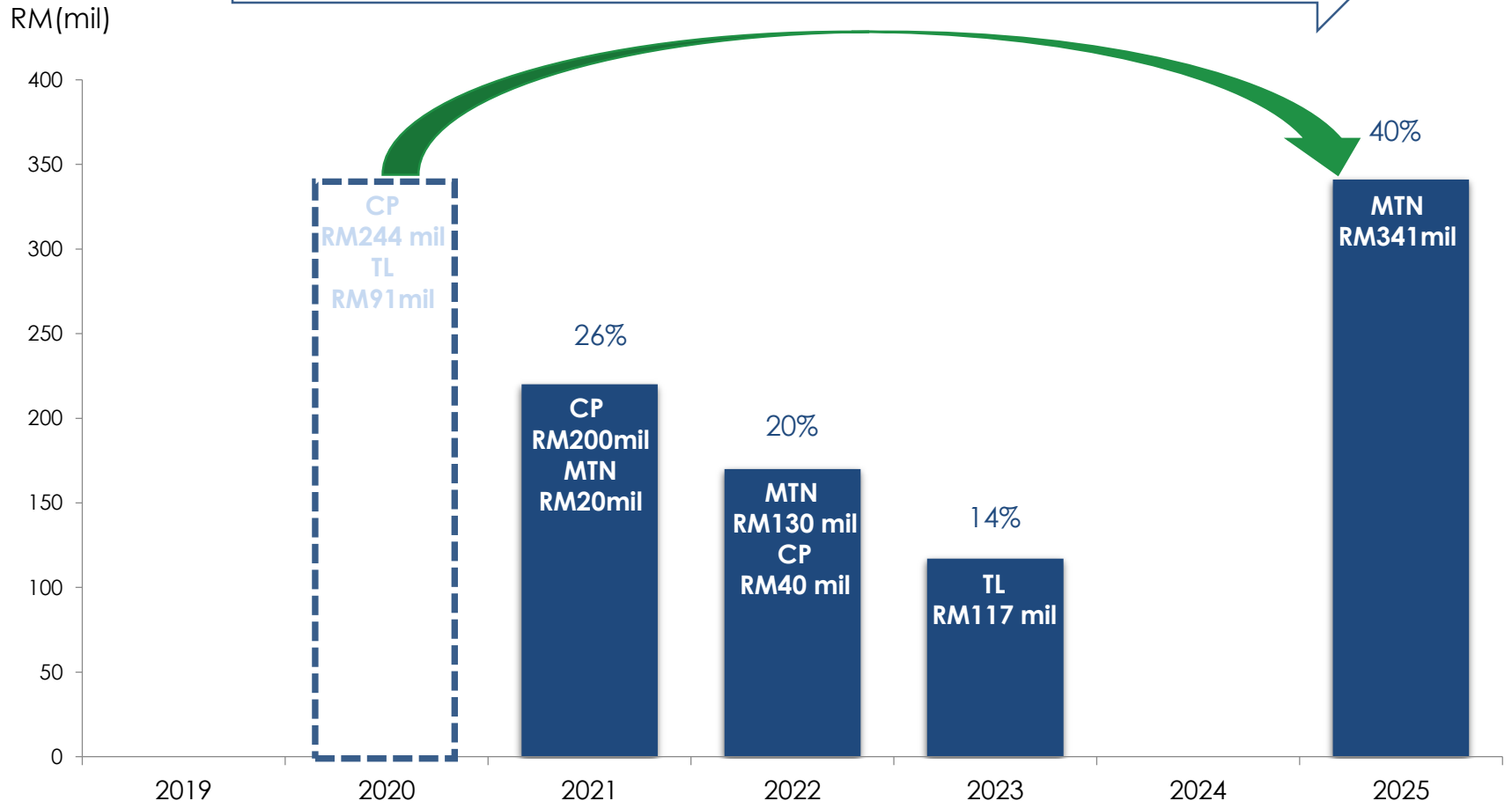
**Decrease**  
(2Q 2020 3.07 years)



# Debt Maturity Profile

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

Average debt to maturity : 2.82 years



Note;

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

# Portfolio Update @ 30 September 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

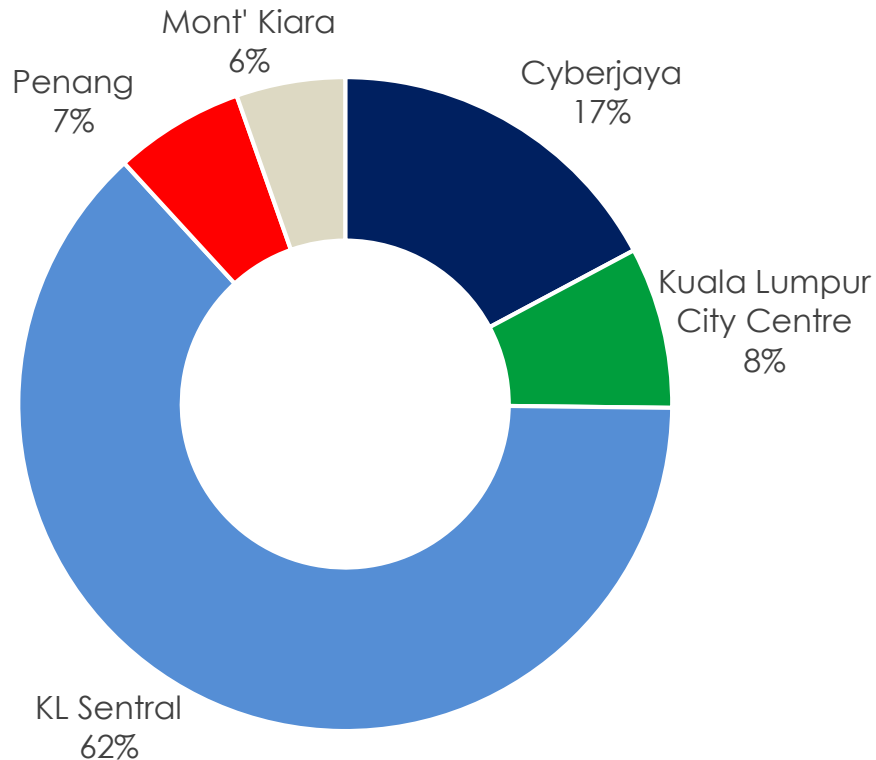
**Portfolio  
Occupancy  
Rate:  
90.5%**

**Weighted  
Average Term  
to Expiry:  
4.62 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



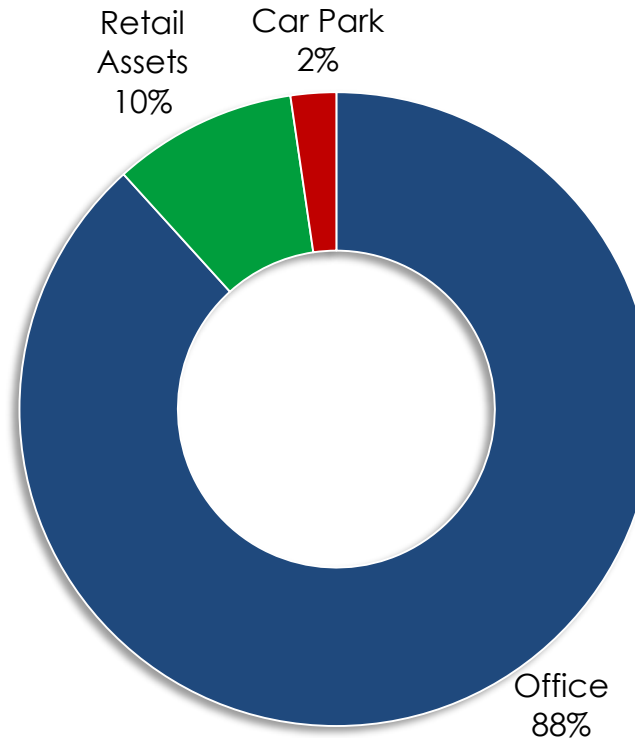
<b>Klang Valley</b>	<b>76%</b>
<b>Cyberjaya</b>	<b>17%</b>
<b>Penang</b>	<b>6%</b>

### 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, CH Williams Talhar & Wong Sdn Bhd and Knight Frank Malaysia Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

# Diversified Segmental Contributions

**By Valuation**

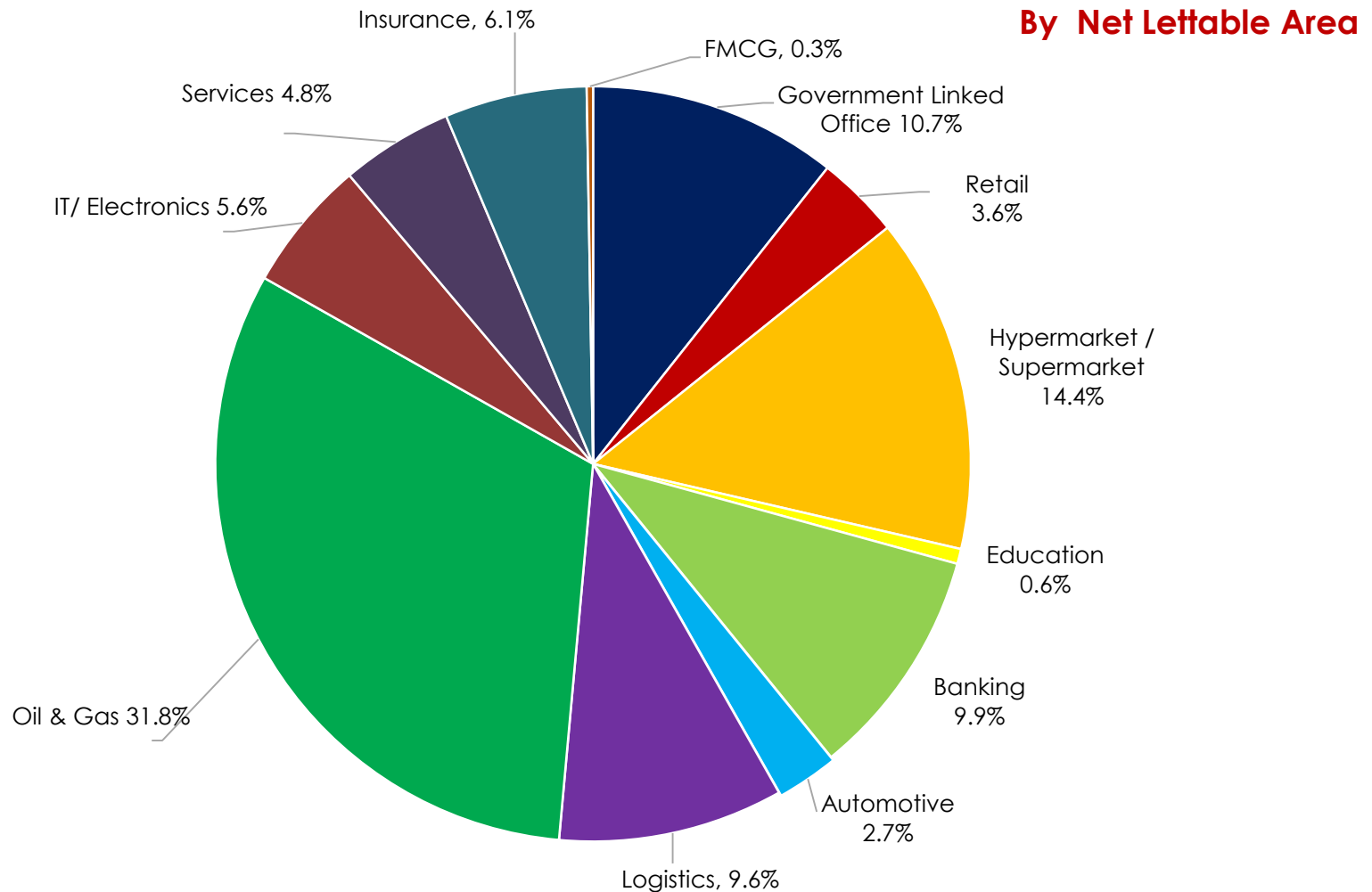


**Notes:**

- (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, CH Williams Talhar & Wong Sdn Bhd and Knight Frank Malaysia Sdn Bhd, independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

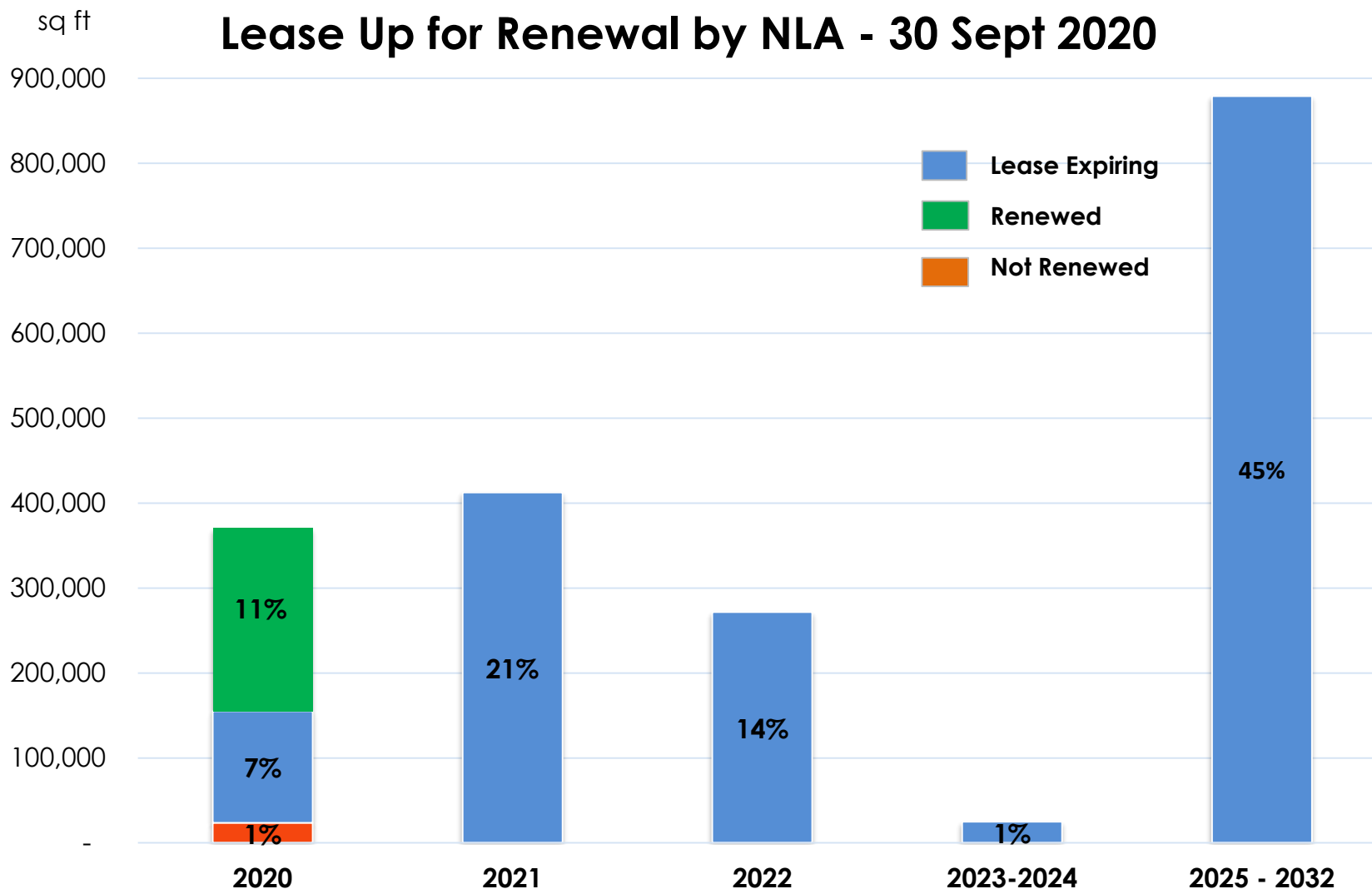


## Well Balanced Tenancy Mix



# Lease Expiry Profile

## - 19% of Total NLA due in 2020



% of net lettable area that are due for renewal  
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# Conclusion



## 3Q 2020 :MQREIT records 21.8% increase in Realised Net Income

- Achieved Realised EPU and Distributable Income Per Unit of 2.00 sen in 3Q 2020, 21.8% higher than 3Q 2019 Realised EPU of 1.65 sen
- As at 3Q 2020, lease negotiations for approximately 241,000 sq ft of leases were concluded with 216,000 sq ft renewed while 25,000 sq ft not renewed. This translates to a total renewal rate to 90% as at 3Q 2020.
- MQREIT's portfolio occupancy rate as at 30 September 2020 was 90.5% (30 June 2020 : 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





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REIT



# Thank you

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