Asset Acquisitions and Disposals::Announcement by Quill Capita Trust : Proposed Disposal of Quill Building 10

Issuer & Securities

Issuer/ Manager	CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED
Securities	CAPITACOMMERCIAL TRUST - SG1P32918333 - C61U
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Announcement Details

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Submitted By (Co./ Ind. Name)	Doris Lai
Designation	Company Secretary, CapitaCommercial Trust Management Limited as manager of CapitaCommercial Trust
Description (Please provide a detailed description of the event in the box below)	The announcement issued by Quill Capita Management Sdn Bhd, as manager of Quill Capita Trust (QCT), to the Bursa Malaysia Securities Berhad, is attached for information. CapitaCommercial Trust is a substantial unitholder of QCT.
Attachments	QCT_Annmt_25Feb15.pdf Total size =263K

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General Announcement

Form Version **8.2 (Enhanced)**
Initiated by **QUILL CAPITA TRUST** on **17/02/2015 09:05:31 AM**
Submitted by **QUILL CAPITA TRUST** on **25/02/2015 05:00:07 PM**
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Submitted

Company Information	
Main Market 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**	Vice President
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Type *	Announcement
Subject *:	OTHERS **(Note : INFORMATION ENTERED IN THE DESCRIPTION FIELD WILL BE DISPLAYED AS THE TITLE OF THE ANNOUNCEMENT IN BURSA MALAYSIA'S WEBSITE)**

Description *:-
(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)
PROPOSED DISPOSAL BY MAYBANK TRUSTEES BERHAD ("MTB" OR THE "TRUSTEE"), ACTING SOLELY IN THE CAPACITY AS THE TRUSTEE FOR AND ON BEHALF OF QUILL CAPITA TRUST ("QCT" OR THE "TRUST"), OF A 5-STOREY OFFICE BUILDING TOGETHER WITH 1 LEVEL OF BASEMENT CAR PARK LOCATED AT NO. 2A, LORONG 13/6A, SECTION 13, 46200 PETALING JAYA, SELANGOR ERECTED ON A PARCEL OF LEASEHOLD LAND HELD UNDER PAJAKAN NEGERI 3699, LOT 57 SEKSYEN 13, IN THE TOWN OF PETALING JAYA, DISTRICT OF PETALING AND STATE OF SELANGOR ("PROPERTY") TO ALDWYCH CAPITAL SDN BHD FOR A CASH CONSIDERATION OF RM27.3 MILLION ("PROPOSED DISPOSAL")
Announcement Details/Table Section :-
(This field is for the details of the announcement, if applicable)

INTRODUCTION

The Board of Directors ("Board") of Quill Capita Management Sdn Bhd ("QCM" or "the Manager"), the management company of QCT, wishes to announce that Maybank Trustees Berhad ("MTB" or "the Trustee"), acting solely in the capacity as trustee for and on behalf of QCT, has entered into a sale and purchase agreement on 25 February 2015("SPA") with Aldwych Capital Sdn Bhd (formerly known as Superplas Trading Sdn Bhd) ("the Purchaser") for the Proposed Disposal.
For further details, please refer to the file as attached.

Attachment(s):- (please attach the attachments here)
QB-10 Disposal (25 02 15)final.pdf

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QUILL CAPITA TRUST ("QCT")

GENERAL ANNOUNCEMENT:

PROPOSED DISPOSAL BY MAYBANK TRUSTEES BERHAD ("MTB" OR THE "TRUSTEE"), ACTING SOLELY IN THE CAPACITY AS THE TRUSTEE FOR AND ON BEHALF OF QUILL CAPITA TRUST ("QCT" OR THE "TRUST"), OF A 5-STOREY OFFICE BUILDING TOGETHER WITH 1 LEVEL OF BASEMENT CAR PARK LOCATED AT NO. 2A, LORONG 13/6A, SECTION 13, 46200 PETALING JAYA, SELANGOR ERECTED ON A PARCEL OF LEASEHOLD LAND HELD UNDER PAJAKAN NEGERI 3699, LOT 57 SEKSYEN 13, IN THE TOWN OF PETALING JAYA, DISTRICT OF PETALING AND STATE OF SELANGOR ("PROPERTY") TO ALDWYCH CAPITAL SDN BHD FOR A CASH CONSIDERATION OF RM27.3 MILLION ("PROPOSED DISPOSAL")

1. INTRODUCTION

The Board of Directors ("Board") of Quill Capita Management Sdn Bhd ("QCM" or "the Manager"), the management company of QCT, wishes to announce that Maybank Trustees Berhad ("MTB" or "the Trustee"), acting solely in the capacity as trustee for and on behalf of QCT, has entered into a sale and purchase agreement on 25 February 2015 ("SPA") with Aldwych Capital Sdn Bhd (formerly known as Superplas Trading Sdn Bhd) ("the Purchaser") for the Proposed Disposal.

1.1 Proposed Disposal

QCT proposes to dispose the Property for a total lump sum cash consideration of RM27.3 million ("Disposal Price") to the Purchaser.

Pursuant to the Deed of Trust dated 9 October 2006 (as amended by the first supplemental deed dated 27 August 2007 and the second supplemental deed dated 28 May 2013) constituting QCT entered into between MTB and QCM, the Trustee has approved the Proposed Disposal on 7 July 2014.

1.2 Information on the Property

The Property, known as Quill Building 10 – Section 13, comprises a 5-storey office building with 1 level of basement car park erected on a leasehold land held under Pajakan Negeri 3699, Lot 57 Seksyen 13, in the Town of Petaling Jaya, District of Petaling, State of Selangor and bearing postal address of No. 2A, Lorong 13/6A, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The Property is located approximately 10 kilometres due south-west of Kuala Lumpur City Centre and approximately 38 kilometres due south-west of Putrajaya, the Federal Administrative Centre. It is accessible from Kuala Lumpur City Centre via the Federal Highway thence turning onto Jalan Utara followed by Jalan Semangat, Jalan 13/6 and finally onto Lorong 13/6A leading to the Property. Alternatively, it is accessible from Kuala Lumpur City Centre via Jalan Damansara, SPRINT Highway, Jalan Dato Abu Bakar, followed by Jalan Universiti, Jalan 13/6 and finally onto Lorong 13/6A leading to the Property.

The neighbourhood of Section 13, Petaling Jaya and the surrounding area is generally residential, commercial and industrial in character comprising terraced houses, detached houses, apartments, condominiums, terraced shop-offices, shopping complexes, purpose-built office buildings, purpose-built detached factories and learning institutions.

Further details of the Property are set out below:

Postal Address	2A, Lorong 13/6A, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan
Date of acquisition	25 March 2008
Original cost of investment	RM22,740,000
Encumbrances on the property	Nil
Property use	5-storey office building with 1 level of basement carpark
Category of land use	Nil
Express condition	"Perusahaan"
Land Area	0.8039 acres (35,019 square feet ("sq ft"))
Tenure	Leasehold for 99 years expiring 27 January 2063
Gross Floor Area	100,668 sq ft
Net Lettable Area	68,377sq ft
Approximate age of building	18 years
Occupancy as at 31 December 2014	Vacant
Car park (lots)	72
Audited Net book value as at 31 December 2014	RM26,500,000

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Salient Terms and Conditions of the SPA

2.1.1 Intention of the parties

MTB, acting solely in the capacity as trustee for and on behalf of QCT, has agreed to sell and the Purchaser has agreed to purchase the Property on an "as is where is" basis, free from all encumbrances and with vacant possession but subject to the conditions of title and restriction in interest, whether express or implied and subject to the existing category of land use and all unregistered easements (if any) affecting the Property and upon the terms and conditions of the SPA.

2.1.2 Agreement to sell and payment of the Disposal Price

a) The Disposal Price for the Property of RM27.3 million is payable in the following manner:

(i) A sum of RM819,000 which is equivalent to three per centum (3%) of the Disposal Price, being the earnest deposit ("Earnest Deposit") has been paid to CTLS Property Services Sdn. Bhd. (formerly known as DGLS Property Services Sdn. Bhd. ("Stakeholder") as stakeholder prior to the execution of the SPA and the Stakeholder is authorised to release the Earnest Deposit to MTB upon execution of the SPA;

(ii) A sum of RM1,911,000 which is equivalent to seven per centum (7%) of the Disposal Price, being the balance deposit ("Balance Deposit") shall be paid to MTB upon the execution of the SPA; and

(iii) The sum of RM24,570,000 which is equivalent to the balance ninety per centum (90%) of the Disposal Price ("Balance Disposal Price") shall be paid to MTB's solicitors as stakeholders within three (3) months from the date of the SPA and MTB's solicitors are authorised to release Balance Disposal Price to MTB upon the expiry of fourteen (14) days from the date of presentation of the instrument of transfer in respect of the Property ("Transfer") for registration at the relevant land registry or the date of which the Transfer is deemed to have been presented for registration pursuant to the SPA, whichever is the earlier.

b) The Purchaser agrees to purchase the Property with vacant possession and free from all encumbrances subject to :

(i) the conditions of title and restriction in interest, whether express or implied and subject to the existing category of land use and all unregistered easements (if any) affecting the Property;

(ii) all schemes or proposed schemes related to town or development planning affecting the title and/or the Property by the relevant authorities; and

(iii) on an "as is where is" basis as at the date of the SPA with MTB making no other representation or warranty of any kind save for any representations and warranties which are expressly provided in the SPA.

2.1.3 Delivery of vacant possession

(a) Provided That the Purchaser fully settles and pays to MTB the Disposal Price and all sums payable by the Purchaser under the SPA and the Purchaser having performed its covenants and obligations under the SPA, MTB shall, within five (5) business days from the completion date, deliver vacant possession of the Property to the Purchaser.

(b) MTB shall deliver the Property in substantially the same state and condition to the Purchaser at the date of delivery of vacant possession, fair wear and tear excepted.

2.1.4 Events of default (by Purchaser)

MTB shall have the right to seek specific performance of the SPA or terminate the SPA in the event:-

(a) the Purchaser fails to pay the Disposal Price on or before the time period stipulated for completion of the SPA;

(b) any winding up proceedings have been instituted against the Purchaser prior to the completion date or the extended time period stipulated for completion of the SPA; or

(c) the Purchaser commits a breach of the SPA and fails to remedy such breach after expiration of thirty (30) days after receipt of the notice from MTB specifying the default.

In the event MTB elects to terminate the SPA, the deposit shall be forfeited by MTB as agreed liquidated damages and MTB shall refund all monies paid by the Purchaser towards the Disposal Price free of interest in exchange for the vacant possession of the Property in the same state and condition as at the date it was delivered to the Purchaser, the return of all documents delivered to the Purchaser or the Purchaser's financier for the purpose of the registration of the Transfer with MTB's interest intact and free from all encumbrances and the withdrawal of any private caveat lodged by the Purchaser or the Purchaser's financier.

2.1.5 Events of default (by MTB)

The Purchaser shall have the right to seek specific performance of the SPA or terminate the SPA in the event MTB fails to complete the Proposed Disposal in accordance with the SPA and fails to remedy such breach after expiration of thirty (30) days after receipt of the notice from the Purchaser specifying the default.

In the event the Purchaser elects to terminate the SPA, MTB shall refund all monies paid towards the Disposal Price free of interest and in addition, MTB shall pay to the Purchaser a sum equivalent to the deposit as agreed liquidated damages in exchange for the vacant possession of the Property in the same state and condition as at the date it was delivered to the Purchaser, the return of all documents delivered to the Purchaser or the Purchaser's financier for the purpose of the registration of the Transfer with MTB's interest intact and free from all encumbrances and the withdrawal of any private caveat lodged by the Purchaser or the Purchaser's financier.

2.1.6 Non-registration of Transfer, compulsory acquisition and/or destruction of the Property

In addition to the Purchaser's right to terminate the SPA pursuant to an event of default by MTB, the Purchaser is entitled to terminate the SPA in the following circumstances:-

(a) if the Property cannot be registered in favour of the Purchaser free from all encumbrances for any reason other than due to MTB's or the Purchaser's default or any act which is remediable by MTB or the Purchaser;

(b) if the Property becomes subject to a compulsory acquisition by any governmental authority under the Land Acquisition Act, 1960 before the completion of the SPA; or

(c) if the Property is destroyed before the completion of the SPA.

If the Purchaser terminates the SPA pursuant to the circumstances set out above, MTB shall refund to the Purchaser all monies paid by the Purchaser towards the Disposal Price free of interest in exchange for the vacant possession of the Property in the same state and condition as at the date it was delivered to the Purchaser, the return of all documents delivered to the Purchaser or the Purchaser's financier for the purpose of the registration of the Transfer with MTB's interest intact and free from all encumbrances and the withdrawal of any private caveat lodged by the Purchaser or the Purchaser's financier.

2.1.7 Goods and Services Tax (GST)

In the event that GST or any similar tax is imposed on any goods and/or services provided under the SPA, the Purchaser, as the recipient of the goods and/or services, shall pay to MTB such GST or tax due at the appropriate rate in addition to any payments payable under the SPA.

2.2 Basis of the Disposal Price

The Disposal Price is arrived at on a willing-buyer willing-seller basis after taking into account the market value of the Property of RM26.5 million as appraised by DTZ Nawawi Tie Leung Property Consultants Sdn Bhd, an independent firm of registered valuers, in its valuation report dated 31 December 2014. The valuation is derived using the comparison method of valuation and is below the Disposal Price.

The Proposed Disposal complies with Clause 8.19 of the Guidelines on Real Estate Investment Trusts issued by Securities Commission Malaysia ("REIT Guidelines").

2.3 Liabilities Assumed by the Purchaser

The Purchaser will not assume any liabilities, including contingent liabilities and guarantees, pursuant to the Proposed Disposal.

3. INFORMATION OF THE PURCHASER

The Purchaser is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 18 September 1990 and a property investment company. Its authorized share capital is RM100,000 divided into 100,000 ordinary shares of RM1.00 each and the issued share capital is RM50,000. The Purchaser is wholly-owned by Interplex Trading Sdn Bhd. The directors of the Purchaser are Dato' Poh Long Chuan @ Poh Kim Seng and Foh Ah Pong @ Poh Yan Yen.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is in line with the objective of QCT. The Manager feels that as there is limited upside for future rental growth and given the favorable market prices for asset sales, it is an opportune time to dispose of this asset and re-deploy the capital for more yield accretive properties.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Unitholders' Capital and Substantial Unitholders' Unitholding

The Proposed Disposal will not have any effect on the total units of QCT in issue and substantial unitholders' unitholding in QCT, as the Disposal Price will be satisfied entirely in cash.

5.2 Net Asset Value ("NAV")

There will be no material impact on the NAV of QCT upon the completion of the Proposed Disposal.

5.3 Earnings

The expected net gain on disposal is approximately RM26,550 arising from the Proposed Disposal and will not have significant impact to the earnings of QCT for the financial year ending 31 December 2015.

5.4 Utilisation of Disposal Price and Gearing

The net proceeds of the Proposed Disposal, after deducting all fees and expenses relating to the Proposed Disposal, will be utilised for asset enhancement initiatives, investments into other yield accretive properties and working capital purposes. The net proceeds are expected to be utilised within 12 months from the date of completion of the Proposed Disposal:

The Proposed Disposal is not expected to have any impact on QCT's gearing ratio of 35% of audited total assets as at 31 December 2014, which is below the gearing limit of 50% prescribed by the REIT Guidelines.

6 INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDER OF QCM AND MAJOR UNITHOLDERS OF QCT

None of the Directors or major shareholders of QCM and/or major unitholders of QCT or persons connected with them, has interest, direct or indirect, in the Proposed Disposal.

7 APPROVALS REQUIRED FOR THE PROPOSED DISPOSAL

The Proposed Disposal has been approved by the Trustee on 7 July 2014. It is not subject to the approval of the Unitholders of QCT and any regulatory authorities.

8 DIRECTORS' OPINION

The Board of the Manager is of the opinion that the Proposed Disposal is in the best interest of QCT.

9 ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the first half of 2015.

10 DOCUMENT FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from Monday to Friday (except on public holidays) at the registered office of the QCM at Level 7, Quill 9, No. 112 Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan for a period of three (3) months from the date of this announcement:

(i) The SPA; and
(ii) The valuation report on the Property dated 31 December 2014.

This announcement is dated 25 February 2015.