

MRCB-Quill REIT recorded an 8.36% increase in Earnings Per Unit for 1H 2020

- Declares a 1H 2020 Distribution Per Unit of 3.43 sen

Kuala Lumpur, 14 August 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 has recorded a realised net income and realised Earnings Per Unit ("EPU") of RM38.87 mil and 3.63 sen respectively for the six months period from 1 January 2020 to 30 June 2020 ("1H 2020"), an increase of 8.4% from the corresponding period.

MQREIT declares a distribution income and distribution per unit ("DPU") of RM36.76 million and 3.43 sen, respectively for 1H 2020. The annualised 1H 2020 DPU translates to a yield of 9.33% based on MQREIT's closing price of RM0.735 on 30 June 2020. As MQREIT pays distribution semi-annually, the DPU of 3.43 sen is expected to be distributed on 30 September 2020. The books closure date has been fixed for 2 September 2020.

The second quarter of 2020 ("2Q 2020") realised net income also improved by 16.0% to RM19.08 million compared to the preceding quarter. This is largely due to higher income contribution from Platinum Sentral, Menara Shell & Tesco Penang after incorporated rental rebates that have already been provided for retail SME tenants predominantly in Plaza Mont Kiara. During the period, lower property operating expenses and finance cost were also recorded.

MQREIT's unaudited Consolidated Financial Statements for 2Q 2020 and year-to-date ("YTD") 2020 is available on its website (www.mrcbquillreit.com) and on Bursa Malaysia's website (www.bursamalaysia.com).

Summary of MQREIT's 2Q 2020 and YTD 2020 Results

	(unaudited) 2Q 2020 (RM'000)	(unaudited) 2Q 2019 (RM'000)	Variance	(unaudited) 1H 2020 (RM'000)	(unaudited) 1H 2019 (RM'000)	Variance
Revenue	40,626	39,189	3.7%	82,844	80,908	2.4%
Net Property Income	31,484	29,490	6.8%	64,280	61,867	3.9%
Realised Net Income	19,081	16,455	16.0%	38,866	35,862	8.4%
Distributable Income*	19,081	17,355*	9.9%	38,866	36,762*	5.7%
EPU	1.78 sen	1.54 sen	16.0%	3.63	3.35 sen	8.4%
Distributable Income Per Unit*	1.78 sen	1.62 sen	9.9%	3.63	3.43 sen	5.7%
DPU**	-	-	-	3.43 sen	3.43 sen	-

* Distributable Income refers to realised income after taxation adjusted for income previously not distributed of RM0.9 million. Distributable income per unit for the current quarter / period is computed based on the units in circulation of 1,071,783,000.

** DPU refers to Distribution Per Unit

Tan Sri Saw Choo Boon, Chairman of MQM said: "The performance of the economy in the first half of the year had deteriorated, but we are seeing gradual recovery following the government's introduction of economic stimulus package and easing of the country's "movement control" measures."

He added: "MQREIT's tenants have progressively returned to their offices since the commencement of the recovery movement control order ("RMCO") on 9 June 2020. Notwithstanding the relaxation of COVID-19 regulations, we are continuing our stringent preventive measures to ensure a clean and safe workspace for all our tenants while prudently managing MQREIT's property operating expenses."

Ms. Yong Su-Lin, Chief Executive Officer of MQM said: "We are confident that the Trust will ride out this down cycle with our continued focus on cost management, tenant retention and optimization of rental contribution. MQREIT's 2Q2020 results as compared to 1Q2020 results reflected the impact of our prior year's tenant mix repositioning and the rental rebates for certain SME tenants amidst COVID-19. Retaining and supporting our tenants through the COVID-19 challenges remains our priority."

She added: "As at 30 June 2020, MQREIT's average portfolio occupancy was stable at 90.4%. Due to the MCO, leasing activities were relatively muted in 2Q2020 and renewals for the year are concentrated in the last quarter. Negotiations are progressing as scheduled for the balance of leases expiring in second half of 2020 which represent approximately 90% of the total leases due for renewal in 2020. We have been engaging with key strategic tenants on lease renewals well ahead of lease expiry in anticipation of early lease renewals for some of these leases. Since the RMCO, MQREIT has progressively stepped up its marketing efforts to find new tenants for the remaining 9.6% vacant space while adhering to the RMCO SOP guidelines."

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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 2020, MQREIT owns 10 buildings comprising five in Cyberjaya, four in Kuala Lumpur and one in Penang, valued at RM2.14 billion as at 31 December 2019.

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

Issued by:

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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.