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General Announcement

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* Company name : **Quill Capita Trust**
* Stock name : **QCAPITA**
* Stock code : **5123**
* Contact person : **Corinne Tan**
* Designation : **Finance & Compliance Manager**

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* Subject :

Proposed Acquisitions by Quill Capita Trust ("QCT" or the "Fund") of three properties

* **Contents :-**

The Board of Directors ("Board") of Quill Capita Management Sdn. Bhd. ("QCM" or "The Manager"), the manager of QCT, wishes to announce that Mayban Trustees Berhad ("Mayban Trustee" or "the Trustee"), acting as trustee for and on behalf of QCT, has on 15 January 2008, entered into conditional sale & purchase agreements to acquire three new properties. Please refer to file attached for further details of the proposed acquisitions.



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Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:

Announcement

Subject: Proposed Acquisitions by Quill Capita Trust ("QCT" or the "Fund") of the following three (3) Properties:

- a) a five (5) storey building with sub-basements car park with an approximate net lettable area of 80,000 square feet erected on a substantial part of that piece of freehold land held under title Geran No. 102620 for Lot 33042, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan. ("Quill Land & Building 5-IBM") from Quill Land Sdn Bhd (Co No. 449957-X)
- b) a three (3) storey building with an approximate net lettable area of 65,205 square feet erected on a substantial part of that piece of freehold land held under title No. H.S.(D) 225960, PT 112, Bandar Glenmarie, Daerah Petaling, Selangor Darul Ehsan ("Quill Land & Building 8-XPJ") from Quill Logistics Sdn Bhd (Co. No. 686274-U)
- c) a four (4) storey building with one (1) storey basement car park with an approximate net lettable area of 58,428 square feet erected on a 99 years leasehold land held under title no. PN 3699, Lot 57, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan ("Quill Land & Building 10-HSBC Section 13") from Quill Contracts Sdn Bhd (Co. No: 453294-T)

Contents:

1.0 INTRODUCTION

The Board of Directors ("Board") of Quill Capita Management Sdn Bhd ("QCM" or "the Manager"), the manager of QCT, wishes to announce that Mayban Trustees Berhad ("Mayban Trustee" or "the Trustee"), acting as trustee for and on behalf of QCT has on 15 January 2008 entered into the following agreements:

- (i) a conditional sale and purchase agreement to acquire from Quill Land Sdn Bhd ("Quill Land") a substantial part of that piece of land held for a term in perpetuity under title Geran No. 102620 for Lot 33042, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, together with a five (5) storey building with sub-basements car park with an approximate net lettable area of 80,000 square feet erected on a freehold land (collectively, "Quill Land & Building 5-IBM"), for a cash consideration of RM43,000,000 ("Proposed Acquisition of Quill Land & Building 5-IBM");

- (ii) a conditional sale and purchase agreement to acquire from Quill Logistics Sdn Bhd (“Quill Logistics”) a substantial part of that piece of land held for a term in perpetuity under title No.H.S.(D) 225960, PT 112, Bandar Glenmarie, Daerah Petaling, Selangor Darul Ehsan, together with a three (3) storey building with an approximate net lettable area of 65,205 square feet erected on a freehold land (collectively, “Quill Land & Building 8-XPJ”), for a cash consideration of RM28,800,000 (“Proposed Acquisition of Quill Land & Building 8-XPJ”); and
- (iii) a conditional sale and purchase agreement to acquire from Quill Contracts Sdn Bhd (“Quill Contracts”) all that piece of land held for a leasehold land under title no. PN 3699, Lot 57, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan, together with a four (4) storey building with one (1) storey basement car park with an approximate net lettable area of 58,428 square feet erected on a 99 years leasehold land (collectively, “Quill Land & Building 10-HSBC Section 13”) for a cash consideration of RM22,740,000 (“Proposed Acquisition of Quill Land & Building 10-HSBC Section 13”)

The Proposed Acquisition of Quill Land & Building 5-IBM, Proposed Acquisition of Quill Land & Building 8-XPJ and Proposed Acquisition of Quill Land & Building 10-HSBC Section 13 are not inter-conditional upon each other and shall collectively be referred to as the “Proposed Acquisitions”.

2.0 DETAILS OF THE PROPOSED ACQUISITIONS

2.1 Proposed Acquisition of Quill Land & Building 5-IBM

QCT proposes to acquire Quill Land & Building 5-IBM for a cash consideration of RM43,000,000 from Quill Land.

The Property is to be acquired free from encumbrances but subject to the terms and conditions stipulated in the sale and purchase agreement for such acquisition entered into between the Trustee and Quill Land on 15 January 2008 (“SPA-IBM”).

Pursuant to the Deed dated 9 October 2006 constituting QCT, entered into between the Trustee and QCM (“QCT Deed”), Mayban Trustee, as the trustee for QCT, has approved the Proposed Acquisition of Quill Land & Building 5-IBM.

2.1.1 Information on Quill Land & Building 5-IBM

The subject property is located about 40 kilometres by road to the south of Kuala Lumpur City Centre.

The land upon which the subject property is erected (“Master Land”) is currently registered in favour of QCT and is charged in favour of UOB

Trustee (Malaysia) Berhad (“UOB”). The Master Land is also subject to a lease registered in favour of HSBC Electronic Data Processing (Malaysia) Sdn. Bhd. (Company No. 587320-H) in respect of Quill Building 2-HSBC (“HEDP Lease”).

The subject property is currently tenanted to and occupied by IBM Malaysia Sdn Bhd (Company No. 500613-M) pursuant to a Tenancy Agreement dated 7 December 2007 (“IBM Tenancy Agreement”) for a total net lettable area of 52,000 square feet for an initial term of three(3) years commencing from 15 January 2008 and upon expiry thereof, for another fixed term of two(2) years with an option to renew for two(2) further consecutive terms of three(3) years upon terms contained therein. The rental income in respect of the balance net lettable area of approximately 28,000 square feet in area comprised in the subject property and the income from all other car parks not being used by the said tenant will be guaranteed by Quill Land or its related company at the same rate and charges as stipulated in the IBM Tenancy Agreement.

Further details are set out below:

Property’s address	:	IBM Malaysia Berhad, Quill Building 5, 3500, Jalan Teknokrat 3, 63000 Cyberjaya, Selangor Darul Ehsan
Tenure	:	Term in perpetuity
Land Area for Quill Building 5 – IBM	:	6,480 square metres
Title Land Area for Parent Lot No. 33042	:	26,651 square metres
Net Lettable Area	:	80,000 square feet
Approximate age of building	:	1 month
Occupancy	:	100%*
Market Value	:	RM43,000,000

* Upon completion of the SPA-IBM, QCT will receive rental income based on 80,000 square feet.

2.1.2 Salient terms and conditions of the proposed Acquisition of Quill Land & Building 5-IBM

Subject to the terms and conditions of the SPA-IBM, the sale and purchase of Quill Land & Building 5-IBM is conditional upon the following conditions precedent being fulfilled within three (3) months from the date of the sale and purchase agreement:-

- (1) QCT being satisfied with the results of its due diligence exercise in respect of the proposed acquisition;
- (2) the total audited assets of QCT as of 31 December 2007 has a value of more than RM400 million;
- (3) the delivery of a letter from UOB of the subject property disclaiming its rights in respect of the subject property and confirming that it shall exclude the subject property in the event when it exercises its right under the relevant land charge;
- (4) the delivery of a duly executed deed of novation in respect of the IBM Tenancy Agreement; and
- (5) the delivery of a duly executed deed of revocation of a power of attorney in respect of the subject property by the Trustee granted in favour of Quill Land .

The purchase price of the subject property will be payable within thirty (30) business days from the date when the last of the conditions precedent mentioned above are fulfilled or waived or such extended period as the parties may mutually agree.

On completion, QCT shall become the legal and beneficial owner of the subject property and the IBM Tenancy Agreement shall be novated to QCT.

Quill Land shall be responsible for applying for and on behalf of QCT for the sub-division of the land upon which the subject property is erected and for the issuance of the separate document of title to the subject property.

2.2 Proposed Acquisition of Quill Land & Building 8-XPJ

QCT proposes to acquire Quill Land & Building 8-XPJ for a total lump sum cash consideration of RM31,000,000 from Quill Logistics.

The Property is to be acquired free from encumbrances but subject to the terms and conditions stipulated in the sale and purchase agreement for such acquisition entered into between the Trustee and Quill Logistics on 15 January 2008 ("SPA-XPJ").

Pursuant to the Deed dated 9 October 2006 constituting QCT, entered into between the Trustee and QCM ("QCT Deed"), Mayban Trustee, as the trustee for QCT, has approved the Proposed Acquisition of Quill Land & Building 8-XPJ.

2.2.1 Information on Quill Land & Building 8-XPJ

The subject property is situated within Section U1, 40150 Shah Alam, Selangor.

The subject property is located about 5 kilometres by road to the east of Shah Alam City Centre.

The land upon which the subject property is erected is currently charged in favour of EON Bank Berhad (Company No. 92351-V) ("EON") and the same shall be discharged and released upon completion of the SPA-XPJ.

The subject property is currently leased to and occupied by DHL Express (Malaysia) Sdn Bhd (Company No. 23332-X) pursuant to an Agreement to Lease dated 7 October 2005 and a memorandum of lease pursuant thereto ("DHL Lease Agreement") for a total net lettable area of 60,000 square feet for a fixed term of five (5) years commencing from 1 July 2006 with an option to renew for a further fixed term of five (5) years upon terms and conditions contained therein ("DHL Lease"). The rental income in respect of the balance net lettable area comprised in the subject property of approximately 5,205 square feet in area will be guaranteed by Quill Logistics or its related company at the same rate and charges as stipulated in the DHL Lease Agreement.

Further details are set out below:

Property's address	:	8, Jalan Pemaju U1/15, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
Tenure	:	Term in perpetuity
Land Area for Quill Building 8 -XPJ	:	8,308.27 square metres
Title Land Area For Parent Lot No. PT 112	:	11,402 square metres
Net Lettable Area.	:	65,205* square feet
Approximate age of building	:	1.5 years
Occupancy	:	100% (upon completion of SPA)
Market Value	:	RM28,800,000

* Upon completion of the SPA-XPJ, QCT will receive rental income based on 65,205 square feet.

2.2.2 Salient terms and conditions of the proposed Acquisition of Quill Land & Building 8-XPJ

Subject to the terms and conditions of the SPA-XPJ, the sale and purchase of Quill Land & Building 8-XPJ is conditional upon the following conditions precedent being fulfilled within three (3) months from the date of the sale and purchase agreement:-

- (1) QCT being satisfied with the results of its due diligence exercise in respect of the proposed acquisition;
- (2) the total audited assets of QCT as of 31 December 2007 has a value of more than RM400 million;
- (3) the delivery to QCT of a redemption statement cum undertaking from EON for redemption of the subject property; and
- (4) the delivery to QCT's solicitors of the DHL Lease Documents.

The purchase price of the subject property will be payable within thirty (30) business days from the date when the last of the conditions precedent mentioned above are fulfilled or waived or such extended period as the parties may mutually agree.

Quill Logistics has set aside and retained a portion of the land measuring approximately 34,718.8 square feet in area ("Excluded Portion") upon which the subject property is erected for future development. This Excluded Portion does not form part of the sale and purchase of the subject property by QCT.

On completion, QCT shall become the legal and beneficial owner of the subject property and the DHL Lease shall be novated to QCT.

Quill Logistics shall be responsible for applying for and on behalf of QCT for the sub-division of the land upon which the subject property is erected and for the issuance of the separate document of title to the subject property and the Excluded Portion.

2.3 Proposed Acquisition of Quill Land & Building 10-HSBC Section 13

QCT proposes to acquire Quill Land & Building 10-HSBC Section 13 for a cash consideration of RM22,740,000 from Quill Contracts.

The Property is to be acquired free from encumbrances but subject to the terms and conditions stipulated in the sale and purchase agreement for such acquisition entered into between the Trustee and Quill Contracts on 15 January 2008 ("SPA-HSBC").

Pursuant to the Deed dated 9 October 2006 constituting QCT, entered into between the Trustee and QCM ("QCT Deed"), Mayban Trustee, as the trustee

for QCT, has approved the Proposed Acquisition of Quill Land & Building 10-HSBC Section 13.

2.3.1 Information on Quill Land & Building 10-HSBC Section 13

The subject property is located approximately 3 kilometres by road to the north-west of Petaling Jaya City Centre.

The land upon which the subject property is erected is currently charged in favour of HSBC Bank Malaysia Berhad (Company No. 127776-V) ("HSBC") and the same shall be discharged and released upon completion of the SPA-HSBC.

The subject property is currently leased to and occupied by HSBC Bank Malaysia Berhad (Company No. 127776-V) pursuant to an Agreement to Lease dated 14 March 2006 and a memorandum of lease pursuant thereto for a total net lettable area of 58,428 square feet for a fixed term of 6 years commencing from 30 April 2006 ("HSBC Lease") with an option to renew for a further two(2) consecutive terms of three (3) years each by way of tenancy upon terms contained therein.

Further details are set out below:

Property's address	:	2A, Lorong 13/6A, Section 13, Petaling Jaya, Selangor
Tenure	:	Leasehold Land for 99 years expiring 27 January 2063
Title Land Area	:	3,253.2651 square metres (35,019 square feet)
Net Lettable Area	:	58,428 square feet
Approximate age of building	:	11 months
Occupancy	:	100%
Market Value	:	RM22,740,000

2.3.2 Salient terms and conditions of the proposed Acquisition of Quill Land & Building 10-HSBC Section 13

Subject to the terms and conditions of the SPA-HSBC, the sale and purchase of Quill Land & Building 10-HSBC Section 13 is conditional upon the following conditions precedent being fulfilled within three (3) months from the date of the sale and purchase agreement:-

- (1) QCT being satisfied with the results of its due diligence exercise in respect of the proposed acquisition;
- (2) the total audited assets of QCT as of 31 December 2007 has a value of more than RM400 million;
- (3) the delivery to QCT of a redemption statement cum undertaking from HSBC for redemption of the subject property; and
- (4) the delivery to QCT's solicitors of the HSBC Lease Documents.

The purchase price of the subject property will be payable within thirty (30) business days from the date when the last of the conditions precedent mentioned above are fulfilled or waived or such extended period as the parties may mutually agree.

On completion, QCT shall become the legal and beneficial owner of the subject property and QCT shall be entitled to all rentals and other income derived from the HSBC Lease after the completion.

Notwithstanding completion of the SPA, there are specific provisions in the SPA requiring Quill Contracts to compensate QCT in the event HSBC vacates the subject property pursuant to the specific provisions in respect of the HSBC Lease. In addition and without prejudice to the foregoing, QCT may require Quill Contracts to repurchase the subject property at its then current state and condition for a consideration equivalent to the purchase price stated in the SPA.

2.4 Liabilities to be assumed by QCT

QCT will not assume any liabilities from the Vendor pursuant to the Proposed Acquisitions.

2.5 Source of Funding

The Proposed Acquisitions will be funded by internal generated funds and /or bank borrowings of QCT.

3.0 INFORMATION ON THE VENDOR

3.1 Quill Land Sdn Bhd

Quill Land is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 14 October 1997. Quill Land is principally an investment holding company, property investment, letting and management of properties. As at todate, the authorized capital is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is

RM2,500,000 only. The registered office of Quill Land is at No.22-3, Jalan 4/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur.

3.2 Quill Logistics Sdn Bhd

Quill Logistics is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 28 March 2005. Quill Logistics is principally managing, renting and leasing of properties. As at todate, the authorized capital is RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM800,000 only. The registered office of Quill Logistics is at 517B Jalan Tiong, 51100 Kuala Lumpur.

3.3 Quill Contracts Sdn Bhd

Quill Contracts is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 18 November 1997. Quill Contracts is principally an investment holding company, property investment, letting and management of properties. As at todate, the authorized capital is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM3,670,000 only. The registered office of Quill Contracts is at No. 22-3, Jalan 4/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur.

4.0 RATIONALE FOR THE PROPOSED ACQUISITIONS

The objective of QCM is to continuously pursue an acquisition strategy to acquire commercial properties primarily in Malaysia with a view to provide long-term and sustainable distribution of income to unitholders and achieve long-term growth in the net asset value per unit of QCT. The Proposed Acquisitions are aimed at providing unitholders with stable distributions and enhancing the value of QCT's property portfolio over time through acquiring good quality properties with strong recurring rental income and potential for revenue and capital growth.

QCM believes that the Proposed Acquisitions are in line with its investment strategy of acquiring well-located quality properties with strong tenants in Klang Valley and Cyberjaya. In addition, the high occupancy rates and rents of the three assets will generate a stable and sustainable income stream which in turn complement and enhance QCT's current property portfolio. Further, the Manager believes that the properties are acquired at attractive prices relative to the cash flows that they generate. The yield-accretive Proposed Acquisitions is expected to provide unitholders with a higher distribution per unit going forward.

Further, QCM believes that the Proposed Acquisitions will at the same time diversify and enlarge QCT's portfolio of properties and is expected to benefit QCT in the long term. The purchase consideration of the Proposed Acquisitions is fully supported by the independent valuation conducted by CH William Talhar & Wong Sdn Bhd dated 7 January 2008.

5.0 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

5.1 Unit Capital

The Proposed Acquisitions will not have any effect on the total units in issue and substantial unitholders' unitholding of QCT as the purchase consideration is expected to be paid entirely by internal generated funds and/or bank borrowings of QCT.

5.2 Net Asset Value

The Proposed Acquisitions will have no impact or changes to the unaudited NAV of QCT at the time of completion.

5.3 Earnings

The Proposed Acquisitions is expected to have a positive impact on the earnings of QCT for the financial year ending 31 December 2008.

5.4 Distributions

The Board of QCM intends to distribute 100% of the distributable income for the financial year ending 31 December 2008. Thereafter, it intends to distribute at least 90% of the distributable income for the relevant financial year or such other percentage and at such intervals as may be determined by QCM.

5.5 Gearing

QCM intends to utilise internal generated funds and /or bank borrowings of QCT to fund the Proposed Acquisitions. If the Proposed Acquisitions is funded entirely by debt, the proposed debt financing will increase QCT's gearing ratio to 27% of unaudited total assets as at 31 December 2007, which is below the gearing limit of 50% prescribed by the Guidelines on Real Estate Investment Trusts issued by the Securities Commission.

6.0 APPROVALS REQUIRED

Pursuant to the Guidelines on Real Estate Investment Trusts issued by the Securities Commission dated 3 January 2005 and subsequent amendments thereafter, the valuation set out in the Proposed Acquisitions is not subject to approvals by the Securities Commission.

7.0 INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS OF QCM OR MAJOR UNITHOLDERS OF QCT

Save as disclosed below, none of the Directors or major shareholders of QCM, or major unitholders of QCT and persons connected to them has any interest, direct or indirect, in the Proposals:

- a) Quill Properties Sdn Bhd, Quill Land Sdn Bhd and Quill Estates Sdn Bhd are currently holding collectively 30% of QCT's total units in circulation.
- b) Quill Resources Holding Sdn Bhd is one of the shareholders of QCM.

The shareholders of Quill Properties Sdn Bhd, Quill Land Sdn Bhd, Quill Estates Sdn Bhd, Quill Resources Holding Sdn Bhd, Quill Logistics Sdn Bhd and Quill Contracts Sdn Bhd are Dato' Michael Ong Leng Chun and Dato' Low Moi Ing.

Hence, the directors of QCM who are related to the Quill Group, namely Dato' Low Moi Ing and Dato' Michael Ong Leng Chun, have abstained and will continue to abstain from voting at QCM's board meetings on the resolutions pertaining to the Proposed Acquisitions.

8.0 RISK FACTORS

The properties may be subject to certain risks inherent in the property market industry. These include but are not limited to the following:-

- a) Non-fulfillment of the conditions precedent stipulated in the SPA;
- b) Non registration of the transfer of the subject properties;
- c) Compulsory acquisition by the Government;
- d) Non-renewal of tenancy after expiry due to change in circumstances of the tenants;
- e) Adverse change in national or economic conditions;
- f) Adverse local market conditions;
- g) The financial conditions of tenants, buyers and sellers of properties;
- h) Changes in environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- i) Changes in relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- j) Competition among property owners for tenants;
- k) Illiquidity of real estate investments; and
- l) Acts of God, uninsurable losses and other factors.

9.0 ESTIMATED TIMEFRAME FOR COMPLETION

The Proposed Acquisitions is expected to be completed by April 2008.

10.0 DOCUMENTS FOR INSPECTION

The sale and purchase agreements and the valuation reports on the properties are available for inspection at the registered office of QCM at No. 517B, Jalan Tiong, Off Jalan Ipoh, 51100 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.