

MRCB-Quill REIT records 21.8% increase in 3Q 2020 Realised Net Income

Kuala Lumpur, 11 November 2020: MRCB Quill Management Sdn Bhd ("MQM"), the manager of MRCB-Quill REIT ("MQREIT" or the "Trust"), a listed real estate investment trust, wishes to announce that MQREIT achieved a realised net income of RM21.48 million for the third quarter of 2020 ("3Q 2020"). This is an increase of approximately 21.8% from the realised net income of RM17.64 million recorded for the third quarter of 2019 ("3Q 2019"). The higher realized net income for this quarter was mainly attributable to higher revenue contribution from selected properties within the portfolio, net of lower property operating expenses and finance cost. Correspondingly, realised earnings per unit ("EPU") and distributable income per unit for 3Q 2020 of 2.00 sen was recorded.

MQREIT has recorded a realised net income and realised Earnings Per Unit ("EPU") of RM60.34 million and 5.63 sen respectively for the nine months period from 1 January 2020 to 30 September 2020 ("YTD 2020"), an increase of 12.8% from the corresponding period.

MQREIT's unaudited Consolidated Financial Statements for 3Q 2020 and YTD 2020 are available on its website (www.mrcbquillreit.com) and on Bursa Malaysia's website (www.bursamalaysia.com).

Summary of MQREIT's 3Q 2020 and YTD 2020 Results

	(unaudited) 3Q 2020 (RM'000)	(unaudited) 3Q 2019 (RM'000)	Variance	(unaudited) YTD 3Q 2020 (RM'000)	(unaudited) YTD 3Q 2019 (RM'000)	Variance
Gross Revenue	41,707	39,461	5.7%	124,551	120,370	3.5%
Net Property Income	32,398	29,735	9.0%	96,679	91,603	5.5%
Realised Net Income	21,478	17,637	21.8%	60,344	53,500	12.8%
Distributable Income*	21,478	17,637	21.8%	60,344	54,400	10.9%
EPU	2.00	1.65 sen	21.8%	5.63	4.99 sen	12.8%
Distributable Income Per Unit	2.00	1.65 sen	21.8%	5.63	5.08 sen	10.9%

Tan Sri Saw Choo Boon, Chairman of MQM said: "We are pleased to be able to deliver satisfactory results for Q3 2020 in this difficult environment, thanks largely to our loyal tenants occupying our top class facilities in choice locations which are comprehensively maintained to ensure they are always efficient and safe. There remain challenges going forward with the resurgence of increased Covid-19 infections, but we are confident that the Government will soon bring it under control and we will be targeting to secure renewal or new tenants for all our expiring leases."

Ms. Yong Su-Lin, Chief Executive Officer of MQM said: "MQREIT's portfolio remained stable in 3Q 2020. As at 30 September 2020, MQREIT maintained a portfolio occupancy of 90.5% with a 90% renewal rate achieved consisting of leases due up to 3Q 2020 and 190,000 sq ft of leases due in 4Q 2020 which was renewed ahead of time. Negotiations are currently on-going for the balance of leases due in 4Q 2020 of approximately 130,000 sq ft. While MQREIT's portfolio continues to be stable, marketing efforts will be intensified to lease out MQREIT's existing vacant spaces with the aim of improving portfolio occupancy."

Ms. Yong added: "The office market outlook is expected to remain challenging in view of the uncertainties over the trajectory of the local and global economic recovery. As there is still ambiguity surrounding how the COVID-19 pandemic will affect the office market, we will continue to exercise prudence in maintaining a strong balance sheet and cash flow management. As at 30 September 2020, MQREIT has a gearing ratio of 38.2% and a well staggered debt maturity profile with an average debt cost of debt of 4.09% p.a. Based on current committed debt, MQREIT has sufficient liquidity to meet its interest servicing obligations."

- End -

About MRCB-Quill REIT ("MQREIT")

MQREIT is a commercial Real Estate Investment Trust (REIT), established through a trust deed dated 9 October 2006 which includes the first supplemental deed dated 27 August 2007, the second supplemental deed dated 28 May 2013 and third supplemental deed dated 2 April 2015. Managed by MRCB Quill Management Sdn Bhd ("MQM"), the main thrust of MQREIT's activities include acquiring and investing in commercial properties in Malaysia to provide unitholders with long-term and sustainable distribution of income and to achieve long-term growth in the net asset value per Unit. As at 30 June 2018, MQREIT owns 10 buildings comprising five in Cyberjaya, four in Kuala Lumpur and one in Penang, valued at RM2.18 billion as at 31 December 2017.

MQM is owned by Malaysian Resources Corporation Berhad (41%), Quill Resources Holding Sdn Bhd (39%); and Global Jejaka Sdn Bhd (20%).

Issued by:

MRCB Quill Management Sdn Bhd

For media enquiries, please contact:

Joyce Loh

Tel: 03-2859 7175

Fax: 03-2780 0098

Email: joyce.loh@mrcb.com

IMPORTANT NOTICE

The past performance of MRCB-Quill REIT ("MQREIT") is not indicative of the future performance of MQREIT. Similarly, the past performance of MQREIT Manager is not indicative of the future performance of the MQREIT Manager.

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

This release may contain forward-looking statements that involve assumptions, 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 limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the MQREIT Manager on future events.