

TOWER REAL ESTATE INVESTMENT TRUST

Key Pertinent Questions and Answers at the 5th Annual General Meeting of Tower Real Estate Investment Trust ("Tower REIT") held at the Theatre, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Thursday, 27 April 2017 at 10.00 a.m.

1. **Noticed that Tower REIT had a low gearing ratio of 0.02%. Was this Tower REIT's strategy of maintaining such a low gearing ratio?**

The low gearing ratio was due to the settlement of bank borrowing through the proceeds of the disposal of Menara ING. With this low gearing, it gives added flexibility to the REIT in its search for accretive acquisition.

2. **Is there a plan to acquire new assets?**

Yes, we are constantly on the lookout for quality assets with good yield to be added to Tower REIT's portfolio.

3. **Does Tower REIT has Asset Enhancement Initiative (AEI) programme?**

AEI is definitely in our plan for tenants retention and attraction. We are in the midst of implementing assets enhancement programme and it is on going progressively.

4. **There were reduction of occupancy rates as shown on page 20 of the Annual Report. Noticed that there were 77% of the tenancies had been renewed. What is the Weighted Average Lease Expiry (WALE) of Tower REIT?**

The WALE of Tower REIT is between 1 to 1.5 years. In tandem with strong marketing strategies and efforts to secure more tenants and to retain high occupancy and rental rates, the Manager will continue to proactively monitor any potential reduction in tenancy so that appropriate countermeasures can be taken.

5. **The proposed increase in the existing approved fund size from 280,500,000 units to 336,600,000 units with the creation of up to 55,100,000 units are small in amount. What is the reason of increasing such a small amount of fund?**

According to the Guidelines on Real Estate Investment Trust issued by Securities Commission, the aggregate number of units to be issued during the preceding 12 months must not exceed 20% of the approved fund size.