

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM	RM	RM	RM
TOTAL INCOME				
Gross revenue	16,916,285	11,379,456	16,916,285	11,379,456
Property operating expenses	(3,938,821)	(2,151,357)	(3,938,821)	(2,151,357)
Net property income	12,977,464	9,228,099	12,977,464	9,228,099
Interest income	126,799	225,564	126,799	225,564
	<u>13,104,263</u>	<u>9,453,663</u>	<u>13,104,263</u>	<u>9,453,663</u>
TOTAL EXPENDITURE				
Manager's fee	(1,263,640)	(942,017)	(1,263,640)	(942,017)
Trustee's fee	(60,798)	(32,438)	(60,798)	(32,438)
Borrowing costs	(3,721,942)	(1,115,725)	(3,721,942)	(1,115,725)
Valuation fees	(172,500)	(60,000)	(172,500)	(60,000)
Auditors' remuneration	(29,100)	(17,550)	(29,100)	(17,550)
Tax agent's fee	(5,145)	(3,885)	(5,145)	(3,885)
Administrative expenses	(497,699)	(181,536)	(497,699)	(181,536)
	<u>(5,750,824)</u>	<u>(2,353,151)</u>	<u>(5,750,824)</u>	<u>(2,353,151)</u>
INCOME BEFORE TAXATION	7,353,439	7,100,512	7,353,439	7,100,512
TAXATION	-	-	-	-
INCOME AFTER TAXATION	<u>7,353,439</u>	<u>7,100,512</u>	<u>7,353,439</u>	<u>7,100,512</u>
Income After Taxation is made up of the following:				
Realised	7,353,439	7,100,512	7,353,439	7,100,512
Unrealised	-	-	-	-
EARNINGS PER UNIT (a)				
- after manager's fees (sen)	1.88	1.82	1.88	1.82
- before manager's fees (sen)	2.21	2.06	2.21	2.06

(a) Earnings Per Unit is computed based on Income After Taxation for the period divided by 390,131,000 units in circulation during the quarter.

The Condensed Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
	31.03.2009 UNAUDITED RM	31.12.2008 AUDITED RM
NON-CURRENT ASSETS		
Property, plant and equipment	10,177	12,519
Investment properties	783,706,353	783,700,000
	<u>783,716,530</u>	<u>783,712,519</u>
CURRENT ASSETS		
Trade and other receivables	5,059,858	3,865,026
Deposits with licensed financial institution	6,050,982	21,374,330
Cash and bank balances	11,506,375	7,061,593
	<u>22,617,215</u>	<u>32,300,949</u>
CURRENT LIABILITIES		
Provision for income distribution	7,353,439	16,190,436
Trade and other payables	7,788,011	9,783,427
Borrowings	188,807,013	187,715,080
Security deposits	7,364,443	7,376,293
	<u>211,312,906</u>	<u>221,065,236</u>
NET CURRENT LIABILITIES	(188,695,691)	(188,764,287)
NON-CURRENT LIABILITIES		
Borrowings	115,808,903	115,739,489
Security deposits	7,368,226	7,365,033
	<u>123,177,129</u>	<u>123,104,522</u>
NET ASSETS	<u>471,843,710</u>	<u>471,843,710</u>
Represented by:		
UNITHOLDERS' FUND		
Unitholders' capital	411,712,067	411,712,067
Distributed and non-distributable income	60,131,643	60,131,643
	<u>471,843,710</u>	<u>471,843,710</u>
NET ASSET VALUE PER UNIT (before provision for distribution)	1.2283	1.2509
NET ASSET VALUE PER UNIT (after provision for distribution)	1.2094	1.2094
NUMBER OF UNITS IN CIRCULATION	390,131,000	390,131,000

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	Unitholders' Capital	Distributable Income	Non distributable revaluation surplus	Total
	RM	RM	RM	RM
As at 1 January 2009	411,712,067	225,462	59,906,181	471,843,710
Net income for the period	-	7,353,439	-	7,353,439
Provision for distribution	-	(7,353,439)	-	(7,353,439)
As at 31 March 2009	<u>411,712,067</u>	<u>225,462</u>	<u>59,906,181</u>	<u>471,843,710</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 2008 and the accompanying explanatory notes attached to the financial statements.

QUILL CAPITA TRUST
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2009 (UNAUDITED)

	CURRENT YEAR TO DATE 31.03.2009 RM	PRECEDING YEAR TO DATE 31.03.2008 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	7,353,439	7,100,512
Adjustments for:		
Interest expenses	3,446,393	996,249
Transaction costs & credit facility costs	175,550	119,476
Depreciation	2,342	1,197
Interest income	(126,799)	(225,564)
Operating income before working capital changes	<u>10,850,925</u>	<u>7,991,870</u>
Receivables	(1,332,500)	(2,915,054)
Payables	(2,180,454)	1,480,849
Cash generated from operating activities	<u>7,337,971</u>	<u>6,557,665</u>
Income tax paid	-	-
Net cash generated from operating activities	<u>7,337,971</u>	<u>6,557,665</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to investment properties	(6,353)	(94,802,703)
Interest received	150,775	219,779
Net cash generated from / (used in) investing activities	<u>144,422</u>	<u>(94,582,924)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Distribution to unitholders	(16,190,436)	(9,636,236)
Proceeds from borrowings	-	75,463,765
Finance costs paid	(2,170,523)	-
Net cash (used in) / generated from financing activities	<u>(18,360,959)</u>	<u>65,827,529</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	<u>(10,878,566)</u>	<u>(22,197,730)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>28,435,923</u>	<u>33,680,472</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>17,557,357</u>	<u>11,482,742</u>
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institutions	6,050,982	8,483,231
Cash and bank balances	11,506,375	2,999,511
	<u>17,557,357</u>	<u>11,482,742</u>

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes to the financial statements.

QUILL CAPITA TRUST
EXPLANATORY NOTES FOR QUARTER ENDED 31 MARCH 2009

A1 BASIS OF PREPARATION

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

The financial statements comply with the applicable Financial Reporting Standards in Malaysia, provisions of the Trust 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 QCT and its special purpose entities ("SPEs"). The SPEs were established for the specific purpose of raising financing on behalf of QCT for the acquisition of real estate properties and single-purpose companies. QCT does not have any shareholding in these entities. A SPE is consolidated if, based on an evaluation of the substance of its relationship with QCT and the SPE's risks and rewards, QCT concludes that it controls the SPE. SPEs controlled by QCT were established under terms that impose strict limitations on the decision-making powers of the SPE's management resulting in QCT receiving all of the benefits related to the SPE's operations and net assets.

A3 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2008

The audit report of the financial statements for the preceding year ended 31 December 2008 was not qualified.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of QCT may be affected by seasonal or cyclical factors, including but not limited to changes in rental demand and supply of properties which depend on market conditions, economic cycle, financial performance of its tenants, availability of credit facilities and interest rate environment.

A5 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the current quarter under review, there were no unusual items due to their nature, size or incidence that affects the assets, liabilities, equity, net income or cash flows of QCT.

A6 CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no changes in the estimates of amounts reported during the current quarter.

A7 CHANGES IN DEBT AND EQUITY

Save as disclosed in note B9, there were no repurchase, resale and repayment of debt and equity instruments for the current quarter and period to date.

A8 INCOME DISTRIBUTION POLICY

In line with the Trust Deed dated 9 October 2006, effective from financial year 2009, QCT intends to distribute at least 90% of its distributable income at least semi-annually or at such other intervals as the Manager may determine.

A9 SEGMENT REPORTING

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

A10 VALUATION OF INVESTMENT PROPERTIES

The investment properties are valued by independent registered valuers and the differences between the valuations and the book values of the respective properties are charged or credited to the Income Statement.

No valuations were carried out for the quarter ended 31 March 2009.

A11 SIGNIFICANT EVENTS DURING THE QUARTER ENDED 31 MARCH 2009

There were no significant events during the quarter ended 31 March 2009.

A12 SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER ENDED 31 MARCH 2009

There were no significant events subsequent to the quarter ended 31 March 2009.

A13 CHANGES IN CONTINGENT LIABILITIES

There are no contingent liabilities to be disclosed.

A14 CAPITAL COMMITMENTS

The amount of capital commitment not provided for in the financial statements as at 31 March 2009 are as follows:

	RM
Approved and contracted for :	
Investment properties	65,904
Approved and not contracted for :	
Investment properties	279,580

B1 REVIEW OF PERFORMANCE

QCT recorded RM16.916 million and RM7.35 million of revenue and income after taxation respectively for the current quarter ended 31 March 2009. Revenue and income after taxation have increased as compared with the corresponding quarter 2008 due to contributions from a larger portfolio of assets as compared with those in the corresponding quarter 2008.

B2 COMPARISON WITH PRECEDING QUARTER

	Current Quarter ended 31 March 2009 RM	Preceding Quarter ended 31 December 2008 RM
Total Revenue	16,916,285	15,599,972
Revaluation surplus	-	2,799,893
Income before tax	7,353,439	11,530,060
Income after tax	7,353,439	11,530,060
Provision for income distribution	# 7,353,439	11,530,060

Total revenue for the current quarter is higher than that of the preceding quarter mainly due to recognition of the rental received from an additional investment property acquired in the middle of the preceding quarter.

Income before taxation and after taxation for the current quarter is lower than the preceding quarter due partly to revaluation surplus of RM2.8million recognised in the preceding quarter and higher property maintenance expenses and trust expenses incurred in the current quarter.

Provision for income distribution of RM7,353,439 being 100% of the income after taxation for the quarter is made . However, no income distribution has been declared for the quarter.

B3 PROSPECTS

With the expected lower gross domestic product ("GDP") performance as mentioned by the governor of Bank Negara Malaysia, QCT is expected to operate under a challenging environment for the year. In the midst of challenging market conditions, QCT will continue to focus on tenant retention, capital management and cost efficiency measures.

B4 PROFIT FORECAST / PROFIT GUARANTEE VARIANCE

a) Profit forecast

The unaudited results for the first quarter ended 31 March 2009 is in line with the forecast for FY 2009 as announced on 21 April 2008 ("Forecast 2009").

b) Profit guarantee

QCT is not involved in any arrangement involving it providing profit guarantees.

B5 TAXATION

Previously, undistributed income of a REIT would be subject to income tax whereas the income distributed would be exempt from tax. With the amendment to Section 61A of the Income Tax Act 1967, effective from Year of Assessment 2007, the undistributed income of a REIT will also be exempt from income tax provided that the REIT distributes 90% or more of its total income for the year. If the REIT is unable to meet the 90% distribution criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As QCT intends to distribute at least 90% of its total income for the year to its unitholders, no provision for tax has been made in the current quarter.

A reconciliation of the 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	Year to date RM
Income before taxation	7,353,439	7,353,439
Taxation at Malaysian statutory tax of 25%	1,838,360	1,838,360
Expenses not deductible for tax purposes		
Income exempted from tax	(1,838,360)	(1,838,360)
Underprovision of prior year tax		
Write-back of over provision		
Tax expense for the period	-	-

B6 PROFIT ON SALE OF INVESTMENTS IN UNQUOTED SECURITIES /PROPERTIES

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

B7 PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

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

B8 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals during the current quarter and period to date.

B9 BORROWINGS AND DEBT SECURITIES**Current liabilities :****CPs**

	Current Quarter RM
Face value of CPs issued	118,000,000
Discount on CPs	(2,161,347)
Cash proceeds	<u>115,838,653</u>
Accretion of interest expense on CPs	<u>1,397,790</u>
	117,236,443
Transaction costs c/f	(452,564)
Amortisation of transaction costs during the period	<u>23,134</u>
	<u>116,807,013</u>

Loan drawdown from RM80 million Loan facilities

72,000,000
<u>188,807,013</u>

Non- current liabilities:**MTNs**

Face value of MTNs issued	117,000,000
Transaction costs c/f	(1,260,511)
	<u>115,739,489</u>
Amortisation of transaction costs during the period	<u>69,414</u>
	<u>115,808,903</u>

a Commercial Papers ("CPs") / Medium Term Notes ("MTNs") programmes ("CPs/MTNs Programme")

(i) CPs/MTNs Programme of up to RM118 million (" RM118 million Programme ")

On 3 November 2006, QCT has through its SPE, Gandalf Capital Sdn. Bhd., established a 7 year RM118 million CPs/MTNs Programme ("RM118 million Programme") to raise funds from the private debt securities market to part finance acquisitions of its investment properties.

On 1 December 2006, CPs of nominal value of RM91.9 million were issued to raise net proceeds of RM90.1 million. The effective interest rate on the said RM91.9 million CPs is 3.995% p.a. until 30 November 2011, resulting from IRS arrangement as disclosed in Note B10.

On 14 March 2008, CPs of nominal value of RM24 million were issued. The effective interest rate of the CPs issued is 4.14% with effect from 15 December 2008 to 30 November 2011 due to the IRS arrangement as disclosed in Note B10.

On 15 December 2008, CPs of nominal value of RM2.1 million were issued . The effective interest rate on the CPs issued is 4.14 % p.a due to the IRS arrangements as disclosed in Note B10.

With the issuance of CPs of RM2.1 million on 15 December 2008, the RM118 million CPs/MTNs Programme has been fully subscribed.

(ii) CP/MTN Programme of up to RM134 million (RM134 million Programme")

On 30 July 2008, QCT through its SPE , Boromir Capital Sdn Bhd ("Boromir") , established a 7 year CP/MTN Programme of up to RM134 million ("RM134 million Programme").

On 15 September 2008, RM64 million of MTNs were issued . The interest rate is at 5.2% p.a for 5 years till year 2013 and thereafter at 6.2% p.a until year 2015. The effective interest rate is 4.36% p.a due to IRS arrangements as disclosed in note B10.

On 7 November 2008, MTNs of RM45 million were issued to part finance the acquisition of Tesco building at interest rate of 5.2%.

On 9 December 2008, RM8 million of MTNs were issued at interest rate of 5% p.a.

b Loan Facilities

i RM80 million Loan Facilities

On 16 October 2008, QCT obtained loan facilities totalling RM80 million ("RM80 million Loan Facilities ") with RM40 million each from HwangDBS Investment Bankers Berhad ("HDBS") and Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad).

RM80 million was drawdown on 7 November 2008 and partial repayment of RM8 million was made in December 2008.

The average interest rate on the Loan Facilities is 5.225% .

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

As part of the active interest rate management strategy of QCT, the following Interest Rate Swap ("IRS") arrangements have been entered into :

- (i) On 18 April 2007, an IRS arrangement swapping floating rate for fixed rate for a notional amount of RM90 million ("IRS No.1") was entered into in relation to the RM91.9 million nominal values CPs issued by the Manager with a financial institution (the "Bank"). Pursuant to IRS No. 1, QCT will pay a fixed rate of 3.745% p.a to the Bank whilst the Bank will pay a floating rate to QCT . IRS No. 1 commenced on 31 May 2007 and will mature on 30 November 2011.
- (ii) On 15 September 2008, an IRS arrangement swapping fixed rate for floating rate for RM64 million ("IRS No.2") was entered into in relation to the RM64 million nominal value MTNs issued by the Manager with the Bank . Pursuant to IRS No. 2 , QCT will pay a floating rate to the Bank whilst the Bank will pay a fixed rate of 5.2% p.a to QCT. IRS No.2 commenced on 15 September 2008 and will mature on 30 September 2013.
- (iii) On 10 October 2008, an IRS arrangement swapping floating rate for fixed rate for RM25.5 million ("IRS No.3") was entered into in relation to the RM26.1 million nominal values CPs issued by the Manager with the Bank. Pursuant to IRS No. 3, QCT will pay a fixed rate of 3.89% p.a to the Bank whilst the Bank will pay a floating rate to QCT. IRS No.3 commenced on 15 December 2008 and will mature on 30 November 2011.
- (iv) On 5 November 2008, an IRS arrangement swapping floating rate for fixed rate for RM64 million nominal value MTNs issued was entered into by the Manager whereby QCT will pay a fixed rate of 4.36% p.a to the Bank whilst the Bank will pay a floating rate to QCT ("IRS No.4"). IRS No. 4 commenced on 16 March 2009 and will mature on 16 September 2013.

The differences between the floating rate and the fixed rate of the respective IRSs will be settled between QCT and the Bank semi-annually, and are charged or credited to the income statement.

B11 CHANGES IN MATERIAL LITIGATION

There is no pending material litigation as at the date of issuance of this report.

B12 INCOME DISTRIBUTION

The distribution policy of QCT is to distribute at least 90% of its distributable income at least semi-annually or at such other intervals as the manager may determine.

A provision for distribution of RM7,353,439 has been made being 100% of the income after taxation for the quarter ended 31 March 2009. However, no income distribution has been declared .

Income distribution to resident individuals, non-resident individuals, resident institutional investors, non-resident institutional investors and non-resident companies are subject to withholding tax. The applicable tax rates for income distribution payable in the year 2009 are :

Resident and non-resident individuals	10%
Resident and non-resident institutional investors	10%
Resident companies	0%
Non -resident companies	25%

B13 AUTHORISATION FOR ISSUE

The unaudited financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of directors dated 28 April 2009.

BY ORDER OF THE BOARD

LEE FONG YONG
COMPANY SECRETARY (MAICSA No. 7005956)
Quill Capita Management Sdn Bhd
(Company No: 737252-X)
(As Manager of Quill Capita Trust)
Kuala Lumpur

Dated : 28 April 2009