

MRCB-QUILL REIT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|--------------------|----------------|---------------------|----------------|
| | Current Year | Preceding Year | Current Year | Preceding Year |
| | Quarter | Quarter | To Date | To Date |
| | 30.06.2017 | 30.06.2016 | 30.06.2017 | 30.06.2016 |
| | RM | RM | RM | RM |
| TOTAL INCOME | | | | |
| Revenue | | | | |
| -Realised revenue | 45,070,359 | 32,565,275 | 90,632,139 | 65,221,038 |
| -Unrealised rental income (unbilled lease income receivable) (a) | (1,461,069) | (1,372,216) | (452,224) | (276,425) |
| | 43,609,290 | 31,193,059 | 90,179,915 | 64,944,613 |
| Property operating expenses | (10,165,002) | (6,865,457) | (19,600,961) | (14,073,013) |
| Net property income | 33,444,288 | 24,327,602 | 70,578,954 | 50,871,600 |
| Interest income | 649,607 | 379,969 | 1,101,667 | 769,452 |
| Change in fair value of investment properties | | | | |
| -Unbilled lease income receivable (a) | 1,461,069 | 1,372,216 | 452,224 | 276,425 |
| | 35,554,964 | 26,079,787 | 72,132,845 | 51,917,477 |
| TOTAL EXPENDITURE | | | | |
| Manager's fee | (3,365,491) | (2,399,911) | (6,745,430) | (4,792,529) |
| Trustee's fee | (171,814) | (120,927) | (342,994) | (236,913) |
| Finance costs | (9,840,975) | (7,977,470) | (19,566,576) | (15,833,744) |
| Valuation fees | (85,248) | (82,501) | (123,987) | (118,076) |
| Auditors' remuneration | (45,000) | (36,249) | (78,000) | (77,022) |
| Tax agent's fee | (5,796) | (17,474) | (11,772) | (23,408) |
| Administrative expenses | 2,652 | (58,727) | (56,264) | (211,240) |
| | (13,511,672) | (10,693,259) | (26,925,023) | (21,292,932) |
| INCOME BEFORE TAX | 22,043,292 | 15,386,528 | 45,207,822 | 30,624,545 |
| Income tax expense | - | - | - | - |
| NET INCOME FOR THE PERIOD | 22,043,292 | 15,386,528 | 45,207,822 | 30,624,545 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Loss on remeasurement of financial derivatives (b) | (737,191) | (726,140) | (455,155) | (4,689,631) |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | (737,191) | (726,140) | (455,155) | (4,689,631) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 21,306,101 | 14,660,388 | 44,752,667 | 25,934,914 |
| Net income for the period is made up as follows: | | | | |
| Realised | 22,043,292 | 15,386,528 | 45,207,822 | 30,624,545 |
| Unrealised | - | - | - | - |
| EARNINGS PER UNIT (c) | | | | |
| - after manager's fees (sen)-adjusted for manager's fee payable in units | 2.26 | 2.33 | 4.43 | 4.63 |
| - before manager's fees (sen) | 2.38 | 2.69 | 4.86 | 5.36 |
| EARNINGS PER UNIT (REALISED) (d) | | | | |
| - after manager's fees (sen)-adjusted for manager's fee payable in units | 2.26 | 2.33 | 4.43 | 4.63 |
| - before manager's fees (sen) | 2.38 | 2.69 | 4.86 | 5.36 |
| INCOME DISTRIBUTION | | | | |
| Interim income distribution | (45,176,400) | (27,976,416) | (45,176,400) | (27,976,416) |
| Income distribution per unit | | | | |
| Gross (sen) | 4.23 | 4.23 | 4.23 | 4.23 |

- (a) Recognition of unrealised rental income-unbilled lease income receivable pursuant to requirements of MFRS 117 Leases, to recognize income from operating lease on a straight-line basis, including contractual increase rates over the fixed tenure of the agreement.
- (b) This relates to the loss on the remeasurement of the fair values of interest rate swaps ("IRSs"). (please refer Note B15)
- (c) Earnings Per Unit for the current quarter / period is computed based on the Net Income divided by units in circulation of 1,068,000,000 (2016 : 661,381,000). During the quarter / period, manager's fees of RM2,136,000 (2016: Nil) payable in units was added back in deriving the Earnings Per Unit - after manager's fees.
- (d) Earnings Per Unit (Realised) for the quarter / period is computed based on the Realised Net Income for the quarter / period divided by units in circulation of 1,068,000,000 (2016 : 661,381,000). During the quarter / period, manager's fees of RM2,136,000 (2016: Nil) payable in units was added back in deriving the Earnings Per Unit (Realised) - after manager's fees.
- (e) Income distribution of 4.23 sen per unit being the distributable of income for the period 1 January 2017 to 30 June 2017 will be payable on 18 September 2017 to all unitholders as at book closure date on 28 August 2017. Please refer to Note B17 for further 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 2016 and the accompanying explanatory notes attached to the financial statements.

MRCB-QUILL REIT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 (UNAUDITED)

| | AS AT END OF CURRENT QUARTER 30.06.2017 UNAUDITED RM | AS AT PRECEDING FINANCIAL YEAR END 31.12.2016 AUDITED RM |
|--|--|--|
| NON-CURRENT ASSETS | | |
| Plant and equipment | 207,754 | 225,686 |
| Investment properties | 2,222,000,000 | 2,222,000,000 |
| Lease receivables | 2,389,892 | 2,745,750 |
| | <u>2,224,597,646</u> | <u>2,224,971,436</u> |
| CURRENT ASSETS | | |
| Trade and other receivables | 8,166,484 | 17,626,110 |
| Lease receivables | 697,506 | 692,759 |
| Deposits with licensed financial institution | 66,752,563 | 43,779,046 |
| Cash and cash equivalents | 4,346,376 | 10,272,235 |
| | <u>79,962,929</u> | <u>72,370,150</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 16,388,479 | 28,350,115 |
| Borrowings | - | 189,104,175 |
| Security deposits | 4,793,649 | 7,336,154 |
| Provision for income distribution | - | 27,447,312 |
| | <u>21,182,128</u> | <u>252,237,756</u> |
| NET CURRENT LIABILITIES | 58,780,801 | (179,867,606) |
| NON-CURRENT LIABILITIES | | |
| Borrowings | 853,101,370 | 662,462,799 |
| Derivative liabilities (i) | 1,438,374 | 983,219 |
| Security deposits | 24,412,726 | 18,794,661 |
| Other payables | - | 3,164,524 |
| | <u>878,952,470</u> | <u>685,405,203</u> |
| NET ASSETS | <u>1,404,425,977</u> | <u>1,359,698,627</u> |
| Represented by: | | |
| UNITHOLDERS' FUND | | |
| Unitholders' capital | 1,231,914,544 | 1,231,939,861 |
| Undistributed and Non-distributable income | 172,511,433 | 127,758,766 |
| | <u>1,404,425,977</u> | <u>1,359,698,627</u> |
| NET ASSET VALUE PER UNIT (before provision for distribution) (ii) | 1.3150 | 1.2988 |
| NET ASSET VALUE PER UNIT (after provision for distribution) (iii) | 1.2727 | 1.2731 |
| NUMBER OF UNITS IN CIRCULATION | 1,068,000,000 | 1,068,000,000 |

(i) These relate to the fair values of the IRSs (Note B15).

(ii) Net Asset Value per unit before the proposed interim distribution of 4.23 sen per unit.

(iii) Net Asset Value per unit after the proposed interim distribution of 4.23 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 2016 and the accompanying explanatory notes attached to the financial statements.

MRCB-QUILL REIT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

| | Unitholders' Capital | Distributable Undistributed Income Realised | Non-Distributable Undistributed Income Unrealised | Net Fair Value (Loss) / Gain On Derivatives Unrealised | Total Undistributed and Non- Distributable Income | Unitholders' Funds |
|---|---------------------------------|--|--|---|--|-------------------------------|
| | RM | RM | RM | RM | RM | RM |
| As at 1 January 2017 | 1,231,939,861 | 17,204,848 | 111,537,137 | (983,219) | 127,758,766 | 1,359,698,627 |
| Issuance of new units expenses | (25,317) | - | - | - | - | (25,317) |
| Total Comprehensive Income for the period | - | 45,207,822 | - | (455,155) | 44,752,667 | 44,752,667 |
| | <u>1,231,914,544</u> | <u>62,412,670</u> | <u>111,537,137</u> | <u>(1,438,374)</u> | <u>172,511,433</u> | <u>1,404,425,977</u> |
| Unitholders' transactions: | | | | | | |
| Distribution to unitholders | - | - | - | - | - | - |
| As at 30 June 2017 | <u>1,231,914,544</u> | <u>62,412,670</u> | <u>111,537,137</u> | <u>(1,438,374)</u> | <u>172,511,433</u> | <u>1,404,425,977</u> |
| As at 1 January 2016 | 751,276,357 | 42,374,963 | 107,923,058 | 2,280,481 | 152,578,502 | 903,854,859 |
| Total Comprehensive Income for the period | - | 30,624,545 | - | (4,689,631) | 25,934,914 | 25,934,914 |
| | <u>751,276,357</u> | <u>72,999,508</u> | <u>107,923,058</u> | <u>(2,409,150)</u> | <u>178,513,416</u> | <u>929,789,773</u> |
| Unitholders' transactions: | | | | | | |
| Distribution to unitholders | - | (28,902,350) | - | - | (28,902,350) | (28,902,350) |
| As at 30 June 2016 | <u>751,276,357</u> | <u>44,097,158</u> | <u>107,923,058</u> | <u>(2,409,150)</u> | <u>149,611,066</u> | <u>900,887,423</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 2016 and the accompanying explanatory notes attached to the financial statements.

MRCB-QUILL REIT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

| | CURRENT YEAR TO DATE 30.06.2017 RM | PRECEDING YEAR TO DATE 30.06.2016 RM |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Income before tax | 45,207,822 | 30,624,545 |
| Adjustments for: | | |
| Finance costs | 19,566,576 | 15,833,744 |
| Depreciation | 34,135 | 27,594 |
| Interest income | (1,101,667) | (769,452) |
| Operating cash flows before changes in working capital | <u>63,706,866</u> | <u>45,716,431</u> |
| Receivables | 10,172,012 | (166,423) |
| Payables | (12,416,986) | 352,288 |
| Cash flows from operations | <u>61,461,892</u> | <u>45,902,296</u> |
| Income tax paid | - | - |
| Net cash flows generated from operating activities | <u>61,461,892</u> | <u>45,902,296</u> |
| INVESTING ACTIVITIES | | |
| Purchase of plant & equipment | (16,203) | (8,240) |
| Interest received | 1,063,151 | 806,152 |
| Net cash flow generated from investing activities | <u>1,046,948</u> | <u>797,912</u> |
| FINANCING ACTIVITIES | | |
| Distribution to unitholders | (27,447,312) | (28,902,350) |
| Finance costs paid | (18,988,553) | (15,198,352) |
| Proceeds from borrowings | 191,000,000 | - |
| Repayment of borrowings | (190,000,000) | - |
| Expenses paid on issuance of new units | (25,317) | - |
| Cash flows used in financing activities | <u>(45,461,182)</u> | <u>(44,100,702)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 17,047,658 | 2,599,506 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>54,051,281</u> | <u>44,863,963</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>71,098,939</u> | <u>47,463,469</u> |
| Cash and cash equivalents at end of period comprises: | | |
| Deposits with licensed financial institutions | 66,752,563 | 43,917,344 |
| Cash on hand and at banks | 4,346,376 | 3,546,125 |
| | <u>71,098,939</u> | <u>47,463,469</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes to the financial statements.

MRCB-QUILL REIT
EXPLANATORY NOTES FOR SIX MONTH ENDED 30 JUNE 2017

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 MRCB-Quill Reit's ("MQREIT") audited financial statements for the financial year ended 31 December 2016 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 MQREIT and its special purpose entities ("SPEs"). The SPEs were established for the specific purpose of raising financing on behalf of MQREIT. A SPE is consolidated if, based on an evaluation of the substance of its relationship with MQREIT and the SPE's risks and rewards, MQREIT concludes that it controls the SPE. SPEs controlled by MQREIT were established under terms that impose strict limitations on the decision-making powers of the SPE's management resulting in MQREIT 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 2016.

A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2016

The audit report of the financial statements for the preceding year ended 31 December 2016 was unqualified.

A5 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of MQREIT 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 MQREIT.

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

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

A9 INCOME DISTRIBUTION POLICY

In line with the Trust Deed dated 9 October 2006, effective from financial year 2009, MQREIT 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 MQREIT'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 30 June 2017, there was no revaluation of investment properties.

A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 30 JUNE 2017

(a) Related Party Transactions-Appointment of MRCB Sentral Properties Sdn Bhd as the service provider for the provision of MSC Malaysia One-stop Centre Support Services for Menara Shell

As announced on 5 May 2017, the management company of MRCB-Quill Reit, MRCB Quill Management Sdn Bhd ("MQM") had on the same day appointed MRCB Sentral Properties Sdn Bhd ("MSP") as the service provider for the Provision of MSC Malaysia One-stop Centre Support Services for Menara Shell for a period of one (1) year commencing from 22 December 2016 to 21 December 2017 at the following fee:

- (i) Annual Fee-RM50,000 per annum (excluding 6% GST)
*Annual Fee shall be conditional upon and subject to the issuance of the necessary approval by the governing authority for the renewal of the MSC Malaysia Status for the building.
- (ii) Monthly Fee-RM30,000 per annum (excluding 6% GST)

The transaction with MSP is regarded as Related Party Transaction ("RPT") by virtue of MSP is a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB"), which in turn a major unitholder of MQREIT and also a major shareholder of MQM.

MSP was incorporated in Malaysia under the Companies Act, 1965 on 14 November 1990 and its principal activity is Property Development and Property Management.

The RPT is not expected to have any material effect on the net assets per share, earnings per share and gearing of MQREIT for the financial year ending 2017.

A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 30 JUNE 2017 (CONT'D)

(b) Related Party Transactions-Provision of auxiliary police services for Menara Shell and Platinum Sentral by Semasa Sentral Sdn Bhd

As announced on 22 June 2017, the management company of MRCB-Quill Reit, MRCB Quill Management Sdn Bhd ("MQM") had on the same day renewed the auxiliary police services at Menara Shell and Platinum Sentral provided by Semasa Sentral Sdn Bhd ("SSSB") on a month-to-month basis at a fee of RM71,844 and RM47,580 per month respectively (excluding GST) pending the finalisation and execution of an agreement.

The transaction with SSSB is regarded as Related Party Transaction ("RPT") by virtue of SSSB is a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB"), which in turn a major unitholder of MQREIT and also a major shareholder of MQM.

SSSB was incorporated in Malaysia under the Companies Act, 1965 on 4 May 1982 and its principal activity is maintaining, operating and management of the Kuala Lumpur Sentral Station.

The RPT is not expected to have any material effect on the net assets per share, earnings per share and gearing of MQREIT for the financial year ending 2017.

A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 30 JUNE 2017

There is no significant events subsequent to the quarter ended 30 June 2017.

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 30 June 2017 are as follows:

| | |
|-------------------------------|--------------------|
| | As at 30 June 2017 |
| | RM |
| Approved and contracted for : | |
| Investment properties | <u>2,043,300</u> |

B1 REVIEW OF PERFORMANCE

Quarter and year to date results

MQREIT recorded total realised revenue of RM45.07 million and property operating expenses of RM10.17 million for the current quarter ended 30 June 2017. Finance costs of RM9.84 million and manager's fee of RM3.37 million were incurred during the quarter. Overall, realised income of RM22.04 million was achieved in the current quarter.

As compared with the preceding year corresponding quarter ("2Q 2016"), the realised revenue was higher by 38.4% mainly due to additional revenue arising from the acquisition of Menara Shell on 22 December 2016, higher rental income due to step up rent adjustments from QB3, Wisma Technip and QB2. Property operating expenses were higher by 48.1% due to acquisition of Menara Shell. Overall, the realised net property income had increased by 35.8%. Interest income was higher mainly due to higher amount placed with licensed financial institutions in the current quarter. Finance costs were higher mainly due to higher borrowings in 2Q 2017; after the drawn down of RM164 million CP/MTN on 22 December 2016 to part-finance the acquisition of Menara Shell; and drawdown of RM191 million CP/MTN to refinance the existing RM190 million CP/MTN matured on 6 March 2017 (as disclosed under note B14(d)). As a result of all of the above, the realised income of RM22.04 million was higher by 43.3% compared to 2Q 2016.

As compared to preceding year cumulative quarter ("YTD 2Q 2016"), revenue of RM90.63 million was higher by 39.0% mainly due additional revenue arising from the acquisition of Menara Sell on 22 December 2016 and rental rate increases from QB3, Wisma Technip and QB2. Property operating expenses were higher by 39.3% mainly due to acquisition of Menara Sell on 22 December 2016. Overall, the net property income increased by 38.9% to RM71.03 million. Finance costs were higher by 23.6% due to mainly due to higher borrowings in YTD 2Q 2017; after the drawn down of RM164 million CP/MTN on 22 December 2016 to part-finance the acquisition of Menara Shell; and drawdown of RM191 million CP/MTN to refinance to existing RM190 million CP/MTN matured on 6 March 2017 (as disclosed under note B14(d)). The realised income of RM45.21 million was higher by 47.6% mainly due to higher net property income, net of higher finance costs, manager's fee and trustee's fee.

As compared with the immediate preceding quarter ("1Q 2017"), realised revenue of RM45.07 million was marginally lower by 1.1%; Property operating expenses were higher by 7.7% and resulted in net property income decreased by 3.4%. Interest income was higher mainly due to higher amount placed with licensed financial institutions in the current quarter. Finance costs were higher in 2Q 2017 due to additional one day in 2Q 2017 as compared to 1Q 2017. As a result of the above, the realised income of RM22.04 million was lower by 4.8% compared to 1Q 2017.

The performance of MQREIT for the period ended 30 June 2017 is in line with the investment objectives of MQREIT.

B2 INVESTMENT OBJECTIVES AND STRATEGIES

The investment objective of MQREIT 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 MQREIT since the date of the Annual Report for 2016.

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 MQREIT. There has been no change in the strategies employed by the Manager since the date of the Annual Report for 2016 as they remain relevant in the current market conditions.

B3 REVIEW OF THE MARKETS IN WHICH MQREIT INVESTS IN DURING THE PERIOD AND GENERAL ASSESSMENT OF THE FUTURE PROSPECTS OF THESE MARKETS

The office market in KL is expected to be stagnant for 2017. The accumulative supply of office space in KL City, KL Fringe and Beyond KL increased by 1.46 million sq. ft. to 96.4 million sq. ft. (4Q 2016: 94.97 million sq. ft.) with completion of 5 office buildings. Overall occupancy rates in all areas have dropped, with KL City decreased by 2.3% to 80.8%. Although KL Sentral and Mid Valley City/ Bangsar saw an increase of 1.3% and 0.4% respectively, the overall occupancy rate in the KL Fringe experienced a 0.4% decline to 91.2%. In Beyond KL(Selangor), overall occupancy dropped 1.3% to 78.1%.

The 1Q 2017 average rents in KL City and KL Fringe recorded declines compared to previous quarter at RM6.04 psf and RM5.69 psf, while 1Q 2017 average rents for Beyond KL remained stable at RM4.13 psf. Outlook for the office market in Kuala Lumpur will remain lackluster with continued pressure on both occupancy and rental rates as more new supply is anticipated to enter the market.

(Sources : The Edge Knight Frank Klang Valley Office Monitor (1Q2017))

Review of retail market - Klang Valley

The Klang Valley retail market has become more competitive in 2016 as a result of cautious retail spending. The Consumer Sentiment Index (CSI) fell for the ninth consecutive quarter below the 100-point threshold to 73.6 points in 3Q 2016 from 76 points in 2Q 2016.

Cumulative supply of retail space in Klang Valley is estimated at 55.088 million sq. ft as at 4Q 2016. There was a completion of 4.140 million sq. ft by 12 malls in 2016. In the pipeline, a total of nineteen (19) new purpose-built retail centres and one (1) under renovation work, contributing approximately 14.707 million sq. ft. of retail space are expected to be completed in Klang Valley by the end of 2019. The average occupancy rate of purpose-built retail centres in Klang Valley was 85.86% as at Q4 2016, a marginal decrease of 2.0% from the previous quarter. Prime retail rentals in Klang Valley are expected to remain stable. According to NAPIC, average gross rental for ground floor of the selected prime retail centres in Klang Valley is at about RM29 per sq. ft; KL retail centres, in general, commanded higher rental rate at about RM37 per sq. ft whilst prime retail centres located outside KL commanded a lower rental rate at about RM22 per sq. ft.

(Sources : Property Market Report on the Purpose-Built Office sector in Klang Valley and Purpose-Built Office sector in Klang Valley and Penang Island by CH Williams Talhar & Wong Sdn Bhd)

Review of retail market - Penang

The overall occupancy rate of Purpose-Built Retail centres in Penang was relatively stable, which was in the region of 69% to 72% in the past 5 years. Retail malls in the Penang Island continued to outperform those in Seberang Perai, of which the former registered average occupancy rate of about 80% whilst the latter at about 60%. The high occupancy of the island, is attributed to the rather good retail sales mainly from the relatively large working population as well as tourists. Gross rentals for the ground floor of selected prime retail malls in Penang Island commanded higher rental rates compared to those in Seberang Perai, of up to RM22 per sq. ft per month.

(Sources : Property Market Report on the Purpose-Built Office sector in Klang Valley and Purpose-Built Office sector in Klang Valley and Penang Island by CH Williams Talhar & Wong Sdn Bhd)

B4 PROSPECTS

The office market is expected to remain challenging with the slowdown of the global and domestic economies and low crude oil prices as well as the lack of catalyst to boost demand. While we expect that take-up rates in Klang Valley will be soft, we are working hard to step up our leasing efforts to ensure that the performance of MQREIT's portfolio remains stable in 2017.

In 2017, 14% of MQREIT's total net lettable area is due for renewal. As at 30 June 2017, approximately half of these leases were due with 74% of these leases renewed. The Manager is now in advanced negotiations with tenants for leases due in the 3Q 2017 and 4Q 2017, representing 51% of the total leases due in 2017. We are confident in renewing the bulk of these leases.

B5 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to MQREIT 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 MQREIT for the financial year 2017.

(b) Profit guarantee

MQREIT 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 MQREIT 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 and period to date.

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 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 30 JUNE 2017

As at 30 June 2017, MQREIT's portfolio comprises of eleven buildings as follows:

| Investment properties | Cost of Investment | Market Value /Net Carrying amount as at 30 June 2017 | Market value /Net Carrying amount as % of NAV |
|-----------------------------|----------------------|--|---|
| | RM | RM | |
| <u>Commercial buildings</u> | | | |
| 1 QB1 - DHL 1 & QB4 - DHL 2 | 109,100,000 | 126,500,000 | 9.01% |
| 2 QB2 - HSBC | 107,500,000 | 121,700,000 | 8.67% |
| 3 QB3 - BMW | 59,400,000 | 76,500,000 | 5.45% |
| 4 Wisma Technip | 125,000,000 | 173,000,000 | 12.32% |
| 5 Part of Plaza Mont' Kiara | 90,000,000 | 116,000,000 | 8.26% |
| 6 QB5 - IBM | 43,000,000 | 45,300,000 | 3.23% |
| 7 Tesco Building Penang | 132,000,000 | 140,000,000 | 9.97% |
| 8 Platinum Sentral | 740,000,000 | 750,000,000 | 53.40% |
| 9 Menara Shell | 640,000,000 | 648,000,000 | 46.14% |
| <u>Industrial building</u> | | | |
| 10 QB8 - DHL XPJ | 28,800,000 | 25,000,000 | 1.78% |
| | <u>2,074,800,000</u> | <u>2,222,000,000</u> | |

No capital expenditure was incurred during the quarter. The NAV as at 30 June 2017 is RM1,404,425,977.

B14 BORROWINGS AND DEBT SECURITIES

As at end of period
ended 30 June 2017

RM

Current Liabilities:

(a) CPs / MTNs Programme of up to RM270 million ("RM270 million Programme")

| | |
|---------------------------------|----------------------|
| Face value of CPs / MTNs issued | 190,000,000 |
| Discount | (2,547,501) |
| Cash proceeds | 187,452,499 |
| Accretion of interest expenses | 2,547,501 |
| | <u>190,000,000</u> |
| Redeemed on 6 March 2017 | <u>(190,000,000)</u> |
| | <u>-</u> |

B14 BORROWINGS AND DEBT SECURITIES (cont'd)As at end of period
ended 30 June 2017

RM

Non-current Liabilities:

| | |
|--|---------------------------|
| (b) <u>Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")</u> | |
| Term Loan drawdown | 117,000,000 |
| Transaction cost c/f | (328,600) |
| | <u>116,671,400</u> |
| Amortisation of transaction costs during the period | 98,483 |
| | <u>116,769,883</u> |
| | |
| (c) <u>Senior CP / MTN Programme of up to RM290 million ("Senior CP / MTN Programme"), Junior CP / MTN Programme of up to RM450 million ("Junior CP / MTN Programme") and Fixed-Rate Subordinated Term Loan Facility of up to RM250 million ("Fixed Rate Subordinated Term Loan")</u> | |
| | |
| (i) <u>Senior CP / MTN Programme</u> | |
| Face value of CPs issued / rollover on 30 March 2017 | 279,000,000 |
| Discount | (2,664,106) |
| Cash proceeds | 276,335,894 |
| Accretion of interest expenses | 29,276 |
| | <u>276,365,170</u> |
| Transaction costs c/f | (901,857) |
| Amortisation of transaction costs during the period | 142,139 |
| | <u>275,605,452</u> |
| | |
| (ii) <u>Fixed Rate Subordinated Term Loan</u> | |
| Term Loan drawdown | 110,000,000 |
| Transaction costs on term loan | (451,925) |
| | <u>109,548,075</u> |
| Amortisation of transaction costs during the period | 71,324 |
| | <u>109,619,399</u> |
| | |
| (d) <u>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")</u> | |
| | |
| (i) <u>RM144 million in nominal value of CP and RM20 million in nominal value of MTN</u> | |
| Face value of CPs / MTNs issued on 22 December 2016 | 164,000,000 |
| Discount | (2,988,967) |
| Cash proceeds | 161,011,033 |
| Accretion of interest expenses | 146,998 |
| | <u>161,158,031</u> |
| Transaction costs b/f | (460,355) |
| Amortisation of transaction costs during the period | 46,757 |
| | <u>160,744,433</u> |
| | |
| (ii) <u>RM61 million in nominal value of CP and RM130 million in nominal value of MTN</u> | |
| Face value of CPs / MTNs issued on 6 March 2017 | 191,000,000 |
| Discount | (1,273,078) |
| Cash proceeds | 189,726,922 |
| Accretion of interest expenses | 809,512 |
| | <u>190,536,434</u> |
| Transaction costs on CP/MTN issued during the period | (186,670) |
| Amortisation of transaction costs during the period | 12,439 |
| | <u>190,362,203</u> |
| | |
| Total: | <u><u>853,101,370</u></u> |

B14 BORROWINGS AND DEBT SECURITIES (cont'd)

(a) CPs / MTNs Programme of up to RM270 million ("RM270 million CP/MTN Programme")

On 18 July 2011, MQREIT through its SPE, Kinabalu Capital Sdn. Bhd. ("Kinabalu"), established a CPs/MTNs programme of up to RM270 million ("RM270 million CP/MTN Programme") with an expected tenure of five years.

CPs totalling RM12 million and MTNs totalling RM60 million were issued on 5 September 2011, the proceeds of which were utilised towards the settlement of the RM80 million 5-year Term Loan Facilities.

CPs totalling RM118 million were issued on 30 November 2011, the proceeds of which were utilised towards the settlement of the RM118 million of CPs outstanding under the RM118 million Programme which matured on 30 November 2011.

The transaction costs relating to the programme are fully amortised over the tenure of the programme.

The RM270 million Programme are secured borrowings.

Subsequent to obtaining Noteholders approval, the original expected maturity of the RM60 million outstanding MTNs was deferred from 5 September 2016 to 6 March 2017 concurrently with a new issuance of CPs comprising RM12 million and RM118 million respectively with a tenure of 6 months, for the purpose of refinancing the outstanding CPs and to coincide with the new expected maturity of the outstanding MTNs.

On 6 March 2017, the RM60 million outstanding MTNs and RM130 million outstanding CPs from the RM270 million programme was redeemed with the proceeds from the new issuance of RM130 million MTNs from the MTN Programme and RM61 million CPs from the CP Programme (as disclosed under Note B14 (d)(ii)). As such, there was no outstanding balance under the RM270 million programme as at 30 June 2017.

(b) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")

On 18 July 2013, MQREIT 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 RM117 million at interest rate of 4.60% 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 at MGS + 1.40% per annum.

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

The RM150 million Programme are secured borrowings.

There was no drawdown of the facility during the quarter.

B14 BORROWINGS AND DEBT SECURITIES (cont'd)

(c) Senior CP / MTN Programme of up to RM290 million ("Senior CP / MTN Programme"), Junior CP / MTN Programme of up to RM450 million ("Junior CP / MTN Programme") and Fixed-Rate Subordinated Term Loan Facility of up to RM250 million ("Fixed Rate Subordinated Term Loan")

On 13 March 2015, MQREIT through its SPE, Murud Capital Sdn Bhd ("Murud") established a RM290 million Senior CP/MTN Programme and Junior CP/MTN Programme of RM450 million for 7 years.

On 30 March 2015, RM279 million nominal values of Senior CPs were issued at an interest rate of 4.13% p.a.. A Junior CP of RM140 million nominal values were issued at an interest rate of 4.78% p.a.(effective rate is 4.90% p.a.). This Junior CP has been redeemed on 30 September 2015 upon its maturity on the same day, and has been refinanced by a Subordinated Term loan RM110 million at the interest rate of 4.90% p.a.; and balance via internal funds.

On 21 April 2015, MRCB-Quill Reit entered into two interest rate swap arrangements, swapping floating rate for fixed rate for a notional amount of RM139.5 million respectively, in relation to the RM279 million Senior CPs issued by Murud. MRCB-Quill Reit will pay a fixed rate of 3.82% p.a. to the Bank whilst the Bank will pay a floating rate to MRCB-Quill Reit. These interest rate swap arrangements commenced on 21 April 2015 and will mature on 30 March 2020.

The transaction costs relating to the programme are amortised over the tenure of the programmes and are charged to profit or loss. The RM290 million Senior CP, RM450 million Junior CP and RM110 million Subordinated Term Loan are secured borrowings.

(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")

On 30 November 2016, MQREIT through its SPE, Kinabalu Capital Sdn Bhd ("Kinabalu") established a RM3.0 billion in 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.

(i) RM144 million in nominal value of CPs and RM20 million in nominal value of MTNs

On 22 December 2016, RM144 million nominal value of CPs and RM20 million in nominal value of MTNs out of the respective programme were issued at the interest rate of 4.13% p.a. and 4.30% p.a. 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.

The transaction costs relating to the programme are amortised from the dates of issuance of the CPs to the maturity of the programme. The RM144 million CP and RM20 million MTN are secured borrowings.

(ii) RM61 million in nominal value of CPs and RM130 million in nominal value of MTNs

On 6 March 2017, RM61 million in nominal value of CPs and RM130 million nominal value of MTNs from the CP and MTN Programme were issued at the interest rate of 4.14% p.a. and 4.40% p.a. respectively. The proceeds raised from this issuance were utilised to redeem the existing RM60 million MTNs, RM12 million CPs and RM118 million CPs under the RM270 million CP/MTN Programme which matured on 6 March 2017.

The transaction costs relating to the programme are amortised from the dates of issuance of the CPs to the maturity of the programme. The RM61 million CP and RM130 million MTN are secured borrowings.

B15 DERIVATIVE FINANCIAL INSTRUMENTS

As part of the active interest rate management strategy of MQREIT, the following Interest Rate Swap ("IRS") arrangements have been entered into:

- (i) On 21 April 2015, an IRS arrangement swapping floating rate for fixed rate for a notional amount of RM139.5 million ("IRS No. 7") was entered into in relation to the RM279 million CPs issued by Murud. Pursuant to IRS No. 7, MQREIT will pay a fixed rate of 3.82% p.a. to the Bank whilst the Bank will pay a floating rate to MQREIT. IRS No. 7 commenced on 21 April 2015 and will mature on 30 March 2020.
- (ii) On 21 April 2015, an IRS arrangement swapping floating rate for fixed rate for a notional amount of RM139.5 million ("IRS No. 8") was entered into in relation to the RM279 million CPs issued by Murud. Pursuant to IRS No. 8, MQREIT will pay a fixed rate of 3.82% p.a. to the Bank whilst the Bank will pay a floating rate to MQREIT. IRS No. 7 commenced on 21 April 2015 and will mature on 30 March 2020.

The differences between the floating rate and the fixed rate of the respective IRSs are settled between MQREIT and the Bank on quarterly basis for IRS No. 7 and IRS No. 8 respectively, and are charged or credited to profit or loss accordingly.

The risk associated with the IRSs above would be credit risk, which is the counterparty risk of the financial institutions with whom the IRSs were contracted. However, the Manager has taken precaution to mitigate this risk by entering the IRSs contracts with reputable licensed financial institutions.

The fair values of the IRSs and the maturity profile as at 30 June 2017 are as follows:

| | Fair values of derivative assets/(liabilities) as at 30 June 2017 RM |
|--|---|
| More than 1 year and less than 5 years | <u>(1,438,374)</u> |

MQREIT was eligible to apply hedge accounting for its IRSs, hence changes in fair values of the IRSs were recognised in other comprehensive income.

B16 CHANGES IN MATERIAL LITIGATION

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

B17 INCOME DISTRIBUTION

MQREIT 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 RM45,176,400 or 4.23 sen per unit is proposed, being 95.4% of the distributable income for the period 1 January 2017 to 30 June 2017. The proposed income distribution has been approved by the Board and the Trustee on 10 August 2017 and will be payable on 18 September 2017 to all existing 1,068,000,000 unitholders as at book closure date on 28 August 2017.

Distributions are from the following sources :

| | 01.01.2017 to 30.06.2017 | |
|--|--------------------------|---------------------------------|
| | RM | |
| Revenue (realised) | 90,632,139 | |
| Interest income (realised) | 1,101,667 | |
| Property operating expenses and trust expenses (realised) | <u>(46,525,984)</u> | |
| Net income for the period | 45,207,822 | |
| Add : Manager's management fees payable in units | <u>2,136,000</u> | |
| Total distributable income | <u><u>47,343,822</u></u> | |
| Gross interim distribution (RM) | <u><u>45,176,400</u></u> | |
| (approximately 95.42% of RM47,343,822, being distributable income for the period 1 January 2017 to 30 June 2017) | | |
| of which | RM | |
| - taxable distribution | 44,286,204 | 4.15 sen per unit |
| - tax exempt distribution | <u>890,196</u> | <u>0.08 sen per unit</u> |
| | <u><u>45,176,400</u></u> | <u><u>4.23 sen per unit</u></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% |

B18 CHANGES IN NAV AND MARKET PRICE SINCE THE LAST REPORTING DATE

| | As at 30 June 2017 | As at 31 March 2017 |
|---|--------------------|---------------------|
| NAV (RM) | 1,404,425,977 | 1,383,144,876 |
| Number of units in circulation (units) | 1,068,000,000 | 1,068,000,000 |
| NAV per unit (RM) (after provision for distribution) | 1.2727 | 1.2734 |
| Market price (RM) | 1.31 | 1.28 |

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

The changes in NAV per unit is mainly due to loss on remeasurement of financial derivatives and income distribution made in the previous quarter.

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

B19 MANAGER'S FEE AND SOFT COMMISSION

Pursuant to the Trust Deed, the Manager is entitled to receive from MQREIT 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 MQREIT; and
- (iv) Divestment fee of 0.5% of the disposal value of any asset divested by MQREIT.

Total fees accrued to the Manager (exclusive of 6% GST) for the quarter ended 30 June 2017 are :

| | RM |
|-----------------|------------------|
| Base fee | 2,298,842 |
| Performance fee | 1,066,649 |
| | <u>3,365,491</u> |

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

B20 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 30 June 2017 amounted to RM171,814.

B21 UNITHOLDINGS BY THE MANAGER

As at 30 June 2017, the Manager did not hold any units in MQREIT.

B22 UNITHOLDINGS BY PARTIES RELATED TO THE MANAGER

| | No. of units | Percentage of total units | Market Value as at 30 June 2017 RM |
|---|--------------------|---------------------------|--|
| Malaysian Resources Corporation Berhad HLIB Nominee (Tempatan) Sdn. Bhd. for : | 297,917,000 | 27.89% | 390,271,270 |
| -Quill Properties Sdn. Bhd. | 45,997,000 | 4.31% | 60,256,070 |
| -Quill Land Sdn. Bhd. | 48,767,000 | 4.57% | 63,884,770 |
| -Quill Estates Sdn. Bhd. | 22,276,000 | 2.09% | 29,181,560 |
| | <u>414,957,000</u> | <u>38.85%</u> | <u>543,593,670</u> |

The Manager's directors' direct unitholding in MQREIT:

| | No. of units | Percentage of total units | Market Value as at 30 June 2017 RM |
|-----------------------------|--------------|------------------------------|--|
| Dato' Dr. Low Moi Ing, J.P | 50,000 | 0.005% | 65,500 |
| Dato' Michael Ong Leng Chun | 55,000 | 0.005% | 72,050 |

The Manager's directors' indirect unitholding in MQREIT:

| | No. of units | Percentage of total units | Market Value as at 30 June 2017 RM |
|-----------------------------|-----------------|------------------------------|--|
| Dato' Dr. Low Moi Ing, J.P | 117,040,000 (a) | 10.96% | 153,322,400 |
| Dato' Michael Ong Leng Chun | 117,040,000 (b) | 10.96% | 153,322,400 |

(a) Deemed interested by virtue of her direct shareholding in Quill Properties Sdn. Bhd., Quill Land Sdn. Bhd., and Quill Estates Sdn. Bhd..

(b) Deemed interested by virtue of his direct shareholding in Quill Properties Sdn. Bhd., Quill Land Sdn. Bhd., and Quill Estates Sdn. Bhd..

The market value of the units is computed based on the closing price as of 30 June 2017 of RM1.31 per unit.

B23 UNITHOLDERS CAPITAL

| | No. of units | |
|-----------------------|----------------------|----------------------|
| | Current Quarter | Preceding Quarter |
| Approved fund size | <u>1,100,000,000</u> | <u>1,100,000,000</u> |
| Issued and fully paid | <u>1,068,000,000</u> | <u>1,068,000,000</u> |

B24 FINANCE COSTS INCURRED DURING THE QUARTER AND YEAR TO DATE

| | Current Quarter RM | Cumulative Quarter RM |
|---|-----------------------|--------------------------|
| Interest expenses on CPMTN | 6,417,301 | 12,715,688 |
| Interest expenses on term loan | 2,809,033 | 5,587,197 |
| Interest on interest rate swap arrangements | 271,280 | 553,108 |
| Amortisation of transaction costs | 216,548 | 427,117 |
| Credit facility costs | 126,813 | 283,466 |
| Total finance costs | <u>9,840,975</u> | <u>19,566,576</u> |

B25 OTHER INCOME AND EXPENSES

For the current quarter, the following were credited or charged to the profit or loss in the statement of comprehensive income:

| | Current Quarter RM | Cumulative Quarter RM |
|--|-----------------------|--------------------------|
| Depreciation | 17,554 | 34,135 |
| Provision for / write off of receivables | 158,400 | (1,862) |

B26 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 MQREIT as at 30 June 2017 and of its financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of the Manager on 10 August 2017.

BY ORDER OF THE BOARD

MOHAMED NOOR RAHIM YAHAYA
COMPANY SECRETARY (MAICSA No. 0866820)
HO NGAN CHUI
COMPANY SECRETARY (MAICSA No. 7014785)
MRCB Quill Management Sdn Bhd
(Company No: 737252-X)
(As Manager of MRCB-QUILL REIT)
Kuala Lumpur

Date : 11 August 2017