**General Announcement::Quill Capita Trust Annual General Meeting Presentation Slides dated 30 April 2014**

**Issuer & Securities**

| | |
|---|---|
| **Issuer/ Manager** | CAPITACOMMERCIAL TRUST MANAGEMENT LIMITED |
| **Securities** | CAPITACOMMERCIAL TRUST - SG1P32918333 - C61U |

**Announcement Details**

| | |
|---|---|
| **Announcement Title** | General Announcement |
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| **Announcement Sub Title** | Quill Capita Trust Annual General Meeting Presentation Slides dated 30 April 2014 |
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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 attached presentation slides issued by Quill Capita Management Sdn Bhd, as manager of Quill Capita Trust, to the Bursa Malaysia Securities Berhad, are for information. |

| | |
|---|---|
| **Attachments** | QCT_Corporation_Presentation_AGM_30_April_2014.pdf<br>Total size =3072K |

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BURSA MALAYSIA

**General Announcement**

Form Version **8.2 (Enhanced)**
Initiated by **QUILL CAPITA TRUST** on **29/04/2014 10:37:09 AM**
Submitted by **QUILL CAPITA TRUST** on **30/04/2014 05:00:55 PM**
Reference No **QC-140429-38229**

**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 |
| * **Contact number** | 03-27888188 |
| **E-mail address** | corinne.tan@qct.com.my |

| | |
|---|---|
| **Type *** | Announcement |
| **Subject *:** | OTHERS<br>**(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)**
Quill Capita Trust - Annual General Meeting Presentation Slides
Announcement Details/Table Section :-
(This field is for the details of the announcement, if applicable)

Annual General Meeting presentation slides dated 30 April 2014 are attached for reference.

Attachment(s):- (please attach the attachments here)
Corporation Presentation - AGM 30.4.2014 (final).pdf

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Quill Capita Trust

# Quill Capita Trust

## 2nd Annual General Meeting Presentation

30 April 2014

# Important Notice

*This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in QCT. The past performance of QCT is not necessarily indicative of the future performance of QCT.*

*This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitations) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements which are based on the manager's current view of future events.*

*The value of units in QCT (Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Main Board of Bursa Malaysia Securities Berhad. Listing of the Units on the Bursa Securities does not guarantee a liquid market for the Units.*

*The information in this Announcement must not be published outside Malaysia.*

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# Financial Highlights
## - Financial Year Ended 31 December 2013



Quill Building 5 - IBM

# Stable FY 2013 DPU of 8.38 sen

| (RM'000) | (Audited) FY 2012 | (Audited) FY 2013 | Variance |
|---|---|---|---|
| Gross Revenue | 69,490 | **68,937** | **-0.8%** |
| Net Property Income | 54,207 | **53,193** | **-1.9%** |
| Total Income for Distribution[1] | 34,460 | **34,537** | **0.2%** |
| EPU [2] | 8.83 sen | **8.85 sen** | **0.2%** |
| DPU [3] | 8.38 sen | **8.38 sen** | **0%** |

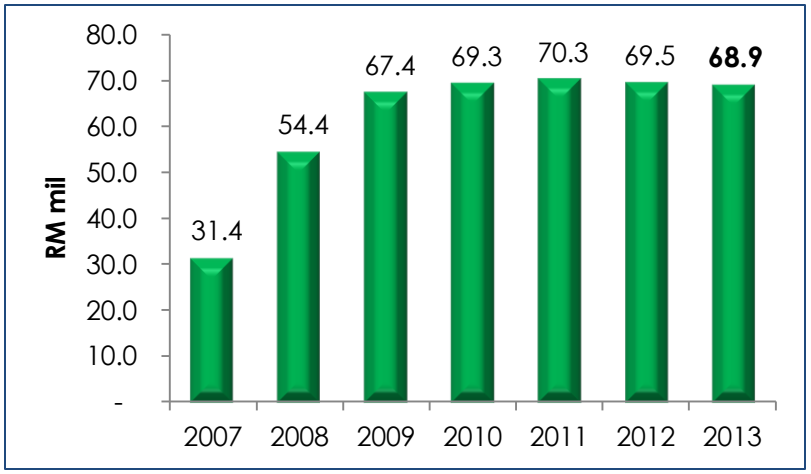
1 Total Income for Distributions refers to realised income after taxation (exclude gain from re-measurement of derivatives and revaluation surplus)

2 EPU refers to Realised Earnings Per Unit

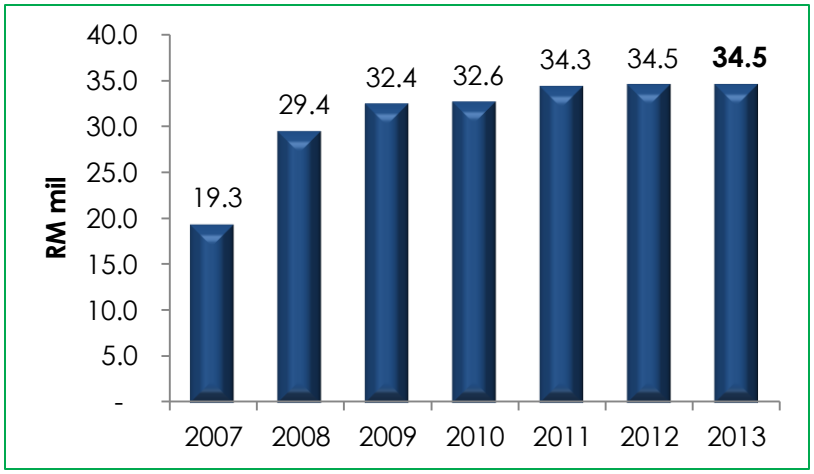
3 DPU refers to Distribution Per Unit. DPU of 8.38 sen is 94.9% of realised EPU of 8.83 sen for FY 2012 and DPU of 8.38 sen is 94.7% of realised EPU of 8.85 sen for FY 2013

# Delivering Solid Financial Performance Over The Years

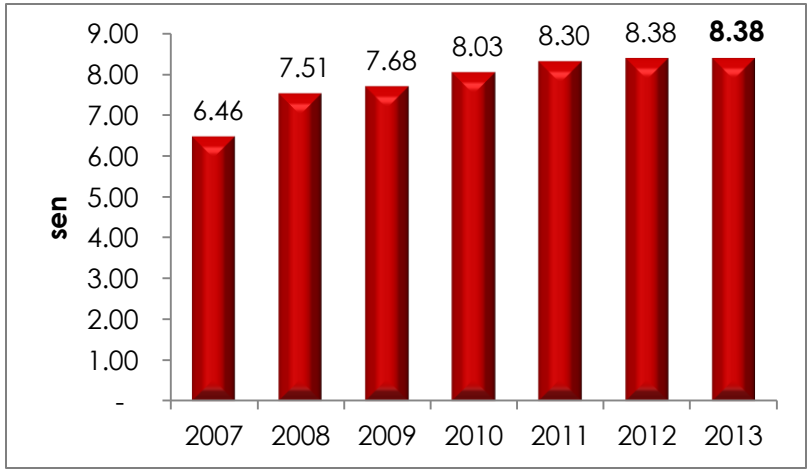
## Gross Revenue
**CAGR(1) : 12%**




## Distributable Income
**CAGR(1) : 9%**




## Distribution Per Unit
**CAGR(1) : 4%**




*Note:*
*(1) CAGR – Compound Annual Growth Rate*

# Total Assets – RM860.12 million
# NAV per unit – RM1.3246 Increased by 0.9%

| | FY2012 (RM'000) | FY2013 (RM'000) |
|---|---|---|
| Non Current Assets | 820,517 | 826,592 |
| Current Assets | 39,697 | 33,528 |
| **Total Assets** | **860,214** | **860,120** |
| Current Liabilities | 136,654 | 17,016 |
| Non Current Liabilities | 194,711 | 309,644 |
| Net Assets | 528,849 | 533,460 |
| No of Units | 390,131 | 390,131 |
| **NAV per Unit (RM)** *(after proposed final distribution)* | **1.3128** | **1.3246** |

▲ 0.9%

# Stable Financial Indicators

| | FY2012 | FY2013 | |
|---|---|---|---|
| **Total Debts (RM'000)** | 305,481 | **304,887** | **Improved** |
| **Gearing Ratio [1]** | 0.36x | **0.35x** | **Improved** |
| **Net Debt / EBITDA [2]** | 6.02x | **5.68x** | **Stable** |
| **Interest Coverage [3]** | 3.64x | **3.64x** | **Stable** |
| **Average Term to Maturity (year) [4]** | 2.54 | **3.61** | **Improved** |
| **Average Cost of Debt (p.a) [5]** | 4.3% | **4.3%** | **Stable** |

Notes:

1. Gearing ratio refers to Gross Debt over Total Assets.
2. EBITDA refers to Earnings before Interest Taxation Depreciation and Amortization
3. Interest coverage refers to year to date (YTD) EBITDA / YTD Interest Expense
4. Average Term to Maturity means weighted average time lapse to maturity
5. Average Cost of Debt is calculated based on YTD Interest Expense / Average Weighted Borrowing

# Prudent Capital Management



Wisma Technip

# Capital Management

## Prudent Capital Management

- ✓ Completed refinancing for 2013
- ✓ No major refinancing until in September 2016
- ✓ Average debt to maturity extended to 3.6 years

### Borrowing on fixed rate

**100%**

Total borrowings: RM307m

QCT's interest rate exposure has been 100% fixed since 4Q 2011.

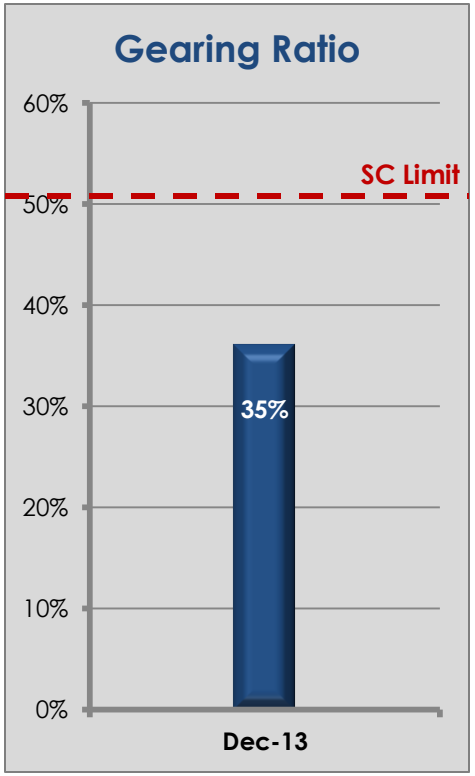
### Average cost of debt

**4.3%**

### Gearing level

**35%**

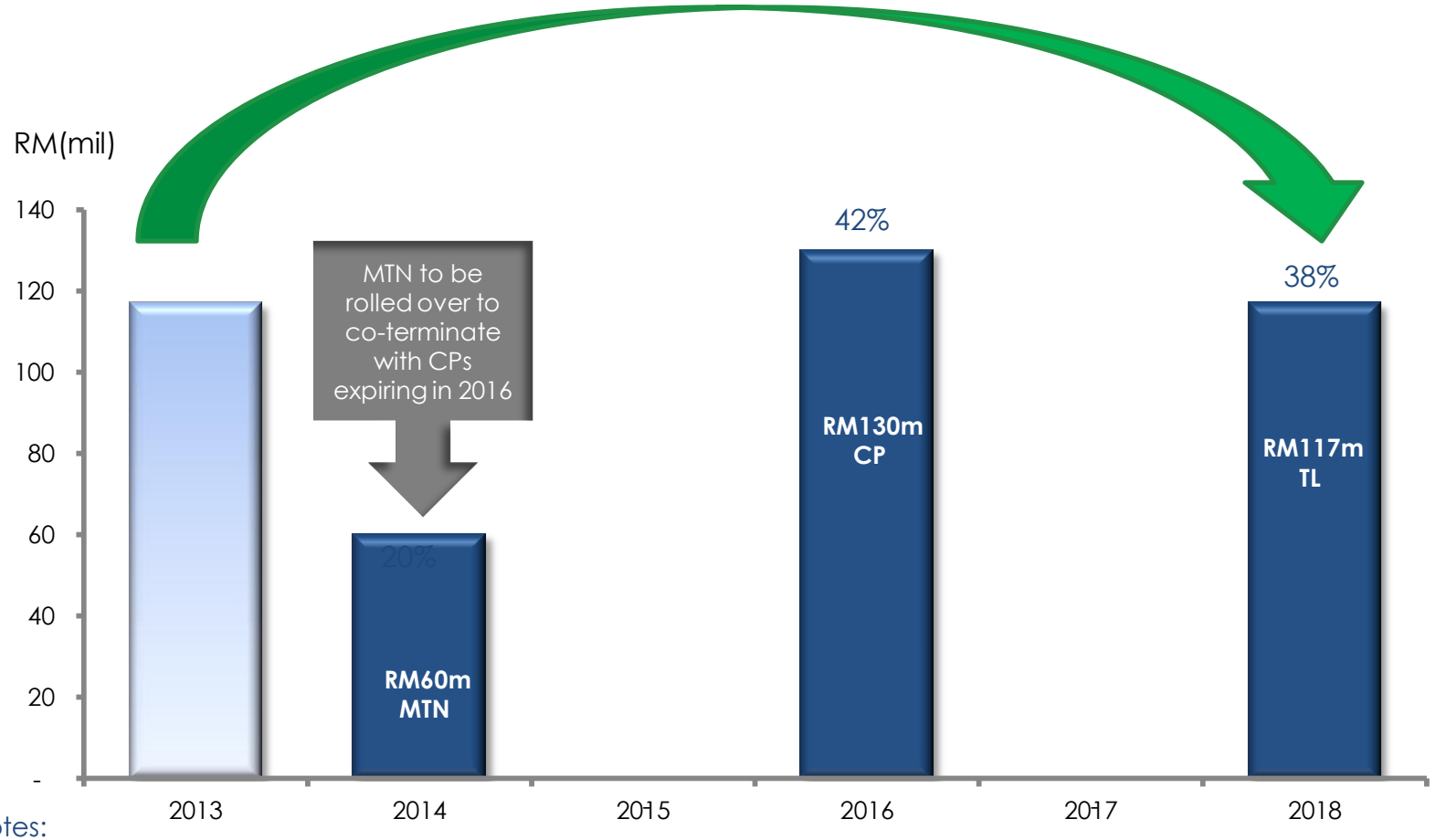
Gearing level well below SC limit of 50%



# Well Spread Debt Maturity Profile

## Next Refinancing Due in September 2016

Average debt to maturity extended to 3.6 years




Notes:

1. MTN - Medium Term Notes
2. CP – Commercial Papers
3. TL – Term Loan

# QCT Portfolio Update




Quill Building 3 - BMW

# QCT Portfolio Update

## Market Valuations As at 31 December 2013

| Name of Properties | Net Book Value as at 31 Dec 2013[a] (prior to Proposed Revaluation) (RM'000) | Market Valuation at as 31 Dec 2013[b] (RM'000) | Surplus /(Deficit) incorporated into fund (RM'000) | % increase / (decrease) |
|---|---|---|---|---|
| Quill Building 1- DHL1 & Quill Building 4- DHL 2 | 125,000 | **125,000** | - | - |
| Quill Building 2- HSBC | 118,814 | **119,000** | 186 | 0.16% |
| Quill Building 3- BMW | 73,028 | **73,060** | 32 | 0.04% |
| Wisma Technip | 159,772 | **161,100** | 1,328 | 0.83% |
| Part of Plaza Mont' Kiara | 110,000 | **110,000** | - | - |
| Quill Building 5 – IBM | 45,185 | **45,200** | 15 | 0.03% |
| Quill Building 8 – DHL (XPJ) | 26,153 | **26,200** | 47 | 0.18% |
| Quill Building 10 – HSBC Section 13 | 26,500 | **26,500** | - | - |
| Tesco Building, Penang | 139,000 | **139,500** | 500 | 0.36% |
| **Total** | **823,452** | **825,560** | **2,108** | **0.26%** |

(a) The Net Book Value of investment properties as at 31 December 2013 (prior to the Proposed Revaluation) comprise of the brought forward net book value as at 31 December 2012 together with asset enhancement related costs incurred during the year of RM2.95 million.

(b) The Properties were valued by Henry Butcher Malaysia Sdn Bhd, an independent firm of professional valuer, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

# QCT Portfolio Update

## Resilient Performance of QCT Portfolio with 92% Average Occupancy Rate

**NLA Renewal in 2013**

**29%**

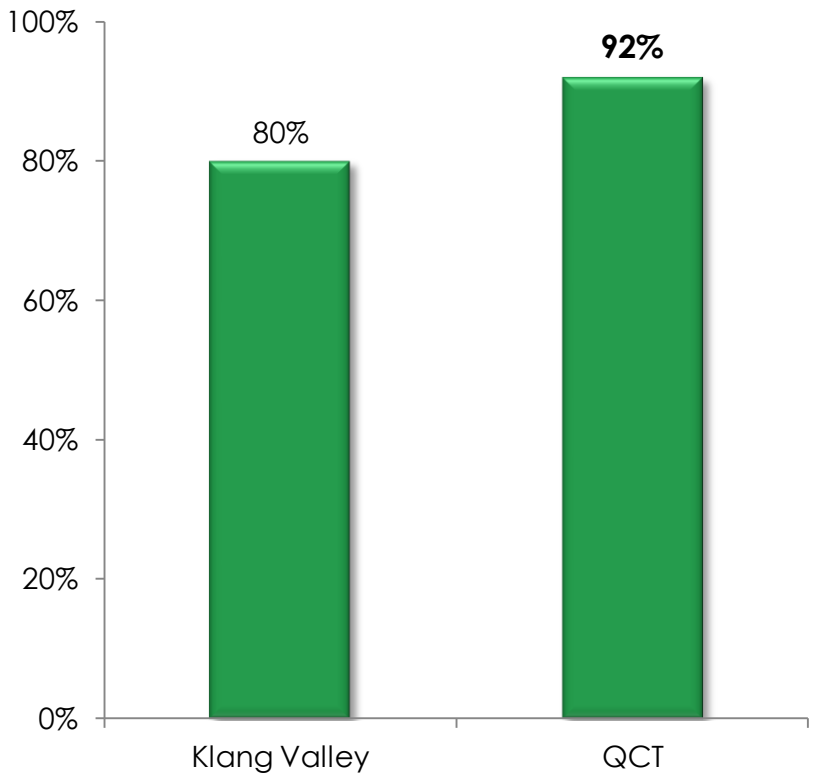
Of total leased NLA

**Renewed**

**98%**

**Average Portfolio Rental Reversion**

**2%**




*Source:*
*Jones Lang Wootton, The Malaysian Quarterly – Klang Valley, 4Q 2013*

# QCT Portfolio Update

## Asset Management Strategies

**Proactive Asset Management:**

- ✓ Proactive tenant engagement for renewals
- ✓ Renewal ahead of lease expiry dates
- ✓ Spread out of tenancy expiry
- ✓ Regular communication with key strategic tenants
- ✓ Improve and maintain the quality of the properties

# Malaysian Economy

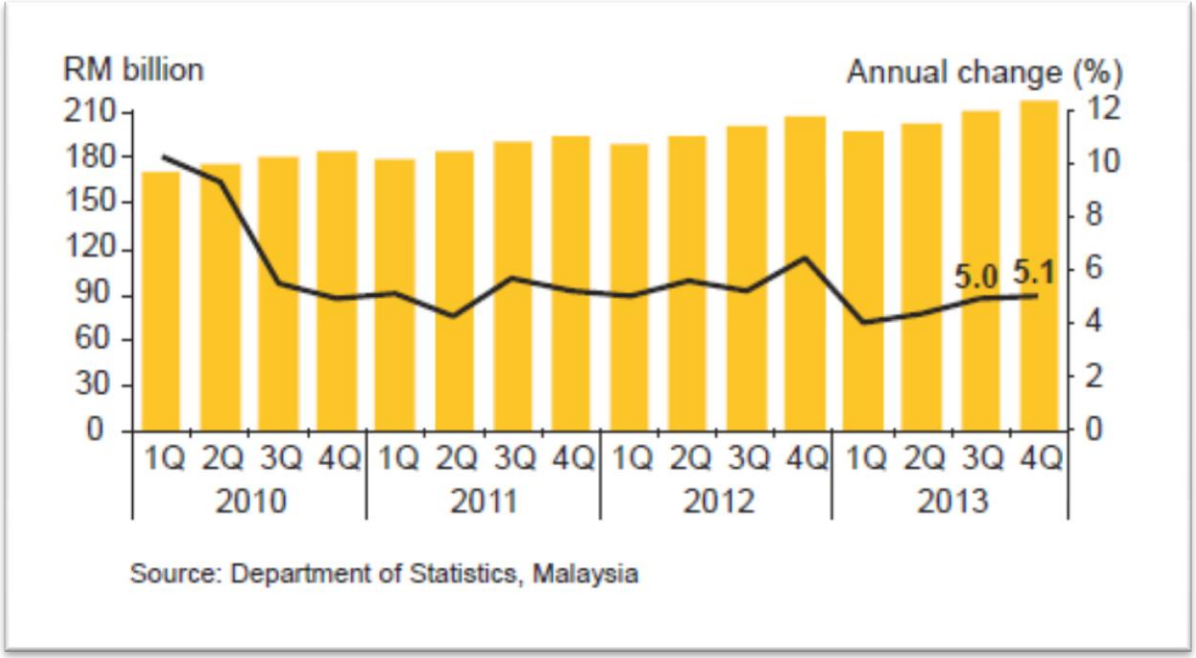


Quill Building 1 – DHL 1

# Malaysian Economy Remains Resilient

Malaysia economy expanded by 5.1% y-o-y in 4Q 2013.
For the full year of 2013, the economy grew by 4.7%

Malaysia GDP(Quarterly)




| | 2014 target growth |
|---|---|
| Official forecast | 4.5% - 5.5% |
| Consensus forecast | 5.0% |

# Office Market Outlook




Tesco Penang

# Office Market Outlook

- Office market remains stable for Klang Valley
- Good grade dual compliant (MSC + GBI) buildings is expected to continue to be in demand
- Continued pressure on rental rates and occupancy rates
- Proactive measures by landlord to offer attractive incentives to retain existing tenants and attract new ones
- Concerted efforts by the Government via InvestKL to attract MNCs to set up their regional hubs in Kuala Lumpur are expected to help cushion the high level of office supply

*Source: Knight Frank Real Estate Highlights – 1H & 2H 2013*

# Proposed Acquisition of Platinum Sentral




Quill Building 3 - BMW

# Proposed Acquisition of Platinum Sentral

## Platinum Sentral



# Proposed Acquisition of Platinum Sentral

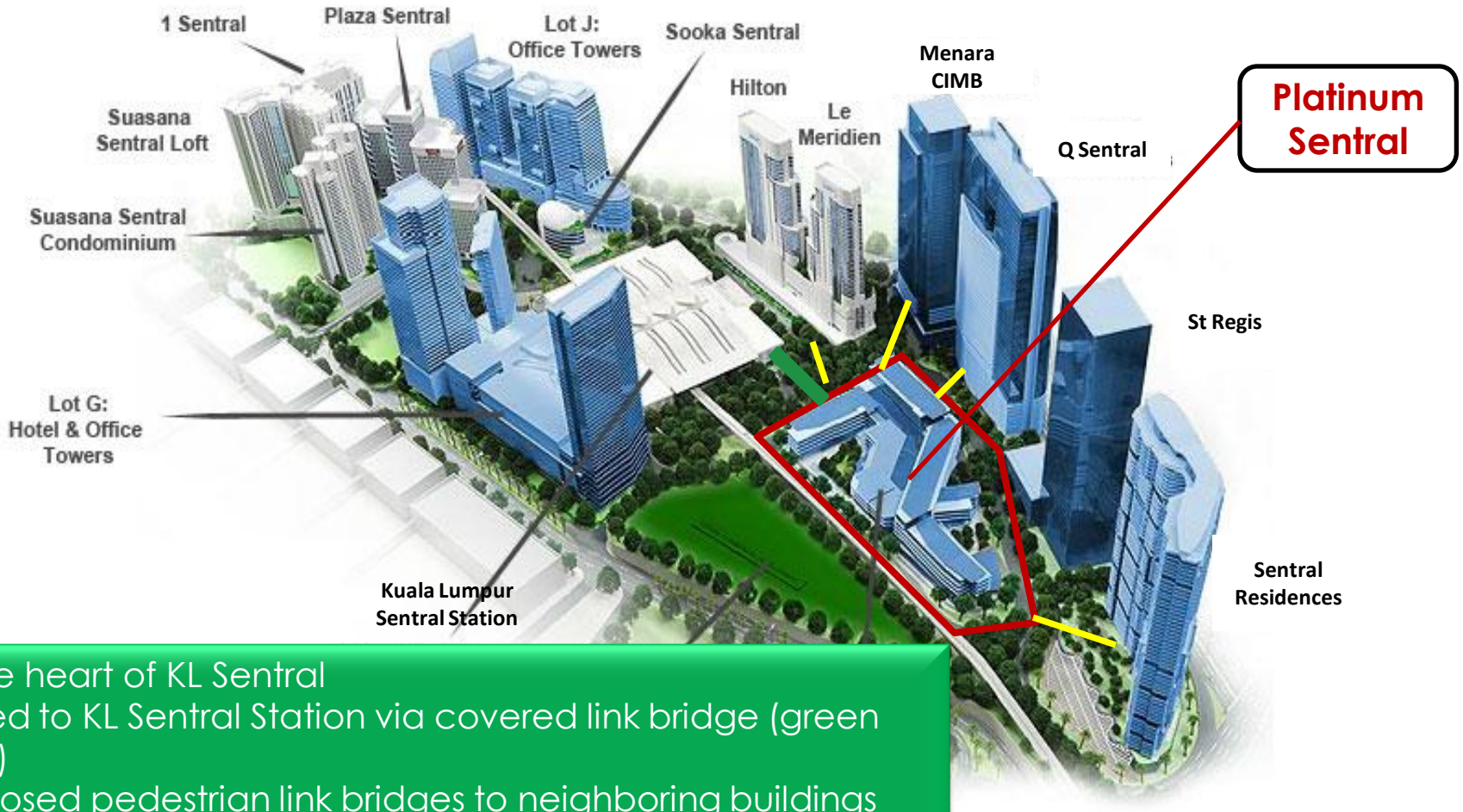
**On 10 April 2014, QCT signed the Conditional Sales & Purchase Agreement with MRCB Properties Sdn Bhd to acquire Platinum Sentral for RM750.0 million**

| | |
|---|---|
| Description | 5 blocks of 4 to 7 storey commercial building comprising office-cum retail space, a multi-purpose hall and 2 levels of car park together with 637 car park bays located within KL Sentral |
| Commencement of Operation | November 2011 |
| Land Tenure | Freehold |
| NLA | 475,857sf<br>Office – 419,643 sf (88%)& Retail – 56,214 sf (12%)) |
| Occupancy | 97% (Office -100% , Retail – 77%) |
| Major tenant | ▪ Small and Medium Enterprises Corporation Malaysia<br>▪ SBM Malaysia Sdn Bhd<br>▪ Suruhanjaya Pengangkutan Awam Darat<br>▪ The ICLIF Leadership and Governance Centre<br>▪ Lynas Malaysia Sdn Bhd |


Platinum Sentral

# Proposed Acquisition of Platinum Sentral

## Property Details - Location




- In the heart of KL Sentral
- Linked to KL Sentral Station via covered link bridge (green icon)
- Proposed pedestrian link bridges to neighboring buildings (yellow icons)

# Proposed Acquisition of Platinum Sentral

## Rationale for Acquisition :
In line with Investment Objective to Acquire Quality Assets

### Location

Strategically located in the heart of KL Sentral

Excellent connectively



### Green Mark Platinum
**(Provisional)**

Reinforces QCT's profile as a commercial REIT with high quality specification buildings

BCA GREEN MARK

### Enhance QCT's Portfolio Profile

Office spaces leased to various reputable government-linked and multinational tenants, with long leases

High Occupancy

**97%**

### Improved Earnings & Distribution Per Unit ("DPU")

A DPU accretive asset that generates stable and growing income stream



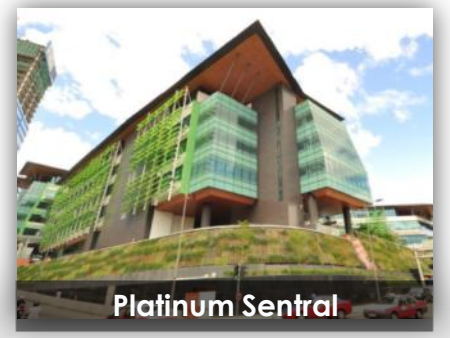
**QCT's investment strategy :**
To acquire and invest primarily in commercial properties primarily in Malaysia with a view to provide long-term growth and sustainable distribution of income to unitholders and to achieve long-term growth in the NAV per unit of QCT

# Proposed Acquisition of Platinum Sentral

**Rationale for Acquisition :**
Strengthen QCT's position among the REITs in Malaysia

**QCT**

**10 Properties**
**RM825.56 mil NLA of 1,289,751 sq ft**
***Excluding car park area**

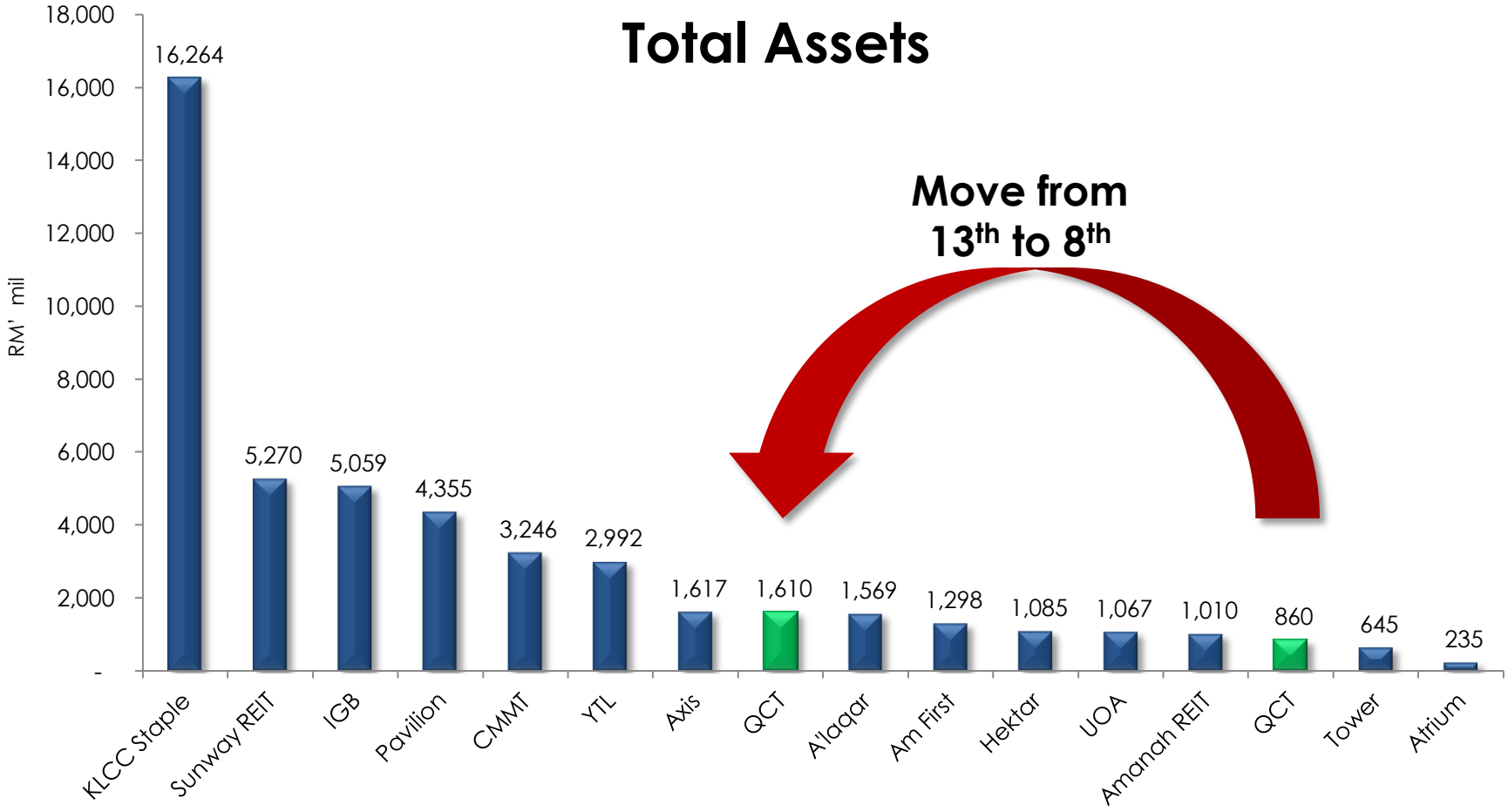



| Portfolio Details | | | |
|---|---|---|---|
| | **Existing Portfolio** | **Platinum Sentral** | **Enlarged Portfolio** |
| NLA (sq ft) | 1.28m | 0.48m | 1.76m |
| Valuation (RM) | 825.56m[2] | 750.0m[3] | 1,575.56m |
| Occupancy[1] | 92% | 97% | 93% |
| Total Asset (RM) | 860.12[4] | 750.0m | 1,610.12m |

1 *NLA and occupancy for existing portfolio are as at December 2013. NLA and occupancy for Platinum Sentral is at March 2014.*
2 *The current market value of existing portfolio is valued by Henry Butcher Malaysia Sdn Bhd as at 31 December 2013.*
3 *Based on valuation report dated 10 April 2014 by by CH Williams, Talhar & Wong .*
4 *Total asset as at 31 December 2013.*

# Proposed Acquisition of Platinum Sentral

**Rationale for Acquisition :**
Strengthen QCT's position among the REITs in Malaysia



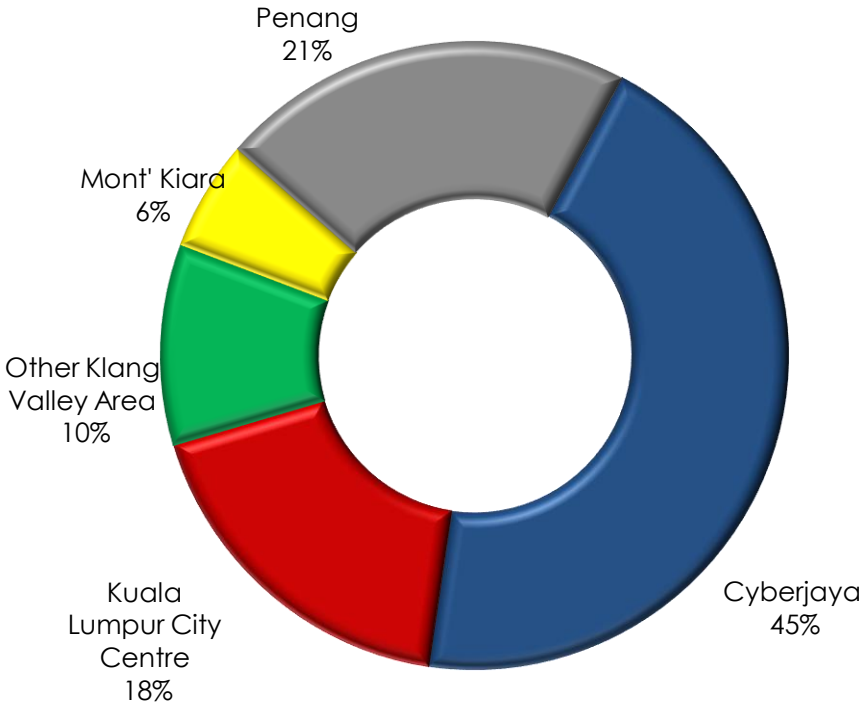

Notes:
(1) Total Assets of the REITS are as at 31 December 2013.

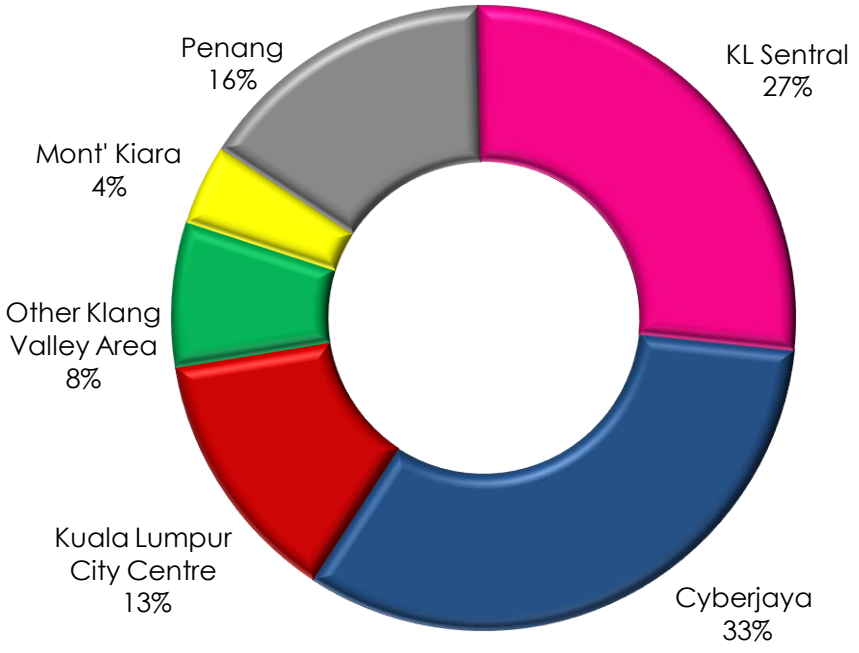
# Proposed Acquisition of Platinum Sentral

**Rationale for Acquisition :**
Geographical and Income Diversification
Gain substantial foothold into KL Sentral

| As at 31 Dec 2013 | Post Acquisition of Platinum Sentral |
|---|---|

By NLA




Notes:

(1) Other Klang Valley Area refers to Klang Valley generally excluding KL city centre, Mont' Kiara and KL Sentral

# Proposed Acquisition of Platinum Sentral

**Rationale for Acquisition :**
Future Growth

- Upon completion of the Proposed Acquisition, MRCB will emerge as a major unitholder and strategic investor of QCT
- MRCB is a well known property company listed on the Bursa Malaysia and has a portfolio of quality commercial assets in Malaysia
- MRCB will grant a right of first refusal to QCT to purchase any office property in their portfolio
  - ➢ Growth pipeline for QCT

# Proposed Acquisition of Platinum Sentral

## Status

| | |
|---|---|
| Signing Conditional Sales & Purchase Agreement with MRCB Properties Sdn Bhd to acquire Platinum Sentral | 10 April 2014 |
| Submission of valuation report to Securities Commission ("SC") | 24 April 2014 |
| Extraordinary General Meeting ("EGM")* | Mid 3Q 2014 |
| Completion of exercise | 4Q 2014 |

*Note:*
** Subject to obtaining the necessary approvals from SC and Bursa Malaysia*

# Corporate Social Responsibility



Part of Plaza Mont Kiara

# Corporate Social Responsibility

## Philanthropy : QCM Supports the Welfare for Needy Children

On 29 November 2013, Quill Capita Management Sdn Bhd ("QCM"), the manager of QCT, donated RM96,300 in cash to **Agathians Shelter**.

This contribution was used for the purchase of a van to chauffeur its children to school and for curriculum activities.



# Corporate Social Responsibility

**Green Initiatives**

Various QCT tenants pledged support and participated in **Earth Hour 2013**, a global campaign to increase the awareness of global warming, by switching off their building facade and non-essential lights for 10 hours

Date

23 March 2013, 8.30 pm
to
24 March 2013, 6.30 am








# Conclusion



Quill Building 1 – DHL 1

# In Summary

## Year 2013 - Highlights

- Stable performance for FY 2013
  - ✓ Delivered DPU of 8.38 sens
  - ✓ Completed all refinancing due in 2013. Next major refinancing only due in 2016
- Completed renewals due in 2013 with 98% renewals successfully in place
- Proposed Acquisition of Platinum Sentral to strengthen QCT
  - ✓ Double asset based to approximately RM1.6 bil post acquisition
  - ✓ MRCB to give right of first refusal to QCT to purchase any office property in their portfolio – future growth for QCT with its pipeline of assets

# In Summary

## Year 2014 Prospects – Continuing Strategies

- Proactive asset management strategies to focus on tenant relations and continuous building improvements
- Prudent capital management strategies
- Continue to explore yield accretive acquisition opportunities












QuillCapita Trust

# Thank you

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