



General Announcement

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Company Information

Main Board/ Second Board Company

New Announcement

Submitting Investment Bank/Advisor
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* Company name	QUILL CAPITA TRUST
* Stock name	QCAPITA
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Type * Announcement

Subject *: News Release : Quill Capita Trust to acquire freehold commercial property in Penang for RM132 million

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

Kuala Lumpur , Wednesday, 14 May 2008: Quill Capita Trust (QCT) , a commercial real estate investment trust (REIT) has today signed a sale and purchase agreement to acquire Tesco building located on a freehold land in Jelutong, Penang for RM132 million from IJM Properties Sdn Bhd. This latest acquisition is expected to increase QCT's asset size to RM796 million, exceeding the RM750 million target set for the current financial year. For further details, please refer to file attached.

Announcement Details :-

(This field is for the details of the announcement, if applicable)

Attachment(s):- (please attach the attachments here)

Ⓜ Tesco Announcement News Release_final_.pdf

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:



NEWS RELEASE

Quill Capita Trust to acquire freehold commercial property in Penang for RM132m

Asset size to increase beyond target of RM750m to RM796m

Kuala Lumpur, Wednesday, 14 May 2008: Quill Capita Trust (QCT), a commercial real estate investment trust (REIT) has today signed a sale and purchase agreement to acquire Tesco building located on a freehold land in Jelutong, Penang for RM132 million from IJM Properties Sdn Bhd. This latest acquisition is expected to increase QCT's asset size to RM796 million, exceeding the RM750 million target set for the current financial year.

Chan Say Yeong, Chief Executive Officer of Quill Capita Management Sdn Bhd, the manager of QCT, said: "This yield accretive acquisition is expected to provide an initial net property yield of 6.3 per cent when the acquisition is completed by the fourth quarter of 2008. Besides diversifying the geographical spread of QCT's assets, unitholders will benefit from the additional stable stream of income from a fully-leased property in Penang."

Chan also said that in addition to the potential pipeline of assets from Quill Group and Capitaland from its right of first refusal, QCT has demonstrated its ability to acquire quality assets from other third party vendors including reputable developers such as Sunrise Berhad and IJM Corporation Berhad.

The Tesco building is located in the upcoming district of Jelutong, Penang which is undergoing significant urban redevelopment. Fully leased to Tesco Stores (Malaysia) Sdn Bhd, the three-storey building is built on a freehold land of 281,904 square feet with a net lettable area of 275,020 square feet and 1,050 car park bays. Tesco is an international licensed hypermarket operator and its lease has a remaining term of approximately 24 years, expiring in August 2032.

The acquisition of Tesco building in Jelutong comes soon after QCT's strong first quarter results when net profit surged by 95.5 per cent from RM3.63 million in 2007 to RM7.1 million, on the back of a 84 per cent revenue increase to RM11.38 million from RM6.2 million recorded in the corresponding quarter last year. The growth is attributed to QCT's active acquisition strategies since IPO. Last year, QCT acquired Wisma Technip and part of Plaza Mont' Kiara for a purchase consideration of RM215 million and subsequently in the first quarter of this year, QCT has acquired three additional properties for a consideration of RM94.5 million.

"We have promised our unitholders that we will continue to provide them with growing total returns through capital appreciation and income distribution. Our aggressive acquisition strategy since IPO of yield accretive asset with blue-chip tenants on long-term leases is in line with this strategy," said Chan.

Chan further commented that the purchase of Tesco building in Jelutong, Penang is expected to be funded by a combination of internally generated funds and debts. If funded 100% by debt, current gearing is expected to increase from 25% to approximately 38%. "With our gearing still below the 50% threshold allowed for REITs, QCT is still able to grow via debt financing, which enables us to react quicker when acquisition opportunities come by," he added.

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About Quill Capita Trust

Quill Capita Trust is a commercial Real Estate Investment Trust (REIT), established through a trust deed dated 9 October 2006. Managed by Quill Capita Management Sdn Bhd (QCM), the main thrust of Quill Capita Trust's activities include acquiring and investing in commercial properties in Malaysia to provide unitholders with long-term and sustainable distribution of income as well as capital growth potential. Current properties under Quill Capita Trust include four buildings in Cyberjaya, Wisma Technip and the commercial units of Plaza Mont'Kiara in Kuala Lumpur, and three recently acquired properties namely Quill Building 5-IBM in Cyberjaya, Quill Building 8-DHL(XPJ) in Glenmarie and Quill Building 10-HSBC in Section 13, Petaling Jaya.

QCM is owned by Quill Resources Holding Sdn Bhd (30%); CapitaLand RECM Pte Ltd (40%), a wholly-owned subsidiary of CapitaLand Financial Limited, the financial services arm of CapitaLand Limited; and Coast Capital Sdn Bhd (30%).

About Quill Group of Companies

The Quill Group is an established one-stop resource in the business of financing, fast-track design, construction and lease-back of purpose-built buildings and facilities to both Malaysian and multinational companies within the Multimedia Super Corridor and elsewhere. Its specialty lies in the integration of IT and M&E requirements in the built- to-suit environment. Examples of these are data centres, call centres and business process outsourcing centres.

Established in 1987, Quill is a reputable multi-disciplinary company in Malaysia, with its in-house teams of architects, engineers, space planners, builders and interior designers. Quill also owns furniture factories and a construction company.

Its track record includes the ownership, design, construction and lease-back of the HSBC Global Electronic Processing Centre, the BMW Headquarters and Regional Group Data Centre, and the DHL Global Information Services Centres. These are amongst the largest facilities in Cyberjaya.

Some recent developments at Quill include:

- a 60:40 joint venture with Malaysia Commercial Development Fund Pte Ltd, a closed-end private fund sponsored by the CapitaLand Group, to build a 29-storey office building known as Tower D at Lot J, KL Sentral.
- an agreement with HSBC Malaysia Berhad to develop, design, build and lease back HSBC's proposed new headquarters, a 24-storey building annexed to the current HSBC Malaysia headquarters.
- an agreement to acquire Vision City, an integrated development, comprising retail, serviced apartment and office space, for RM430 million from Vision City (M) Sdn Bhd.

About CapitaLand Group

CapitaLand is the largest real estate company in Southeast Asia by market capitalisation. Headquartered in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in growth cities in Asia Pacific, Europe and the Gulf Cooperation Council (GCC) countries.

The company's real estate and hospitality portfolio spans more than 110 cities in over 20 countries. CapitaLand also leverages on its significant real estate asset base, real estate domain knowledge, financial skills and extensive market network to develop real estate financial products and services in Singapore and the region.

The listed subsidiaries and associates of CapitaLand include Australand, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust, CapitaRetail China Trust and Quill Capita Trust.

In Malaysia, CapitaLand, is one of the sponsors of the US\$270 million Malaysia Commercial Development Fund, a closed-end private equity investment fund with an expected gross development value of US\$1 billion. The Fund invests in real estate development properties primarily in Kuala Lumpur and the Klang Valley. CapitaLand also has a 30% stake in Menara Citibank, a prime 50-storey office tower in Kuala Lumpur's Golden Triangle.

Issued by Fleishman-Hillard Kuala Lumpur on behalf of Quill Capita Management

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