

**MRCB-QUILL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 31.12.2018 RM	Quarter 31.12.2017 RM	To Date 31.12.2018 RM	To Date 31.12.2017 RM
<b>Total income</b>				
Gross revenue				
-Realised gross revenue	42,663,182	44,662,725	173,376,079	180,113,542
-Unrealised rental income (unbilled lease income receivable) (a)	(849,536)	1,388,125	(849,536)	1,388,125
	41,813,646	46,050,850	172,526,543	181,501,667
Property operating expenses	(9,995,221)	(10,024,884)	(39,724,838)	(40,161,064)
Net property income	31,818,425	36,025,966	132,801,705	141,340,603
Interest income	1,699,644	1,740,553	4,327,333	3,590,093
Change in fair value of investment properties				
-As per valuation	(5,434,231)	(18,183,415)	(5,434,231)	(18,183,415)
-Unbilled lease income receivable (a)	849,536	(1,388,125)	849,536	(1,388,125)
Gain on divestment of investment property	-	-	2,196,632	-
	28,933,374	18,194,979	134,740,975	125,359,156
<b>Total expenditure</b>				
Manager's fees	(3,281,472)	(3,352,274)	(13,253,725)	(13,458,072)
Trustee's fee	(171,438)	(171,889)	(685,921)	(688,676)
Finance costs	(10,892,565)	(10,992,725)	(40,590,429)	(40,512,779)
Valuation fees	(95,750)	(89,256)	(357,043)	(298,491)
Auditors' remuneration	(41,962)	(8,000)	(146,842)	(119,000)
Tax agent's fee	(20,442)	(5,314)	(49,827)	(22,882)
Administrative expenses	(250,952)	(253,836)	(394,751)	(349,084)
	(14,754,581)	(14,873,294)	(55,478,538)	(55,448,984)
<b>Income before taxation</b>	<b>14,178,793</b>	<b>3,321,685</b>	<b>79,262,437</b>	<b>69,910,172</b>
Income tax expense (b)	(6,132,188)	-	(6,132,188)	-
<b>Income net of taxation (Note 1)</b>	<b>8,046,605</b>	<b>3,321,685</b>	<b>73,130,249</b>	<b>69,910,172</b>
<b>Other comprehensive income</b>				
(Loss)/gain on remeasurement of financial derivatives (c)	(15,696)	833,250	237,709	317,488
<b>Total comprehensive income for the financial year</b>	<b>8,030,909</b>	<b>4,154,935</b>	<b>73,367,958</b>	<b>70,227,660</b>
<b>Note 1</b>				
<b>Income net of taxation for the period comprises the following:</b>				
<b>Realised</b>	<b>19,570,114</b>	<b>21,418,028</b>	<b>84,653,758</b>	<b>88,006,515</b>
<b>Unrealised</b>				
- Unrealised rental income (in relation to unbilled lease income receivable)	(849,536)	1,388,125	(849,536)	1,388,125
- Changes in fair value of investment properties				
-as per valuation	(5,434,231)	(18,183,415)	(5,434,231)	(18,183,415)
-unbilled lease income receivable	849,536	(1,388,125)	849,536	(1,388,125)
- Amortisation of deferred lease income	858,541	1,115,112	858,541	1,115,112
- Unwinding of discount on security deposits	(815,631)	(1,028,040)	(815,631)	(1,028,040)
- Deferred tax on Real Property Gains Tax on investment properties held	(6,132,188)	-	(6,132,188)	-
	(11,523,509)	(18,096,343)	(11,523,509)	(18,096,343)
<b>Income net of taxation</b>	<b>8,046,605</b>	<b>3,321,685</b>	<b>73,130,249</b>	<b>69,910,172</b>
<b>EARNINGS PER UNIT (d)</b>				
- after manager's fees (sen)	0.75	0.31	6.83	6.55
- before manager's fees (sen)	1.06	0.62	8.07	7.81
<b>EARNINGS PER UNIT (REALISED) (e)</b>				
- after manager's fees (sen)	1.83	2.01	7.91	8.24
- before manager's fees (sen)	2.13	2.32	9.14	9.50
Total realised income net of taxation	19,570,114	21,418,028	84,653,758	88,006,515
Distribution adjustments (f)	(1,388,000)	-	2,400,000	3,975,295
<b>Distributable income</b>	<b>18,182,114</b>	<b>21,418,028</b>	<b>87,053,758</b>	<b>91,981,810</b>
<b>DISTRIBUTABLE INCOME PER UNIT</b>	<b>1.70</b>	<b>2.01</b>	<b>8.13</b>	<b>8.61</b>

<b>INCOME DISTRIBUTION</b>					
Interim income distribution	(g)/(h)	-	-	45,336,421	45,176,400
Final income distribution		41,263,646	44,428,800	41,263,646 (i)	44,428,800
		<u>41,263,646</u>	<u>44,428,800</u>	<u>86,600,067</u>	<u>89,605,200</u>
<b>Income distribution per unit</b>					
<b>Gross (sen)</b>					
Interim income distribution		-	-	4.23	4.23
Final income distribution		3.85	4.16	3.85	4.16
<b>Total income distribution</b>		<u>3.85</u>	<u>4.16</u>	<u>8.08</u>	<u>8.39</u>

- (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) Tax expenses relates to deferred tax expenses recognised in the provision of deferred tax liabilities on Real Property Gains Tax ("RPGT") on the fair value gain in the investment properties.
- (c) This relates to the (loss)/gain on the remeasurement of the fair values of interest rate swaps ("IRSs"). (please refer Note B15)
- (d) Earnings Per Unit for the current quarter/period is computed based on the Net Income for the quarter/period divided by units in circulation/weighted average units in circulation of 1,071,783,000/1,070,808,748 units during the quarter/period. EPU for the preceding year corresponding quarter/period is based on the units in circulation of 1,068,000,000.
- (e) 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/weighted average units in circulation of 1,071,783,000/1,070,808,748 units during the quarter/period. EPU (Realised) for the preceding year corresponding quarter/period is based on the units in circulation of 1,068,000,000.
- (f) Distribution adjustments comprises of the following:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>To Date</b>	<b>To Date</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Manager's management fee payable in units	(1,388,000)	-	-	3,975,295
Amount previously not distributed	-	-	2,400,000	-
	<u>(1,388,000)</u>	<u>-</u>	<u>2,400,000</u>	<u>3,975,295</u>

The manager's management fee payable in units of RM1,388,000 as proposed in the 1st quarter 2018 has been paid in cash.

- (g) Income distribution of 4.23 sen per unit being the distribution of income for the period 1 January 2018 to 30 June 2018 was paid on 19 September 2018.
- (h) Income distribution of 4.23 sen per unit being the distribution of income for the period 1 January 2017 to 30 June 2017 was paid on 18 September 2017.
- (i) Proposed final gross distribution of 3.85 sen per unit relates to the distribution of income for the period 1 July 2018 to 31 December 2018, will be payable on 28 February 2019 to all unitholders as at book closure date on 8 February 2019. Pls refer to Note B17 for 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 2017 and the accompanying explanatory notes attached to the financial statements.

**MRCB-QUILL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018 (UNAUDITED)**

	<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
	<b>31.12.2018 UNAUDITED RM</b>	<b>31.12.2017 AUDITED RM</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	345,125	172,433
Investment properties	2,158,708,055	2,159,459,119
Investment properties-accrued rental income	18,891,945	19,740,881
Lease receivables	1,326,763	2,014,930
	<u>2,179,271,888</u>	<u>2,181,387,363</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	5,649,634	5,232,685
Lease receivables	688,167	730,820
Deposits with licensed financial institution	80,486,003	72,403,166
Cash and cash equivalents	5,289,600	3,638,160
	<u>92,113,404</u>	<u>82,004,831</u>
Non-current asset held for sale	-	25,000,000
	<u>92,113,404</u>	<u>107,004,831</u>
<b>TOTAL ASSETS</b>	<b><u>2,271,385,292</u></b>	<b><u>2,288,392,194</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	853,704,352	736,584,405
Derivative liabilities (i)	428,022	665,731
Security deposits	11,168,217	16,194,911
Other payables	1,825,879	221,866
	<u>867,126,470</u>	<u>753,666,913</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	15,794,325	20,304,048
Borrowings	-	116,868,449
Security deposits	10,042,778	12,828,214
Deferred tax liability	6,132,188	-
	<u>31,969,291</u>	<u>150,000,711</u>
<b>TOTAL LIABILITIES</b>	<b><u>899,095,761</u></b>	<b><u>903,667,624</u></b>
<b>NET ASSETS VALUE ("NAV")</b>	<b><u>1,372,289,531</u></b>	<b><u>1,384,724,570</u></b>
<b>UNITHOLDERS' FUNDS</b>		
<b>Unitholders' funds attributable to unitholders of MQREIT</b>		
Unitholders' capital	1,235,876,768	1,231,914,544
Undistributed and non-distributable income	136,412,763	152,810,026
<b>Total unitholders' funds</b>	<b><u>1,372,289,531</u></b>	<b><u>1,384,724,570</u></b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	1,071,783,000	1,068,000,000
<b>NET ASSET VALUE PER UNIT</b>		
- before income distribution (ii)	1.2804	1.2966
- after income distribution (iii)	1.2419	1.2550

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

(ii) Net Asset Value per unit before the proposed final gross income distribution of 3.85 sen per unit.

(iii) Net Asset Value per unit after the proposed final gross income distribution of 3.85 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 2017 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 31 DECEMBER 2018 (UNAUDITED)**

	Unitholders' Capital	Distributable		Non-Distributable Net Fair Value (Loss) / Gain On Derivatives Unrealised	Total Undistributed and Non-Distributable Income	Unitholders' Funds
		Undistributed Income Realised	Undistributed Income Unrealised			
	RM	RM	RM	RM	RM	RM
<b>As at 1 January 2018</b>	1,231,914,544	60,034,963	93,440,794	(665,731)	152,810,026	1,384,724,570
Issuance of new units	3,974,420	-	-	-	-	3,974,420
Expenses on issuance of new units	(12,196)	-	-	-	-	(12,196)
Total Comprehensive Income for the financial year	-	84,653,758	(11,523,509)	237,709	73,367,958	73,367,958
	1,235,876,768	144,688,721	81,917,285	(428,022)	226,177,984	1,462,054,752
<b>Unitholders' transactions:</b>						
Distribution to unitholders	-	(89,765,221)	-	-	(89,765,221)	(89,765,221)
<b>As at 31 December 2018</b>	1,235,876,768	54,923,500	81,917,285	(428,022)	136,412,763	1,372,289,531
<b>As at 1 January 2017</b>	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 financial year	-	88,006,515	(18,096,343)	317,488	70,227,660	70,227,660
	1,231,914,544	105,211,363	93,440,794	(665,731)	197,986,426	1,429,900,970
<b>Unitholders' transactions:</b>						
Distribution to unitholders	-	(45,176,400)	-	-	(45,176,400)	(45,176,400)
<b>As at 31 December 2017</b>	1,231,914,544	60,034,963	93,440,794	(665,731)	152,810,026	1,384,724,570

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 2017 and the accompanying explanatory notes attached to the financial statements.

**MRCB-QUILL REIT**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018 (UNAUDITED)**

	<b>CURRENT YEAR TO DATE 31.12.2018 RM</b>	<b>PRECEDING YEAR TO DATE 31.12.2017 RM</b>
<b>OPERATING ACTIVITIES</b>		
Income before tax	79,262,437	69,910,172
Adjustments for:		
Finance costs	40,590,429	40,512,779
Depreciation	76,758	69,456
Interest income	(4,327,333)	(3,590,093)
Loss /(Surplus) on revaluation of investment properties	5,434,231	18,183,415
Gain on divestment of investment property	(2,196,632)	-
Operating cash flows before changes in working capital	<u>118,839,890</u>	<u>125,085,729</u>
Receivables	557,981	13,866,128
Payables	(12,244,946)	(9,881,126)
Cash flows from operations	<u>107,152,925</u>	<u>129,070,731</u>
Income tax paid	-	-
Net cash flows generated from operating activities	<u>107,152,925</u>	<u>129,070,731</u>
<b>INVESTING ACTIVITIES</b>		
Additions to investment properties	(3,834,231)	(383,415)
Proceed from divestment of QB8	28,000,000	-
Purchase of plant & equipment	(249,450)	(16,203)
Interest received	3,686,860	2,161,417
Net cash flow generated from investing activities	<u>27,603,179</u>	<u>1,761,799</u>
<b>FINANCING ACTIVITIES</b>		
Distribution to unitholders	(89,765,221)	(72,623,712)
Finance costs paid	(39,218,830)	(37,193,456)
Proceeds from borrowings	-	191,000,000
Repayment of borrowings	-	(190,000,000)
Proceeds from issuance of new units	3,974,420	-
Expenses paid on issuance of new units	(12,196)	(25,317)
Cash flows used in financing activities	<u>(125,021,827)</u>	<u>(108,842,485)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,734,277	21,990,045
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>76,041,326</u>	<u>54,051,281</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>85,775,603</u></u>	<u><u>76,041,326</u></u>
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institutions	80,486,003	72,403,166
Cash on hand and at banks	5,289,600	3,638,160
	<u>85,775,603</u>	<u>76,041,326</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes to the financial statements.

**MRCB-QUILL REIT**  
**EXPLANATORY NOTES FOR PERIOD ENDED 31 DECEMBER 2018**

**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 2017 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 2017.

**A4 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The audit report of the financial statements for the preceding year ended 31 December 2017 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

There were no issuance, cancellation, repurchase, sale and payment of debt and equity securities for the current quarter and year to date except for payment of Manager's management fee paid in MQREIT units, with details as disclosed below.

Units issued	Price per Unit	Listed on Main Market of Bursa Securities on	Remark
3,783,000	RM1.0506	5 April 2018	Based on 5-day volume weighted average price of the Units up to 15 March 2018

## 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 and financial year ended 31 December 2018, the investment properties were valued based on valuation performed by 3 independent registered valuers, i.e. Nawawi Tie Leung Property Consultants Sdn. Bhd., Knight Frank Malaysia Sdn Bhd and C H Williams Talhar & Wong Sdn. Bhd. on 31 December 2018. A deficit on revaluation amounted to RM5,434,231 was charged to the statement of comprehensive income and is unrealised in nature.

## A12 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 DECEMBER 2018

### (A) Recurrent Related Party Transactions-Renewal of the appointment of Semasa Parking Sdn Bhd as the car park operator for Platinum Sentral

As announced on 6 December 2018, the Trustee, had on 6 December 2018, renewed the appointment of Semasa Parking Sdn Bhd ("SPSB") as the car park operator for Platinum Sentral ("the Appointment") for a period of 3 years commencing from 1 January 2019 to 31 December 2021, at a monthly minimum guaranteed rental at RM150,000 with a profit sharing basis in the proportion of 70% (MQREIT):30% (SPSB) ratio.

The transaction between MQREIT and SPSB is a recurrent related party transaction ("RRPT") by virtue of SPSB being a wholly-owned subsidiary of Malaysian Resources Corporation Berhad ("MRCB"), which in turn is a major unitholder of MQREIT and also a major shareholder of MRCB Quill Management Sdn Bhd ("MQM").

The Appointment of Car Park Operator 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 2018.

### **A13 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 DECEMBER 2018**

There is no significant events subsequent to the quarter ended 31 December 2018.

### **A14 CHANGES IN COMPOSITION OF MQREIT**

The movement to the composition of MQREIT during the period is as follows:

	Units
Balance as at 1 January 2018	1,068,000,000
Units issued as satisfaction of the Manager's management fee payable in units	3,783,000
Total units issued upto 31 December 2018	<u>1,071,783,000</u>

### **A15 CHANGES IN CONTINGENT LIABILITIES**

There are no contingent liabilities to be disclosed.

### **A16 CAPITAL COMMITMENTS**

The amount of capital commitment not provided for in the condensed consolidated financial statements as at 31 December 2018 are as follows:

	As at 31 December 2018 RM
Approved and contracted for : Investment properties	<u>2,056,500</u>



## **B1 REVIEW OF PERFORMANCE**

### **Quarter Results (4Q 2018 vs 4Q 2017)**

MQREIT recorded realised gross revenue of RM42.7 million in 4Q 2018, a decrease of RM2.0 million or 4.5% compared to 4Q 2017. The decrease was mainly due to lower revenue generated from Platinum Sentral and loss of revenue from QB8 - DHL XPJ after the disposal took place on 12 April 2018.

Property operating expenses for 4Q 2018 were approximately RM10.0 million, a marginal decrease of RM0.03 million or 0.3% compared to 4Q 2017, mainly due to tighten control on costs and lower expenses incurred after the disposal of QB8.

These have resulted in lower net property income by RM4.3 million or 11.8% in 4Q 2018 compared to 4Q 2017.

Manager's fees incurred for 4Q 2018 were RM3.3 million, marginally lower by 2.0% compared to 4Q 2017, this was in line with the lower net property income and total gross asset value in 4Q 2018. Finance costs incurred for 4Q 2018 of RM10.9 million were marginally lower by 0.9% as compared to 4Q 2017 mainly due to the adjustment on unwinding of discount on security deposits under MFRS139, net of higher interest on borrowings.

Income net of taxation for 4Q 2018 was RM8.0 million (4Q 2017: RM3.3 million) comprising realised profit of RM19.6 million (4Q 2017: RM21.4 million) and unrealised loss of RM11.5 million (4Q 2018: RM18.1 million).

### **Financial Year-to-date Results (YTD December 2018 vs YTD December 2017)**

MQREIT recorded realised gross revenue of RM173.4 million in YTD December 2018, a decrease of RM6.7 million or 3.7% compared to the previous financial period ended YTD December 2017. The decrease was mainly due to lower revenue generated from Platinum Sentral, Menara Shell and loss of revenue from QB8 - DHL XPJ after the disposal took place on 12 April 2018.

Property operating expenses for YTD December 2018 were RM39.7 million, an decrease of RM0.4 million or 1.1% as compared to YTD December 2017. The decrease was mainly attributable to lower expenses incurred by some properties.

These have resulted in lower net property income by RM8.6 million or 6.1% in YTD December 2018 compared to YTD December 2017.

Manager's fees for YTD December 2018 were RM13.3 million, marginally lower by 1.5% compared to YTD December 2017, this was in line with the lower net property income and total gross asset value in YTD December 2018. Finance costs for YTD December 2018 of RM40.6 million were marginally lower by 0.2% mainly due to the adjustment on unwinding of discount on security deposits under MFRS139, net of higher interest on borrowings.

Income net of taxation for YTD December 2018 was RM73.1 million (YTD December 2017: RM69.9 million) comprising realised profit of RM84.7 million (YTD December 2017: RM88.0 million) and unrealised loss of RM11.5 million (YTD December 2017: RM18.1 million).

The performance of MQREIT for the period ended 31 December 2018 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 2017.

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 2017 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**

#### Review of office market - Klang Valley

The Kuala Lumpur office markets remains in an oversupply environment. New completions continued to overtake net absorption, as tenants remain cautious in its rental commitments amid the moderating economic growth. By the end of 2018, Klang Valley is estimated to have an existing stock of 147 million sq ft. The volume of development activities in Klang Valley remains high with 23 million sq ft under construction, bringing total supply to 170 million sq ft by 2021. Overall, average occupancy rate has been heading downwards, from 84% in 2013 to 80% in 2018. Rental rate continued to remain stable despite downward pressure. In Kuala Lumpur, prime office rents are within the range of RM7 – RM13 per sq ft on a gross basis, with an average of RM7.30 per sq ft in Kuala Lumpur City Centre and RM6.85 in KL Sentral. Outside Kuala Lumpur, gross prime rents in Petaling Jaya and Cyberjaya range at RM4 – RM6 per sq ft and RM4 – RM5 per sq ft respectively. Looking ahead, rental rates are expected to trend downward, as owners put in more effort to stay competitive in the market by providing attractive tenant incentives for major space users.

(Source : Property Market Report 2018 prepared by Nawawi Tie Leung Property Consultant Sdn Bhd for MRCB-Quill REIT dated December 2018)

#### Review of retail market - Klang Valley & Penang

Klang Valley will boost an existing stock of 67 million sq ft by end of 2018. In the State of Penang, completions of City Mall and Southbay Plaza will bring total supply to 19 million sq ft by year end. By 2021, total supply in Klang Valley is projected to reach 82 million sq ft, given the current pipeline of nearly 16 million sq ft. In Penang, new developments are largely concentrated in Seberang Perai due to easier availability of larger land plots. Overall, 3 million sq ft of retail space across six centres are slated for opening during the next three years, and this will increase the total supply to 22 million sq ft by 2021. As consumers benefit from more shopping mall options, new malls will likely to struggle in achieving their desired foot traffic, given the diluted market share amid overlapping catchment. In addition, retailers are cautious on expanding their business, given the subdued consumer sentiments. Occupancy rates have been under pressure, averaged at 86% and 72% in Klang Valley and Penang respectively. Further upsides are unlikely, as market takes time to digest the incoming supply.

(Source : Property Market Report 2018 prepared by Nawawi Tie Leung Property Consultant Sdn Bhd for MRCB-Quill REIT dated December 2018)

### **B4 PROSPECTS**

In 2018, 28% of MQREIT's total net lettable area ("NLA") or approximately 609,000 sq. ft. were due for renewal. Approximately 75% or 454,280 sq.ft of these leases have been renewed.

The Klang Valley office market is expected to remain challenging. Similar to 2018, we will focus on asset management and leasing strategies that are centred on tenant retention to overcome the challenging operating environment for the 2019.

### **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 2018.

### **(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 current 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 31 DECEMBER 2018

As at 31 December 2018, MQREIT's portfolio comprises of ten buildings as follows:

Investment properties	Cost of Investment RM	Market Value / Net Carrying amount as at 31 December 2018 RM	Market value /Net Carrying amount as % of NAV
<u>Commercial buildings</u>			
1 QB1 - DHL 1 & QB4 - DHL 2	109,100,000	133,000,000	9.69%
2 QB2 - HSBC	107,500,000	122,000,000	8.89%
3 QB3 - BMW	59,400,000	79,000,000	5.76%
4 Wisma Technip	125,000,000	172,400,000	12.56%
5 Part of Plaza Mont' Kiara	90,000,000	118,200,000	8.61%
6 QB5 - IBM	43,000,000	39,000,000	2.84%
7 Tesco Building Penang	132,000,000	140,000,000	10.20%
8 Platinum Sentral	740,000,000	724,000,000	52.76%
9 Menara Shell	640,000,000	650,000,000	47.37%
	2,046,000,000	2,177,600,000	

The disposal of QB8 - DHL XPJ (with the carrying amount of RM25 million) was completed on 12 April 2018, for a cash consideration of RM28 million.

Capital expenditure of RM671,467 were incurred during the quarter. The NAV as at 31 December 2018 is RM1,372,289,531.

### B14 BORROWINGS AND DEBT SECURITIES

	As at 31 December 2018
<b>NON-CURRENT LIABILITIES:</b>	
(a) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")	RM 116,842,726
(b) Senior CP / MTN Programme of up to RM290 million	275,947,231
(c) Fixed Rate Subordinated Term Loan Facility of up to RM250 million	109,833,591
(d) CPs/MTNs Programme of up to RM3 billion	351,080,804
	853,704,352
<b>(a) Fixed Rate Term Loan Facility of up to RM150 million ("RM150 million Term Loan")</b>	<b>RM</b>
Term Loan draw down	117,000,000
Transaction cost c/f	(168,500)
	116,831,500
Amortisation of transaction costs during the period	11,226
	116,842,726

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% per annum was draw down 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.

On 13 September 2018, the term loan facility has been extended for a further term of five (5) years from 13 September 2018 to 13 September 2023, at interest rate of 4.75% per annum.

The transaction costs relating to the programme are amortised over the tenure of the programme and are charged to profit or loss, and the RM150 million Programme are secured borrowing.

**B14 BORROWINGS AND DEBT SECURITIES (cont'd)****NON-CURRENT LIABILITIES:****(b) Senior CP / MTN Programme of up to RM290 million ("Senior CP / MTN Programme") and Fixed-Rate Subordinated Term Loan Facility of up to RM250 million ("Fixed Rate Subordinated Term Loan")**

<b>(i) <u>Senior CP / MTN Programme</u></b>	<b>RM</b>
Face value of CPs issued / rollover	279,000,000
Discount	(2,844,959)
Cash proceeds	<u>276,155,041</u>
Accretion of interest expenses	<u>125,053</u>
	276,280,094
Transaction costs c/f	(617,506)
Amortisation of transaction costs during the period	<u>284,643</u>
	<u><u>275,947,231</u></u>
<b>(ii) <u>Fixed Rate Subordinated Term Loan</u></b>	<b>RM</b>
Term Loan draw down	110,000,000
Transaction costs on term loan	(309,240)
	<u>109,690,760</u>
Amortisation of transaction costs during the period	<u>142,831</u>
	<u><u>109,833,591</u></u>

On 13 March 2015, MQREIT through its SPE, Murud Capital Sdn Bhd ("Murud") established a RM290 million Senior CP/MTN Programme for 5 years.

On 30 March 2015, RM279 million nominal values of Senior CPs were issued at an interest rate of 4.13% per annum. On 30 September 2015, a Fixed Rate Subordinated Term Loan of RM110 million were established at the interest rate of 4.90% per annum.

On 21 April 2015, MQREIT 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. MQREIT will pay a fixed rate of 3.82% p.a. to the Bank whilst the Bank will pay a floating rate to MQREIT. 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 and RM110 million Subordinated Term Loan are secured borrowings and there were no draw down of the facility during the quarter.

**(c) 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")**

<b>(i) <u>RM144 million in nominal value of CP and RM20 million in nominal value of MTN</u></b>	<b>RM</b>
Face value of CPs / MTNs issued	164,000,000
Discount	(3,159,320)
Cash proceeds	<u>160,840,680</u>
Accretion of interest expenses	<u>190,948</u>
	161,031,628
Transaction costs b/f	(366,828)
Amortisation of transaction costs during the period	<u>93,580</u>
	<u><u>160,758,380</u></u>

**B14 BORROWINGS AND DEBT SECURITIES (cont'd)****NON-CURRENT LIABILITIES (cont'd):****(c) 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") (cont'd):**

<b>(ii) <u>RM61 million in nominal value of CP and RM130 million in nominal value of MTN</u></b>	<b>RM</b>
Face value of CPs / MTNs issued	191,000,000
Discount	(1,330,970)
Cash proceeds	<u>189,669,030</u>
Accretion of interest expenses	<u>860,351</u>
	190,529,381
Transaction costs on CP/MTN issued during the period	(272,264)
Amortisation of transaction costs during the period	<u>65,307</u>
	<u>190,322,424</u>
<b>Total:</b>	<b><u>351,080,804</u></b>

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 CP and RM20 million in nominal value of MTN (Issue 1')**

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 over the tenure of the programme and are charged to profit or loss. 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 (Issue 2')**

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 transaction costs relating to the programme are amortised over the tenure of the programme and are charged to profit or loss. The RM61 million CP and RM130 million MTN are secured borrowings.

There were no draw down of the facility during the quarter.

## 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 IRS arrangements are the estimated amount that would be received or paid to terminate the IRS arrangements as at the reporting date, taking into account interest rate market conditions. The fair values are obtained based on quotes provided by the financial institutions.

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

The details of the outstanding derivatives as at 31 December 2018 are as follows:

Type of Derivatives	Contract/Notional Value As at 31 December 2018	Fair values of derivative liabilities as at 31 December 2018
	RM	RM
<b>Interest Rate Swap ("IRS")</b>		
(i) IRS No. 7 - 1 year to 3 years	139,500,000	211,635
(ii) IRS No. 8 - 1 year to 3 years	139,500,000	216,387
	<u>279,000,000</u>	<u>428,022</u>

## 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 RM45,336,421 or 4.23 sen per unit, being 96.70% of the distributable income for the period 1 January 2018 to 30 June 2018 was made on 19 September 2018.

A final income distribution of RM41,263,646, or 3.85 sen per unit is proposed, being 102.72% of the distributable income for the period 1 July 2018 to 31 December 2018. The proposed final income distribution has been approved by the Board and the Trustee on 17 January 2019 and will be payable on 28 February 2019 to all unitholders as at book closure date on 8 February 2019.

The total gross distribution relating to the financial year ended 31 December 2018 amounted to RM86,600,067 or 8.08 sen per unit, being approximately 99.48% of the total distributable income of MQREIT for the financial year ended 31 December 2018.

Distributions are from the following sources :

	01.01.2018 to 31.12.2018	
	RM	
Revenue (Realised)	173,376,079	
Interest income (Realised)	3,468,792	
Gain on divestment of investment property (Realised)	2,196,632	
Less : Property operating expenses and trust expenses (realised)	<u>(94,387,745)</u>	
Total realised income net of taxation	84,653,758	
Add : Distribution adjustments	<u>2,400,000</u>	
Total distributable income	87,053,758	
Less : Interim income distribution paid on 19 September 2018	(45,336,421)	
Less : Undistributable and non-distributable income	<u>(453,691)</u>	
Balance for income distribution	<u><u>41,263,646</u></u>	
Gross final income distribution (RM)	<u><u>41,263,646</u></u>	
Distribution per unit (sen) of which:	RM	
- taxable distribution of income (sen)	39,655,971	3.70 sen per unit
- tax exempt distribution of income (sen)	<u>1,607,675</u>	<u>0.15 sen per unit</u>
	<u><u>41,263,646</u></u>	<u><u>3.85 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 31 December 2018	As at 30 September 2018
NAV (RM)	1,372,289,531	1,364,258,622
Number of units in circulation (units)	1,071,783,000	1,071,783,000
NAV per unit (RM) (after provision for distribution)	1.2419	1.2537
Market price (RM)	1.06	1.12

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 for the quarter ended 31 December 2018 are :

	RM
Base fee	2,276,200
Performance fee	1,005,272
	<u>3,281,472</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 31 December 2018 amounted to RM171,438.

## B21 UNITHOLDINGS BY THE MANAGER

On 4 April 2018, the Manager of MQREIT, MRCB Quill Management Sdn Bhd ("MQM") has received 3,783,000 new units in MQREit for the purpose of the payment of management fee.

On 10 December 2018, MQM has disposed off 926,000 units for the payment of dividend in specie to its existing 3 shareholders, as follows:

(i) Malaysian Resources Corporation Corporation Berhad	380,000
(ii) Quill Resources Holding Sdn Bhd	361,000
(iii) Global Jejaka Sdn Bhd	185,000
	<u>926,000</u>

As at 31 December 2018, the Manager held 2,857,000 units in MQREIT.

## B22 UNITHOLDINGS BY PARTIES RELATED TO THE MANAGER

	No. of units	Percentage of total units	Market Value as at 31 December 2018 RM
Malaysian Resources Corporation Berhad	298,297,000	27.83%	316,194,820
HLIB Nominee (Tempatan) Sdn. Bhd. for :			
-Quill Properties Sdn. Bhd.	40,997,000	3.83%	43,456,820
-Quill Land Sdn. Bhd.	767,000	0.07%	813,020
-Quill Estates Sdn. Bhd.	17,276,000	1.61%	18,312,560
MRCB Quill Management Sdn. Bhd.	2,857,000	0.27%	3,028,420
Quill Resources Holding Sdn. Bhd.	361,000	0.03%	382,660
Global Jejaka Sdn. Bhd.	185,000	0.02%	196,100
	<u>360,740,000</u>	<u>33.66%</u>	<u>382,384,400</u>

The Manager's directors' direct unitholding in MQREIT:

	No. of units	Percentage of total units	Market Value as at 31 December 2018 RM
Dato' Dr. Low Moi Ing, J.P	50,000	0.005%	53,000
Dato' Michael Ong Leng Chun	55,000	0.005%	58,300
Kwan Joon Hoe	80,000	0.007%	84,800

The Manager's directors' indirect unitholding in MQREIT:

	No. of units	Percentage of total units	Market Value as at 31 December 2018 RM
Dato' Dr. Low Moi Ing, J.P	59,401,000 (a)	5.54%	62,965,060
Dato' Michael Ong Leng Chun	59,401,000 (b)	5.54%	62,965,060
Tan Sri Saw Choo Boon	185,000 (c)	0.02%	196,100

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

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

(c) Deemed interest by way of his substantial shareholding in Morningale Sdn Bhd and Jendela Elit Sdn Bhd, which in turn are substantial shareholders of Global Jejaka Sdn Bhd

The market value of the units is computed based on the closing price as of 31 December 2018 of RM1.06 per unit.

**B23 UNITHOLDERS CAPITAL**

	No. of units	
	Current Quarter	Preceding Quarter
Approved fund size	1,100,000,000	1,100,000,000
Issued and fully paid	1,071,783,000	1,068,000,000

**B24 FINANCE COSTS INCURRED DURING THE QUARTER AND YEAR TO DATE**

	Current Quarter	Cumulative Quarter
	RM	RM
Interest expenses on CPMTN	6,808,277	26,653,338
Interest expenses on term loan	2,884,137	11,319,890
Interest on interest rate swap arrangements	91,420	530,635
Amortisation of transaction costs	169,036	809,553
Credit facility costs	124,064	461,382
Interest expenses on unwinding of discount on rental deposits	815,631	815,631
Total finance costs	10,892,565	40,590,429

**B25 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 31 December 2018 and of its financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 17 January 2019.

**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 : 17 January 2019**