

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2007 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter 31.03.2007	Quarter 31.03.2006 *	To Date 31.03.2007	To Date 31.03.2006 *
	RM	RM	RM	RM
TOTAL INCOME				
Gross rental	6,202,213	N/A	6,202,213	N/A
Property operating expenses	(1,102,101)	N/A	(1,102,101)	N/A
Net rental income	5,100,112	N/A	5,100,112	N/A
Interest income	108,945	N/A	108,945	N/A
	<u>5,209,057</u>	<u>N/A</u>	<u>5,209,057</u>	<u>N/A</u>
TOTAL EXPENDITURE				
Manager's fee	(468,230)	N/A	(468,230)	N/A
Trustee's fee	(16,189)	N/A	(16,189)	N/A
Borrowing costs	(1,046,111)	N/A	(1,046,111)	N/A
Auditors' remuneration	(18,960)	N/A	(18,960)	N/A
Tax agent's fee	(3,875)	N/A	(3,875)	N/A
Administrative expenses	(13,730)	N/A	(13,730)	N/A
	<u>(1,567,095)</u>	<u>N/A</u>	<u>(1,567,095)</u>	<u>N/A</u>
INCOME BEFORE TAX	3,641,962	N/A	3,641,962	N/A
TAXATION	(10,000)	N/A	(10,000)	N/A
INCOME AFTER TAXATION	3,631,962	N/A	3,631,962	N/A
EARNING PER UNIT				
- after manager's fees (sen)	1.52	N/A	1.52	N/A
- before manager's fees (sen)	1.72	N/A	1.72	N/A

* The Trust was listed on 8 January 2007, hence, no comparative figures are available.

The Condensed Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**QUILL CAPITA TRUST
CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE QUARTER ENDED 31 MARCH 2007 (UNAUDITED)**

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31.03.2007	31.12.2006
	RM	RM
NON-CURRENT ASSETS		
Real estate properties	276,000,000	276,000,000
CURRENT ASSETS		
Trade and other receivables	1,406,268	4,516,419
Deposits with licensed financial institution	12,732,000	9,999,000
Cash and bank balances	2,969,512	753
	<u>17,107,780</u>	<u>14,516,172</u>
CURRENT LIABILITIES		
Provision for income distribution **	-	1,178,634
Trade and other payables	3,248,767	5,766,448
Borrowings	90,479,807	89,533,446
Provision for taxation	25,000	15,000
	<u>93,753,574</u>	<u>96,493,528</u>
NET CURRENT ASSETS	(76,645,794)	(81,977,356)
NON-CURRENT LIABILITIES		
Security deposits	8,021,844	8,021,844
NET ASSETS	<u>191,332,362</u>	<u>186,000,800</u>
Represented by:		
UNITHOLDERS' FUND		
Unitholders' capital	187,700,400	186,000,800
Undistributed income	3,631,962	-
	<u>191,332,362</u>	<u>186,000,800</u>
NET ASSET VALUE PER UNIT	0.80	0.80
NUMBER OF UNITS IN CIRCULATION	238,691,000	232,501,000

** No distribution has been declared for the current financial quarter. QCT intends to distribute 100% of its distributable income twice yearly, in accordance with the Trust Deed dated 9 October 2006.

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE QUARTER ENDED 31 MARCH 2007 (UNAUDITED)

	Unitholders' Capital	Distributable Undistributed Income	Total
	RM	RM	RM
As at 1 January 2007	186,000,800	-	186,000,800
Issue of new units	5,199,600		5,199,600
Listing expenses	(3,500,000)		(3,500,000)
Net income for the period	-	3,631,962	3,631,962
As at 31 March 2007	<u>187,700,400</u>	<u>3,631,962</u>	<u>191,332,362</u>

The Condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2007 (UNAUDITED)

	CURRENT YEAR TO DATE 31.03.2007 RM	PRECEDING YEAR TO DATE 31.03.2006 * RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	3,641,962	N/A
Adjustment for:		
Accretion of interest expenses	916,004	N/A
Amortisation of transaction costs incurred to obtain borrowings	30,357	N/A
Interest income	(108,945)	N/A
Operating income before working capital changes	<u>4,479,378</u>	<u>N/A</u>
Decrease / (increase) in receivables	(309,881)	N/A
(Decrease) / increase in payables	(2,517,681)	N/A
Net cash generated from operating activities	<u>1,651,816</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	N/A
Interest received	28,977	N/A
Net cash used in investing activities	<u>28,977</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Distribution to unitholders	(1,178,634)	
Proceed from borrowings	-	N/A
Proceed from issuance of units	5,199,600	N/A
Net cash generated from financing activities	<u>4,020,966</u>	<u>N/A</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,701,759	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,999,753	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>15,701,512</u>	<u>N/A</u>
Cash and cash equivalents at end of period comprises:		
Deposit with licensed financial institution	12,732,000	N/A
Cash and bank balances	<u>2,969,512</u>	<u>N/A</u>
	<u>15,701,512</u>	<u>N/A</u>

* The Trust was listed on 8 January 2007, hence, no comparative figures are available.

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes to the interim financial statements.

QUILL CAPITA TRUST
EXPLANATORY NOTES FOR QUARTER ENDED 31 MARCH 2007

A1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention except for investment in real estate properties which is stated at fair value.

The financial statements comply with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities , applicable provisions of The Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts.

A2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of Quill Capita Trust ("QCT") and its wholly owned special purpose vehicle, which QCT has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The financial statements of the special vehicle has been prepared for the same reporting date as QCT.

Wholly-owned special purpose vehicle is consolidated from the date of acquisition , being the date on which QCT obtained control , and continues to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisition of wholly owned special purpose vehicle is accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of acquisition is measured as the aggregate of the fair values at the date of exchange , of the assets given , liabilities incurred or assumed , and equity instruments issued , plus any costs directly attributable to the acquisition.

Any excess of the costs of the acquisition over QCT's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities represents goodwill . Any excess of QCT's interest in the net fair value of the assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement .

A3 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2006

The audit report of the financial statements for the preceding year ended 31 December 2006 was not qualified.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of QCT are not materially affected by any seasonal or cyclical factor.

A5 EXCEPTIONAL OR UNUSUAL ITEMS

During the current quarter under review , there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of QCT.

A6 CHANGES IN ESTIMATES OF AMOUNTS REPORTED

This is not applicable as there was no estimate of amounts reported.

A7 CHANGES IN DEBT AND EQUITY SECURITIES

The was no issuance, cancellation , repurchase , resale and repayment of debt and equity securities for the current quarter and year to date.

A8 INCOME DISTRIBUTION

No distribution has been declared for the current financial quarter. QCT intends to distribute 100% of its distributable income twice yearly, in accordance with the Trust Deed dated 9 October 2006.

A9 SEGMENT REPORTING

No segment information is prepared as QCT's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A10 VALUATION OF INVESTMENT PROPERTIES

The real estate properties were purchased by QCT on 20 November 2006 for RM 276,000,000 which approximate the fair market value as at 31 December 2006. There was no change in the value of the investment properties for the quarter under review.

A11 EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 MARCH 2007

As part of the active interest rate management strategy of the Trust, Quill Capita Management Sdn Bhd ("Manager"), being the Manager of the Trust, has recommended to the Trustee that it should enter into an interest rate swap ("IRS") arrangement to lock in fixed interest rate from the current floating interest rate with a swap counterparty.

Pursuant to the Manager's recommendation, the Trustee has authorised the Manager to enter into an IRS arrangement based on RM 90 million of the underlying CP. On 18 April 2007, the IRS arrangement was entered into by the Manager with a licensed financial institution whereby the interest rate is fixed at 3.745% p.a until 30 November 2011. As such, the Trust will pay fixed rate of 3.995% p.a (3.745%+0.25%) from 31 May 2007 till 30 November 2011 for its RM 90 M borrowings. The said IRS arrangement was announced to Bursa Malaysia on 18 April 2007.

A12 CHANGES IN CONTINGENT LIABILITIES

There is no contingent liabilities to be disclosed.

B1 REVIEW OF PERFORMANCE

QCT recorded RM 6.202M and RM 3.642M of revenue and profit before tax respectively for the quarter ended 31 March 2007.

B2 COMPARISON WITH PRECEDING QUARTER

	Current quarter ended 31 March 2007	Preceding quarter (one month period) 1 to 31 December 2006
	RM	RM
Total Revenue	6,202,213	1,972,386
Profit before tax	3,641,962	1,193,634
Profit after tax	3,631,962	1,178,634
Provision for income distribution	-	1,178,634

This is the first set of results of a full financial quarter reported by QCT since its listing on Bursa Malaysia Securities Berhad on 8 January 2007.

The results for the preceding quarter comprise revenue and expenses relating to one month period from 1 December 2006 to 31 December 2006 .

B3 PROSPECTS

Barring unforeseen circumstances, QCT is expected to achieve performance in line with the projections made in the prospectus dated 10 December 2006.

B4 VARIANCES

The results for the first quarter ended 31 March 2007 is within the expectation of the Trust and is line with the forecast disclosed in the prospectus dated 10 December 2006.

B5 TAXATION

The breakdown of the tax components is as follows:

	Current quarter RM	Year to date RM
Provision for current quarter's profits	7,350	7,350
Under provision of prior year tax expense	2,650	2,650
Tax expense for the period	10,000	10,000

A reconciliation of income tax expense applicable to income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of QCT is as follows:

	Current quarter RM	Period to date RM
Income tax before taxation	3,641,962	3,641,962
Taxation at Malaysian statutory tax of 28%	1,019,749	1,019,749
Expenses not deductible for tax purposes	7,201	7,201
Income exempted from tax	(1,016,950)	(1,016,950)
Tax expense for the period	10,000	10,000

B6 PROFITS ON SALE OF INVESTMENTS IN UNQUOTED SECURITIES /PROPERTIES

There was no disposal of investments in unquoted securities during the current quarter and the period todate.

B7 PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

There was no purchase or disposal of investment in quoted securities during the current quarter and the period-to-date.

B8 STATUS OF CORPORATE PROPOSAL

There was no corporate proposals in the period -to-date .

B9 BORROWING AND DEBT SECURITIES

	current quarter
	RM
Proceeds raised from issuance of CPs/MTNs	90,067,992
Less : Transaction costs	809,520
Add: amortisation of interest expense	1,221,335
	<u>90,479,807</u>

QCT has through its wholly-owned special purpose vehicle, Gandalf Capital Sdn Bhd ("Gandalf") , drawdown RM 90,067,992 million from the Commercial Papers / Medium Term Notes (CPs/MTNs) Programme in December 2006 to part finance the acquisition of its initial portfolios of real estate properties. The Manager is of the opinion that the CPs/MTNs will be available throughout the period. The actual interest/coupon rates for the 6 months period from 1 Dec 2006 was at 4.02% p.a.

The investor of the CP has made a commitment that it will continue to invest via private placement the CP whenever such CP is issued in the future by Gandalf pursuant to the CP/MTN programme for a period of 5 years from 1 December 2006. Each CP shall carry a floating discount rate equivalent to KLIBOR + 0.25% p.a. The investor's commitment to continue with the investment of the CP is conditional upon such CP being rated MARC-1/AA and above.

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Other than as disclosed in note A11, QCT has no financial instruments with off balance sheet risks as at the latest practicable date from the date of issuance of this report that may materially affect the position or business of QCT.

B11 MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

B12 INCOME DISTRIBUTION

In line with the new tax transparency regime introduced by the Government through the Finance Act 2004 income distributed to unitholders by the trust is exempt from tax at the trust level where the distribution is 90% or more of the total income of the Trust.

Income distributed to non -resident companies, foreign institutional investors and unitholders other than resident companies will be subject to withholding tax.

No distribution has been declared for the current financial quarter. QCT intends to distribute 100% of its distributable income twice yearly, in accordance with the Trust Deed dated 9 October 2006.

BY ORDER OF THE BOARD

LEE FONG YONG
COMPANY SECRETARY
Quill Capita Management Sdn Bhd
(Company No: 737252-X)
(As Manager of Quill Capita Trust)
Kuala Lumpur

Dated : 23-Apr-2007