

For immediate publication

## **Tower REIT recorded 107% increase in net income for 2007**

**Kuala Lumpur, 31 January 2008** – Tower REIT recorded a revenue and net income of RM40.3 million and RM106.2 million respectively for financial year ended 31 December 2007, representing significant increases of 80% and 107% respectively as compared to the preceding year.

“The significant growth in revenue and net income for 2007 was due to the contribution from the yield accretive acquisition of Menara ING, completed in March 2007 and higher rental income from Menara HLA and HP Towers as well as the surplus from fair value adjustment of the three properties. This is reflective of the strong demand for prime office space and also the quality and resilience of our properties which are all located at strategic and prime locations.” said Mr. Chan Wan Leong, the acting CEO of GLM REIT Management, the Manager of Tower REIT.

### **Growth in Distribution per Unit (“DPU”)**

In light of these excellent results, a final DPU of 4.48 sen, amounting to RM12.6 million has been declared and payable on 28 February 2008. Together with the interim DPU of 4.00 sen, the total DPU for the year 2007 would be 8.48 sen, showing a growth of 12% as compared to the annualised DPU of 7.54 sen for 2006 and also exceeded, by 23%, the forecast DPU of 6.89 sen as stated in the Circular to unitholders dated 14 February 2007 in relation to the acquisition of Menara ING. Based on Tower REIT's 5-day average closing unit price of RM1.27, the total distribution of 8.48 sen for 2007 represents a yield of 6.7%.

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For media queries, please contact Group Corporate Affairs & PR.

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### **Growth in Asset Value**

For 2007, Tower REIT's total asset value has increased significantly to RM567.2 million, representing an increase of 37% as compared to 2006. This increase is due to the acquisition of Menara ING and the significant appreciation in value of the underlying assets. Likewise, the Net Asset Value ("NAV") per unit experienced a growth of 21% from RM1.20 as at end of 2006 to RM1.45 as at end 2007.

The strong growth in NAV demonstrates our commitment in growing Tower REIT through yield accretive acquisition and continuously enhancing the capital value of the properties under our portfolio.

### **Prospect of 2008**

With a projected Gross Domestic Product growth rate of 6% for 2008, we expect the positive performance from the commercial property market to continue. In particular, we foresee 2008 to be an exciting year for the prime office sector following the strong growth in rental rates and new benchmarks set for capital values transacted within the prime areas of Kuala Lumpur city. Occupancy and rental rates are expected to remain strong due to the continued shortage of supply whilst capital value will continue to appreciate due to the aggressive interest from local as well as foreign funds. The willingness of funds to pay for future value coupled with the escalating construction costs and land value will further support the high capital value for investment grade buildings.

As such, we are optimistic that Tower REIT's properties will continue to achieve strong growth in revenue and NAV for 2008. We will strive to strengthen and enhance the value of the assets under our portfolio as well as to explore other avenues to maximize returns to the unitholders.

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## **ABOUT TOWER REIT**

Tower REIT was established on 21 February 2006. Tower REIT is a Malaysian-based property investment trust that invests primarily in quality office buildings and commercial properties.

Tower REIT is managed by GLM REIT Management Sdn Bhd (GLM REIT Management), a wholly-owned subsidiary of public-listed GuocoLand (Malaysia) Berhad and a member of the Hong Leong Group.

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