

[Print this page](#)**Miscellaneous**

* Asterisks denote mandatory information

Name of Announcer *	CAPITACOMMERCIAL TRUST
Company Registration No.	N.A.
Announcement submitted on behalf of	CAPITALCOMMERCIAL TRUST ("CCT")
Announcement is submitted with respect to *	CAPITACOMMERCIAL TRUST
Announcement is submitted by *	Michelle Koh
Designation *	Company Secretary, CapitaCommercial Trust Management Limited (as manager of CCT)
Date & Time of Broadcast	14-May-2008 12:49:48
Announcement No.	00043

>> Announcement Details[The details of the announcement start here ...](#)

Announcement Title * Announcement and News Release by Quill Capita Trust ("QCT") - (1) Proposed Acquisition by QCT (2) QCT to Acquire Freehold Commercial Property in Penang for RM132 million

Description The announcement and news release issued by Quill Capita Management Sdn Bhd, as manager of QCT, to the Bursa Malaysia Securities Berhad, are attached for information.
CCT is a substantial unitholder of QCT.

Attachments:

 [QCT_newsrelease.pdf](#)
 [QCT_announcement.pdf](#)
Total size = **349K**
(2048K size limit recommended)

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General Announcement

Initiated by **QUILL CAPITA TRUST** on 13/05/2008 01:06:39 PM
 Submitted by **QUILL CAPITA TRUST** on 14/05/2008 12:30:33 PM
 Reference No **QC-080513-47199**
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Submitted

Company Information

Main Board/ Second Board Company

New Announcement

Submitting Investment Bank/Advisor
(if applicable)

Submitting Secretarial Firm (if
applicable)

* Company name	QUILL CAPITA TRUST
* Stock name	QCAPITA
* Stock code	5123
* Contact person	Corinne Tan
* Designation	Senior Manager
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Type * Announcement

Subject *: Proposed Acquisition by Quill Capita Trust ("QCT")

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)

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" or "the Purchaser"), acting as trustee for and on behalf of QCT has on 14 May 2008 entered into a conditional sale and purchase agreement to acquire from IJM Properties Sdn Bhd (Company No: 100180-M) ("IJM Properties" or "the Vendor") all that piece of land held under Geran 77969, Lot 778 Seksyen 4, Bandar Jelutong, Daerah Timor Laut, Negeri Pulau Pinang (hereinafter referred to as "the Land") measuring approximately 2.619 hectares together with hypermarket erected thereon (hereinafter referred to as "the Building") and 1,050 car parks erected on the Land (hereinafter referred to as "the Car Parks") (the Land, Building and Car Parks are hereinafter collectively referred to as "the Property") for a cash consideration of RM132.0 million ("Proposed Acquisition"). For further details, please refer file attached.

Announcement Details:-

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

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

📎 Ann acq Tesco 140508 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:

Announcement

Subject: Proposed Acquisition by Quill Capita Trust ("QCT" or the "Fund")

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**" or "**the Purchaser**"), acting as trustee for and on behalf of QCT has on 14 May 2008 entered into a conditional sale and purchase agreement to acquire from IJM Properties Sdn Bhd (Company No: 100180-M) ("**IJM Properties**" or "**the Vendor**") all that piece of land held under Geran 77969, Lot 778 Seksyen 4, Bandar Jelutong, Daerah Timor Laut, Negeri Pulau Pinang (hereinafter referred to as "**the Land**") measuring approximately 2.619 hectares together with hypermarket erected thereon (hereinafter referred to as "**the Building**") and 1,050 car parks erected on the Land (hereinafter referred to as "**the Car Parks**") (the Land, Building and Car Parks are hereinafter collectively referred to as "**the Property**") for a cash consideration of RM132.0 million ("**Proposed Acquisition**").

2.0 DETAILS OF THE PROPOSED ACQUISITION

2.1 Proposed Acquisition of the Property

QCT proposes to acquire the Property for a purchase consideration of RM132.0 million from IJM Properties.

The Property is to be acquired free from encumbrances but subject to the Lease (described below) and the terms and conditions stipulated in the conditional sale and purchase agreement for the Proposed Acquisition entered into between the Trustee and IJM Properties on 14 May 2008 ("**SPA**").

Pursuant to the Deed of Trust dated 9 October 2006 constituting QCT entered into between the Trustee and QCM ("**QCT Deed**"), the Trustee, as the trustee for QCT, has approved the Proposed Acquisition.

2.1.1 Information on the Property

The Property is located along Lebuhraya Tengku Kudin 1, off the southern side of Jalan Tengku Kudin and off the western side of the section of expressway connecting to the Penang Bridge and the Bayan Lepas Expressway at the south and the Jelutong Expressway at the north.

It is located within the locality of Gelugor, approximately 6 kilometres south of Komtar in Georgetown, approximately 500 metres north of the Penang Bridge Interchange and approximately 8 kilometres north of the Penang International Airport.

It enjoys frontages onto Lebuhr Tengku Kudin 1 along its southern boundary and a service road parallel to Jalan Tengku Kudin along its eastern boundary.

The Land upon which the Property is erected is currently registered in favour of IJM Properties and is free from encumbrances but subject to a lease registered in favour of **TESCO STORES (MALAYSIA) SDN BHD (Company No. 521419-K)** (hereinafter referred to as “the Lessee”) in respect of the Property.

By a Memorandum of Lease dated 28 May 2007 and a Lease Annexure dated 6 September 2007 (hereinafter collectively referred to as “the Lease Agreement”) made between IJM Properties and the Lessee, IJM Properties has granted a lease commencing on 29 October 2004 and ending on 31 August 2032 (hereinafter referred to as “the Lease”) in respect of the Property to the Lessee subject to the terms and conditions therein contained. The Lease Agreement has been registered with the relevant land registry on 27 November 2007 vide Presentation No. 36816/2007. The remaining tenure of the Lease is approximately twenty four (24) years.

Further details are set out below:

Property's address	:	No. 1, Lebuhr Tengku Kudin 1, 11700 Penang
Tenure	:	Term in perpetuity
Approximate Land Area	:	2,619 hectares (6.472 acres)
Gross Floor Area (Excluding car parking area)	:	27,530 square metres (296,330 square feet) [According to the approved alteration building plan no. JPBD/PG/P2/PB-0001 (Pindaan 1)]
Approximate age of building	:	4 years
Occupancy	:	100%*
Market Value	:	RM132,500,000

* The chargeable rent is calculated based on 25,550 square metres (275,020 square feet).

2.1.2 Salient terms and conditions of the Proposed Acquisition

Subject to the terms and conditions of the SPA, the sale and purchase of the Property is conditional upon inter alia the following salient conditions precedent being fulfilled by the day falling three (3) months from the date of the SPA (or such other extended period mutually agreed between the parties):-

- (1) IJM Properties obtaining the written consent of the Lessee to the presentation and registration of the transfer documents and (where the Purchaser obtains a facility to finance its acquisition) the charge documents at the relevant land registry and IJM Properties depositing with the Trustee's solicitors as stakeholders a Deed of Novation in respect of the Lease duly executed in escrow by IJM Properties and the Lessee at IJM Properties's own cost and expense;
- (2) IJM Properties obtaining the relevant state authority's approval in writing for the sale of the Property pursuant to the restriction-in-interest endorsed on the issue document of title to the Property;
- (3) if applicable, the Trustee and/or QCT obtaining all other regulatory approvals as may be required to acquire the Property pursuant to the terms of the SPA.

A deposit of RM13.20 million will be paid to IJM Properties on execution of the SPA. The balance purchase price of the Property of RM118.80 million will be payable within three (3) months from the date when the last of the conditions precedent of the SPA are fulfilled or as the case may be waived. An extension of one (1) month (or such other extended period mutually agreed between the parties) shall be granted for payment of the balance purchase price subject to the Trustee paying interest at the rate of 8% per annum to be calculated on a daily basis.

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

2.4 Liabilities to be assumed by QCT

QCT will not assume any liabilities from IJM Properties pursuant to the Proposed Acquisition other than liabilities as a landlord under the Lease Agreement which is novated to QCT.

2.5 Source of Funding

QCM intends to fund the Proposed Acquisition by internal generated funds and /or bank borrowings of QCT.

3.0 INFORMATION ON IJM PROPERTIES

3.1 IJM PROPERTIES SDN BHD (Company No. 100180-M)

IJM Properties is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 18 April 1983. The principal activities of IJM Properties is investment holding, property development and related activities. As at todate, the authorized capital is RM 100,000,000 divided into 100,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM 60,000,000 only. The registered office of IJM Properties is at 2nd Floor, Wisma IJM, Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan.

4.0 RATIONALE FOR THE PROPOSED ACQUISITION

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 Acquisition is 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 Acquisition is in line with its investment strategy of acquiring well-located quality properties with strong tenants. In addition, this asset 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 Property is acquired at an attractive price relative to the cash flows that it generates. The yield-accretive Proposed Acquisition is expected to provide unitholders with a higher distribution per unit going forward.

Further, QCM believes that the Proposed Acquisition 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 Acquisition is fully supported by the independent valuation conducted by CH William Talhar & Wong Sdn Bhd dated 9 May 2008.

5.0 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 Unit Capital

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

5.3 Earnings

The Proposed Acquisition 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 Acquisition. If the Proposed Acquisition is funded entirely by debt, the proposed debt financing will increase QCT's gearing ratio to approximately 38% of unaudited total assets as at 31 March 2008, 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 Acquisition is not subject to approvals by the Securities Commission.

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

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 Proposed Acquisition.

8.0 RISK FACTORS

The Property 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 properties;
- c) Compulsory acquisition by the Government;
- d) Non-renewal of tenancy(ies)/lease(s) after expiry due to change in circumstances of the tenant(s)/lessee(s);
- e) Adverse change in national or economic conditions;
- f) Adverse local market conditions;
- g) The financial conditions of tenant(s)/lessee(s), 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 Acquisition is expected to be completed by fourth quarter of 2008.

10.0 DOCUMENTS FOR INSPECTION

The sale and purchase agreement and the valuation report on the Property is 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.



General Announcement

Initiated by QUILL CAPITA TRUST on 13/05/2008 03:10:47 PM
 Submitted by QUILL CAPITA TRUST on 14/05/2008 12:30:39 PM
 Reference No QC-080513-54646
 Form Version V3.0

Submitted

Company Information

Main Board/ Second Board Company

New Announcement

Submitting Investment Bank/Advisor
(if applicable)

Submitting Secretarial Firm (if
applicable)

* Company name	QUILL CAPITA TRUST
* Stock name	QCAPITA
* Stock code	5123
* Contact person	Corinne Tan
* Designation	Senior Manager
* Contact number	03-23806288
E-mail address	corinne.tan@qct.com.my

Type * Announcement

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

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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 :-

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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.

- End -

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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