

- ✧ seeking to further improve the operational efficiencies and minimise the operating costs of the Real Estate Investments;
- ✧ actively exploring expansion needs of existing tenants and delivering high quality services to ensure high level of tenant satisfaction;
- ✧ developing proactive marketing plans to maximise tenant interest and raise public profile; and
- ✧ constantly improving and maintaining the quality and physical condition of the Fund's Real Estate Investments and carrying out asset enhancement works where appropriate.

Growth through Selective, Yield Accretive Acquisitions

- We will actively seek to acquire yield accretive assets or good quality properties with strong recurring rental income and potential for revenue and capital growth.

Optimal Capital Structure

- With an initial gearing level of 29% of Tower REIT's Gross Asset Value upon Listing, there is flexibility to obtain further borrowings to fund future acquisitions.
- We will adopt an optimal combination of debt and equity to fund future acquisitions.
- An active interest rate management strategy will also be implemented to manage the risks of potential interest rate volatility.

Investment in a Property Portfolio at a Discount to its Appraised OMV

- The total purchase consideration of RM351 million for HP Towers and Menara HLA represents a discount of 3.3% from the appraised OMV of RM363 million (as appraised by the Valuer).

Ability to Leverage on GLM and Hong Leong Group Malaysia

- As a wholly-owned subsidiary of GLM and part of Hong Leong Group Malaysia, Tower REIT will benefit from our ability to leverage on the real estate experience and the established business network of these companies with major players in the property industry in Malaysia and overseas to identify acquisition opportunities.
- Hong Leong Group Malaysia has more than 30 years of experience in developing and managing properties in Malaysia and overseas, including the United Kingdom, India, Singapore, Hong Kong and China.
- GLM is a reputable premier developer of quality projects. Their projects include award winning residential and commercial developments and GLM is a two-time winner of the award for commercial/office developments from the International Real Estate Federation (FIABCI) Malaysian Chapter.

Experienced and Professional Management

- Our key management were employees of GLM and Hong Leong Group Malaysia with extensive real estate experience and in-depth knowledge of the REIT Properties. Our Chief Executive Officer and Chief Financial Officer individually has more than 19 years experience in the real estate industry in Malaysia and they have been involved in the development and management of the REIT Properties.
- With the capabilities and experience of our key management, we believe that we are well equipped to tap on the revenue and capital growth potential of the REIT Properties in order to maximise returns to Unitholders.

Exposure to Recovering Office Sector

- According to JLW, rental rates of quality grade office buildings in good locations in the city will rise in the short term (1 to 2 years). This is underpinned by improvement in demand, based on the positive outlook of the Malaysian economy (particularly the services sector) and the impending shortage of supply in the development pipeline.

Alignment of Interest with Unitholders

- Through its wholly-owned subsidiary, GLM will hold 15% of the Units in issue upon Listing. This aligns the interest of GLM with the Unitholders.

Tax Transparency and Stamp Duty Exemption

- Tower REIT enjoys tax transparency. Hence distributions to Unitholders who are Malaysian tax resident individuals or Malaysian tax resident companies are free of tax deducted at source where income is distributed in the same basis period. However, they will be taxed subsequently at their prevailing income tax rates on such income. Distributions to non-resident Unitholders are subject to 28% withholding tax in Malaysia.
- Tower REIT is also expected to benefit from cost savings arising from the stamp duty exemption on all instruments of transfer of real property to REITs.