MULTIPLE PROPOSALS TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT") (I) PROPOSED RIGHTS ISSUE; AND (II) PROPOSED EXEMPTION

TOWER REAL ESTATE INVESTMENT TRUST

Type	Announcement
Subject	MULTIPLE PROPOSALS
Description	TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT") (I) PROPOSED RIGHTS ISSUE; AND (II) PROPOSED EXEMPTION

On behalf of the Board of Directors of GLM REIT Management Sdn Bhd, the management company of Tower REIT ("**Manager**"), Hong Leong Investment Bank Berhad ("**HLIB**") wishes to announce that the Manager is proposing the following:

(i) a renounceable rights issue of new units in Tower REIT to raise gross proceeds of up to RM66.00 million ("**Proposed Rights Issue**"); and

(ii) an exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions to GLM Equities Sdn Bhd ("**GLME**"), being a major unitholder of Tower REIT, and GuocoLand (Malaysia) Berhad, being the holding company of GLME, together with their persons acting in concert, from the obligation to undertake a mandatory offer for all the remaining units in Tower REIT not already owned by them due to the implementation of GLME's Additional Undertaking pursuant to the Proposed Rights Issue ("**Proposed Exemption**").

(The Proposed Rights Issue and Proposed Exemption are collectively referred to as the "**Proposals**").

Please refer to the attachment for further details in relation to the Proposals.

This announcement is dated 13 December 2023.

Please refer attachment below.

Attachments

Tower REIT - Announcement (Final).pdf
395.5 kB

Announcement Info

Company Name	TOWER REAL ESTATE INVESTMENT TRUST
Stock Name	TWRREIT
Date Announced	13 Dec 2023
Category	General Announcement for PLC

Category	General Announcement for PLC
Reference Number	GA1-27112023-00016

TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT")

(I) PROPOSED RIGHTS ISSUE; AND

(II) PROPOSED EXEMPTION

---

1. INTRODUCTION

On behalf of the Board of Directors of GLM REIT Management Sdn Bhd, the management company of Tower REIT ("**Manager**") ("**Board**"), Hong Leong Investment Bank Berhad ("**HLIB**") wishes to announce that the Manager is proposing the following:

(i) a renounceable rights issue of new units in Tower REIT ("**Rights Unit(s)**") to raise gross proceeds of up to RM66.00 million ("**Proposed Rights Issue**"); and

(ii) an exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**") to GLM Equities Sdn Bhd ("**GLME**"), being a major unitholder of Tower REIT, and GuocoLand (Malaysia) Berhad ("**GuocoLand**"), being the holding company of GLME, together with their persons acting in concert ("**PAC(s)**"), from the obligation to undertake a mandatory offer for all the remaining units in Tower REIT ("**Unit(s)**") not already owned by them due to the implementation of GLME's Additional Undertaking (defined herein in **Section 2.2** of this announcement) pursuant to the Proposed Rights Issue ("**Proposed Exemption**").

(The Proposed Rights Issue and Proposed Exemption are collectively referred to as the "**Proposals**").

Further details of the Proposals are set out in the ensuing sections of this announcement.

2. PROPOSED RIGHTS ISSUE

2.1 Details of the Proposed Rights Issue

The Proposed Rights Issue entails the issuance of Rights Units to the unitholders of Tower REIT ("**Unitholder(s)**") whose names appear in the record of depositors of Tower REIT as at the close of business on an entitlement date ("**Entitlement Date**") to be determined and announced later ("**Entitled Unitholder(s)**") to raise gross proceeds of up to RM66.00 million ("**Intended Gross Proceeds**").

The entitlement basis for the Proposed Rights Issue ("**Entitlement Basis**") and the issue price for each of the Rights Units ("**Issue Price**") have not been fixed at this juncture in order to provide flexibility to the Board to determine them at a later date.

However, the Intended Gross Proceeds is provided upfront to enable Unitholders to estimate the capital outlay required to subscribe fully for their respective entitlements under the Proposed Rights Issue. This can be calculated by multiplying the Intended Gross Proceeds with their respective percentage unitholdings in Tower REIT.

For illustration purposes, based on the 280,500,000 units in Tower REIT ("**Unit(s)**") in issue as at 21 November 2023, being the latest practicable date prior to the date of this announcement ("**LPD**") and the Intended Gross Proceeds of up to RM66.00 million, the capital outlay for an Entitled Unitholder holding 1,000 Units who wishes to subscribe for his or her entitlement in full is up to RM235.30.

280,500,000 Units	:	Up to RM66,000,000
1,000 Units	:	Up to RM235.30

The actual gross proceeds and actual capital outlay by the Entitled Unitholders to subscribe fully for their entitlements under the Proposed Rights Issue will depend on the final Entitlement Basis and Issue Price.

As at the LPD, Tower REIT has an issued Unitholders' capital of RM285,345,000 comprising 280,500,000 Units. The Proposed Rights Issue will be undertaken on a minimum subscription basis, after taking into consideration the minimum amount Tower REIT intends to raise from the Proposed Rights Issue of approximately RM17.31 million, which will be channelled towards the proposed utilisation of proceeds as set out in **Section 2.7** of this announcement.

In determining the Unitholders' entitlement to the Rights Units, fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its sole and absolute discretion deems fit and expedient, and in the best interest of Tower REIT.

The Rights Units will be provisionally allotted to the Entitled Unitholders after obtaining all the relevant approvals in respect of the Proposed Rights Issue. The Proposed Rights Issue is renounceable in full or in part. Accordingly, the Entitled Unitholders can subscribe for and/or renounce their entitlements to the Rights Units in full or in part.

Any Rights Units which are not subscribed or validly subscribed will be made available for excess application by other Entitled Unitholders and/or their renouncee(s) and/or transferee(s) (if applicable). The Board intends to allocate the excess Rights Units in a fair and equitable manner on a basis to be determined by the Board and set out in the abridged prospectus to be issued at a later stage.

2.2 Minimum subscription level and Unitholders' undertaking

The Proposed Rights Issue is intended to be undertaken on a minimum subscription basis to raise approximately RM17.31 million. The Manager intends to obtain irrevocable and unconditional undertakings from certain Unitholders, namely GLME and Associated Land Sendirian Berhad ("**ALSB**") to subscribe a minimum amount of approximately RM14.18 million and RM3.13 million respectively ("**Minimum Undertaking(s)**").

In addition, the Manager also intends to obtain an additional irrevocable undertaking from GLME to subscribe for Rights Units not subscribed for by other Entitled Unitholders for an amount of approximately RM48.14 million ("**Additional Undertaking**"), subject to the Proposed Exemption being approved by the non-interested Unitholders at a general meeting of Unitholders ("**Unitholders' Meeting**") to be convened and by the Securities Commission of Malaysia ("**SC**").

For illustration purposes, the effects on the Proposed Rights Issue are presented based on the following assumptions and scenarios:

Minimum Scenario : Minimum subscription level of Rights Units based on the following:

- assumed Entitlement Basis of 2 Rights Units for every 3 existing Units held by the Entitled Unitholders;
- assumed Issue Price is RM0.35 per Rights Unit;
- GLME to subscribe in full for its 40,512,533 Rights Units entitlement amounting to approximately RM14.18 million;
- ALSB to subscribe in full for its 8,939,533 Rights Units entitlement amounting to approximately RM3.13 million; and
- Assuming none of the other Entitled Unitholders subscribe for their respective entitlements under the Proposed Rights Issue.

Based on the above illustration, the total number of Rights Unit to be issued is 49,452,066 Rights Units and the gross proceeds to be raised is approximately RM17.31 million ("**Minimum Scenario**").

Maximum Scenario : Full subscription level of Rights Units based on the following:

- assuming the Proposed Exemption is approved by the non-interested Unitholders and the SC;
- assumed Entitlement Basis of 2 Rights Units for every 3 existing Units held by the Entitled Unitholders;
- assumed Issue Price is RM0.35 per Rights Unit;
- GLME to subscribe in full for 40,512,533 Rights Units entitlement amounting to approximately RM14.18 million and further subscribe for 137,547,934 Rights Units not subscribed for by other Entitled Unitholders amounting to approximately RM48.14 million; and
- ALSB to subscribe in full for its 8,939,533 Rights Units entitlement amounting to approximately RM3.13 million.

Based on the above illustration, the total number of Rights Unit to be issued is 187,000,000 Rights Units and the gross proceeds to be raised is approximately RM65.45 million ("**Maximum Scenario**").

In the event that the minimum subscription level is not achieved for whatever reason, the Manager will not be in a position to proceed with the implementation of the Proposed Rights Issue. All subscription monies received pursuant to the Proposed Rights Issue will in such event be returned without interest to the Entitled Unitholders and/or their renouncee(s) and/or transferee(s) (if applicable) in accordance with Paragraph 6.18(4) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") which states that where the minimum subscription level is not achieved, the implementation of the rights issue of securities must be terminated and all consideration received must be immediately returned to all subscribers.

For illustration purposes, assuming GLME and ALSB subscribe for the Rights Units based on their Minimum Undertakings, the pro forma effects of the Proposed Rights Issue on their respective direct unitholdings in Tower REIT are as follows:

Minimum Scenario

	As at the LPD		Rights Units to be subscribed under the Minimum Undertakings	Rights Units to be subscribed under the Additional Undertaking	After the Proposed Rights Issue		Gross proceeds to be raised
Undertaking Unitholders	**No. of Units**	**(1)%**	**No. of Units**	**No. of Units**	**No. of Units**	**(2)%**	**(3)RM'000**
	'000		**'000**	**'000**	**'000**		
GLME	60,769	21.66	40,512	-	101,281	30.70	14,179
ALSB	13,409	4.78	8,940	-	22,349	6.77	3,129
Total			**49,452**	**-**			**17,308**

Notes:

(1) Based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) Based on the illustrative enlarged total Unitholders' capital of 329,952,066 Units after the Proposed Rights Issue under the Minimum Scenario.

(3) Calculated based on the illustrative Issue Price of RM0.35 per Rights Unit.

For illustration purposes, assuming (i) GLME and ALSB subscribe for the Rights Units based on their Minimum Undertakings and (ii) GLME further subscribes for Rights Units under its Additional Undertaking, the pro forma effects of the Proposed Rights Issue on their respective direct unitholdings in Tower REIT are as follows:

Maximum Scenario

	As at the LPD		Rights Units to be subscribed under the Minimum Undertakings	Rights Units to be subscribed under the Additional Undertaking	After the Proposed Rights Issue		Gross proceeds to be raised
Undertaking Unitholders	**No. of Units**	**(1)%**	**No. of Units**	**No. of Units**	**No. of Units**	**(2)%**	**(3)RM'000**
	'000		**'000**	**'000**	**'000**		
GLME	60,769	21.66	40,512	137,548	238,829	51.09	62,321
ALSB	13,409	4.78	8,940	-	22,349	4.78	3,129
Total			**49,452**	**137,548**			**65,450**

Notes:

(1) Based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) Based on the illustrative enlarged total Unitholders' capital of 467,500,000 Units after the Proposed Rights Issue under the Maximum Scenario.

(3) Calculated based on the illustrative Issue Price of RM0.35 per Rights Unit.

In view that the Proposed Rights Issue will be undertaken on a minimum subscription basis pursuant to the Minimum Undertakings, the Manager will not procure any underwriting arrangement for the remaining Rights Units not subscribed for by other Entitled Unitholders and/or their renouncee(s).

2.3 Mandatory general offer implication

As at the LPD, the direct unitholdings of GLME, GuocoLand and their PACs in Tower REIT are as follows:

	As at the LPD	
	No. of Units	**(1)%**
GuocoLand	-	-
GLME	60,768,800	21.66
PACs:		
▪ Asia Fountain Investment Company Limited ("**AFIC**")	14,000,000	4.99
▪ ALSB	13,409,300	4.78
▪ Hong Leong Assurance Berhad ("**HLA**")	58,271,000	20.77
▪ HLIB	5,887,000	2.10
▪ Vun Shu Tong @ Christopher ("**VST**")**(2)**	400	*
Total	**152,336,500**	**54.30**

Notes:

(1) Calculated based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) VST is the spouse of a director of GLME, an applicant seeking for the SC's approval in respect of the Proposed Exemption.

** Negligible.*

The pro forma direct unitholdings of GLME, GuocoLand and their PACs in Tower REIT based on the Minimum Scenario and Maximum Scenario are illustrated as follows:

			After the Proposed Rights Issue			
			Minimum Scenario		**Maximum Scenario**	
	No. of Units	**(1)%**	**No. of Units**	**(2)%**	**No. of Units**	**(3)%**
GuocoLand	-	-	-	-	-	-
GLME	60,768,800	21.66	101,281,333	30.70	238,829,267	51.09
PACs:						
▪ AFIC	14,000,000	4.99	14,000,000	4.24	14,000,000	2.99
▪ ALSB	13,409,300	4.78	22,348,833	6.77	22,348,833	4.78
▪ HLA	58,271,000	20.77	58,271,000	17.66	58,271,000	12.46
▪ HLIB	5,887,000	2.10	5,887,000	1.78	5,887,000	1.26
▪ VST **(4)**	400	*	400	*	400	*
Total	**152,336,500**	**54.30**	**201,788,566**	**61.15**	**339,336,500**	**72.58**

Notes:

(1) Calculated based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) Calculated based on the illustrative enlarged total Unitholders' capital of 329,952,066 Units after the Proposed Rights Issue based on the Minimum Scenario.

(3) Calculated based on the illustrative enlarged total Unitholders' capital of 467,500,000 Units after the Proposed Rights Issue based on the Maximum Scenario.

(4) VST is the spouse of a director of GLME, an applicant seeking for the SC's approval in respect of the Proposed Exemption.

* *Negligible.*

Under the Maximum Scenario, the unitholding of GLME in Tower REIT may potentially exceed the 33% mandatory general offer threshold upon the completion of the Proposed Rights Issue arising from GLME's subscription of Rights Units pursuant to its Additional Undertaking. Under this circumstance, GLME will trigger the mandatory general offer obligation under the Malaysian Code on Takeovers and Mergers 2016 ("**Code**") and the Rules.

However, it is not the intention of GLME, GuocoLand and their PACs to undertake a mandatory general offer as a result of GLME's subscription of Rights Units pursuant to its Additional Undertaking in connection with the Proposed Rights Issue. In this regard, subject to obtaining the approval of non-interested Unitholders to the Proposed Exemption, GLME and GuocoLand will apply for an exemption from the SC to exempt GLME, GuocoLand and their PACs from the obligation to undertake a mandatory general offer for all the remaining units in Tower REIT not already owned by them arising from GLME's subscription of Rights Units pursuant to its Additional Undertaking in connection with the Proposed Rights Issue under Paragraph 4.08(1)(b) of the Rules. Further details of the Proposed Exemption are set out in **Section 3** of this announcement.

Please take note that the actual unitholding percentages may vary depending on the actual number of Rights Units to be subscribed by the Entitled Unitholders and/or their renouncee(s).

2.4 Basis and justification of arriving at the issue price of the Rights Units

The Issue Price will be determined by the Board at a later date after taking into consideration the theoretical ex-rights price ("**TERP**"), calculated based on the 5-day volume weighted average market price ("**VWAMP**") of Units immediately preceding the price-fixing date of the Rights Units after receipt of all relevant approvals. The fixing of the Issue Price and the entitlement basis for the Proposed Rights Issue will be announced after obtaining the SC's approval for the Proposed Exemption but before or on the announcement of the Entitlement Date.

The Issue Price of the Rights Units will be determined after taking into consideration the following:

(i) the minimum gross proceeds of approximately RM17.31 million to be raised from the Proposed Rights Issue based on the illustrative Issue Price of RM0.35 per Rights Unit; and

(ii) the then prevailing market conditions and market prices of the Units.

For illustration purposes, the illustrative Issue Price of RM0.35 per Rights Units represents a discount of approximately 6.42% to the TERP of the Units of RM0.3740 based on the 5-day VWAMP of the Units up to and including the LPD of RM0.39 per Unit.

2.5 Ranking of the Rights Units

The Rights Units shall, upon allotment and issuance, rank equally in all respects with the existing Units save and except that the Rights Units shall not be entitled to any income distribution, rights, allotments and/or other distributions in respect of which the entitlement date of which is before the date of allotment of the Rights Units.

2.6 Listing and quotation of the Rights Units

An application will be submitted to Bursa Securities for the listing of and quotation for the Rights Units on the Main Market of Bursa Securities.

2.7 Utilisation of proceeds

Based on the illustrative Issue Price of RM0.35 per Rights Unit, the gross proceeds to be raised from the Proposed Rights Issue will be utilised in the following manner:

Details of utilisation	Estimated timeframe for utilisation from completion of the Proposed Rights Issue	Gross proceeds to be raised			
		Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
Refurbishment of existing properties[1]	Within 18 to 24 months	[2]-	-	24,099	36.82
Repayment of bank borrowings[3]	Within 12 months	15,957	92.19	40,000	61.12
Estimated expenses in relation to the Proposals[4]	Within 1 month	1,351	7.81	1,351	2.06
Total		**17,308**	**100.00**	**65,450**	**100.00**

Notes:

(1) Under the Maximum Scenario, the refurbishment of existing properties will include, amongst others, the following:

(i) replacement of power transformer;

(ii) upgrade work for the lifts;

(iii) upgrade work for the heating, ventilation and air conditioning (HVAC) system;

(iv) replacement of air handling unit (AHU); and

(v) upgrade of building management system.

*The refurbishment above is to improve the occupancy rate and leasing pipeline. The lift modernation and replacement of power transformer are expected to enhance the environmental, social and corporate governance ("**ESG**") performance.*

(2) Notwithstanding that the Minimum Scenario does not show any allocation of proceeds for the refurbishment of existing properties, the Manager intends to proceed to carry out its refurbishment plans for the existing properties of Tower REIT through a combination of internally generated funds and/or drawing down of Tower REIT's unutilised existing banking facilities as and when required.

(3) As at 30 September 2023, the total borrowings of Tower REIT which comprise term loans and revolving credit, is approximately RM272.75 million. In an effort to reduce the gearing ratio and interest expense, the Manager intends to repay up to RM40.00 million of its existing term loans and/or revolving credit. The potential interest savings from such repayment of bank borrowings are set out below:

Type of banking facility	*Effective interest rate per annum*	*Proposed allocation of proceeds for repayment of banking facility*		*Estimated yearly interest cost savings arising from the repayment*	
		Minimum Scenario	*Maximum Scenario*	*Minimum Scenario*	*Maximum Scenario*
	%	***RM'000***	***RM'000***	***RM'000***	***RM'000***
Term loans and/or revolving credit	*4.30*	*15,957*	*40,000*	*686*	*1,720*

(4) The proceeds earmarked for the estimated expenses in relation to the Proposals will be utilised as follows:

	RM'000
Professional fees	*1,207*
Regulatory fees	*68*
Other incidental expenses in relation to the Proposals	*76*
Total	***1,351***

Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds for refurbishment of existing properties.

The actual gross proceeds to be raised from the Proposed Rights Issue is dependent on the final Issue Price and the number of Rights Units to be issued. Under the Maximum Scenario, the amount allocated for the refurbishment of existing properties will be adjusted in the event of a shortfall between the actual gross proceeds raised and the Intended Gross Proceeds to be raised.

Pending utilisation of the proceeds from the Proposed Rights Issue for the above purposes, the proceeds will be placed in interest-bearing deposits with licensed financial institutions and/or short-term money market instruments. The interest income generated from such deposits and/or any gains arising from such short-term money market instruments will be used as working capital for Tower REIT.

2.8 Equity fund raising exercises undertaken in the past 12 months

Tower REIT has not undertaken any equity fund raising exercises in the past 12 months prior to the date of this announcement.

3. PROPOSED EXEMPTION

As at the LPD, GLME holds 60,768,800 Units, representing approximately 21.66% of the total Units issued in Tower REIT.

As set out in **Section 2.3** of this announcement, GLME may trigger a mandatory general offer obligation under the Code and the Rules arising from GLME subscribing for Rights Units pursuant to its Additional Undertaking, which may potentially result in the unitholdings of GLME in Tower REIT to exceed the 33% mandatory general offer threshold.

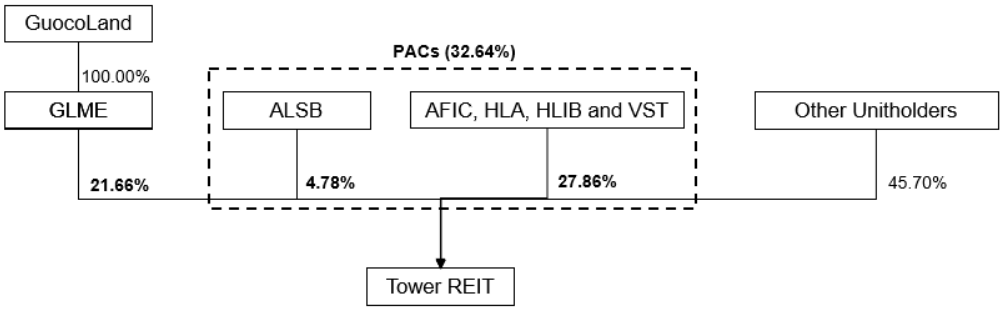
However, it is not the intention of GLME, GuocoLand and their PACs to undertake a mandatory general offer as a result of GLME's subscription of Rights Units pursuant to its Additional Undertaking. In this regard, subject to obtaining the approval of non-interested Unitholders to the Proposed Exemption, GLME and GuocoLand will apply for an exemption from the SC to exempt GLME, GuocoLand and their PACs from the obligation to undertake a mandatory general offer for all the remaining units in Tower REIT not already owned by them arising from GLME's subscription of Rights Units pursuant to its Additional Undertaking under Paragraph 4.08(1)(b) of the Rules. Accordingly, the application to seek the SC's approval for the Proposed Exemption will be submitted to the SC after having obtained the non-interested Unitholders' approval to the Proposed Exemption at the Unitholders' Meeting to be convened.

In the event the non-interested Unitholders do not approve the Proposed Exemption, the Additional Undertaking of GLME will lapse and GLME will not subscribe to such number of Rights Units as will cause the unitholding of GLME in Tower REIT to exceed the 33% mandatory general offer threshold upon the completion of the Proposed Rights Issue. As such, no mandatory offer obligation would arise.

3.1 Maximum potential holdings of GLME, GuocoLand and their PACs pursuant to the Proposed Rights Issue

The unitholding structure of Tower REIT illustrating the maximum potential holdings of GLME, GuocoLand and their PACs before and after the Proposed Rights Issue based on direct unitholdings as at the LPD is set out in the following diagrams:

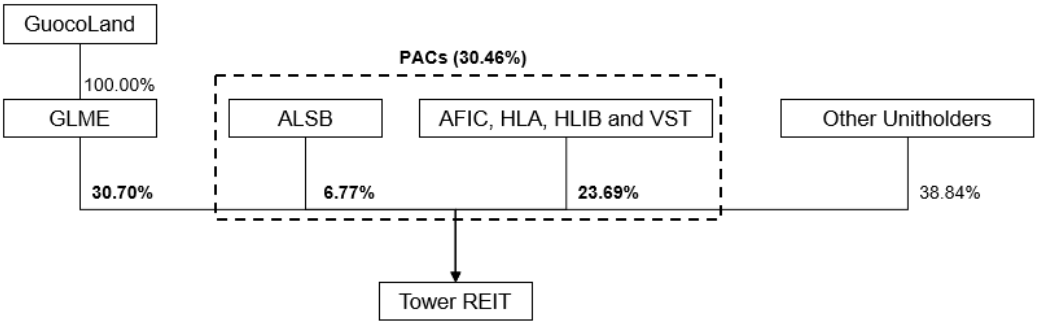
Before the Proposed Rights Issue



GLME and PACs' total unitholdings: 54.30%

Minimum Scenario

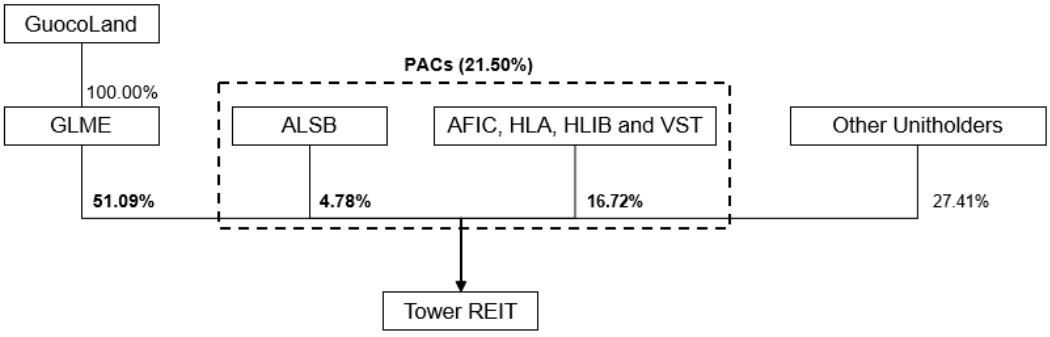
Upon subscription of the Rights Units pursuant to the Minimum Undertakings by GLME and ALSB



GLME and PACs' total unitholdings: 61.16%

Maximum Scenario

Upon subscription of the Rights Units pursuant to the Minimum Undertakings by GLME and ALSB as well as upon subscription of the Rights Units pursuant to the Additional Undertaking by GLME



GLME and PACs' total unitholdings: 72.59%

4. RATIONALE AND JUSTIFICATIONS OF THE PROPOSALS

4.1 Proposed Rights Issue

The Board is of the view that the Proposed Rights Issue is the most appropriate avenue to raise the required funds for Tower REIT after taking into consideration the following:

(i) the gross proceeds to be raised from the Proposed Rights Issue will be used to repay bank borrowings, which allows Tower REIT to enjoy interest savings;

(ii) the Proposed Rights Issue will strengthen the financial position of Tower REIT by increasing its capital base;

(iii) the Proposed Rights Issue will enable Tower REIT to raise funds for its business and operational purposes, in particular the refurbishment of existing properties to improve occupancy rate, leasing pipeline and enhance its ESG performance under the Maximum Scenario; and

(iv) the Proposed Rights Issue will provide all Entitled Unitholders with an opportunity to participate further in potential future growth of Tower REIT on a pro-rata basis.

4.2 Proposed Exemption

The Proposed Exemption will relieve GLME, GuocoLand and their PACs from the obligation to undertake a mandatory general offer, as it is not their intention to undertake the mandatory general offer as a result of GLME's Additional Undertaking in connection with the Proposed Rights Issue.

If the Proposed Exemption is approved by the non-interested Unitholders, it will ensure that the Proposed Rights Issue can be undertaken on a full subscription level to achieve the fundraising objective of Tower REIT.

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF TOWER REIT

5.1 Overview and outlook of the Malaysian economy

(i) Overview

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q 2023: 2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages. Meanwhile, investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Exports remained soft amid prolonged weakness in external demand. This, however, was partially offset by the recovery in inbound tourism. On the supply side, the services, construction and agriculture sectors remained supportive of growth. This was partly offset by the decline in production in the manufacturing sector given the weakness in demand for electrical and electronic (E&E) products and lower production of refined petroleum products. On a quarter-to-quarter seasonally adjusted basis, the economy grew by 2.6% (2Q 2023: 1.5%). Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2023, Bank Negara Malaysia)

(ii) Outlook

Going forward, growth of the Malaysian economy will be driven largely by resilient domestic expenditure, with some support from E&E exports recovery. Household spending will be supported by steady growth in employment and wage growth. Tourist arrivals and spending are expected to improve further. Additionally, continued progress of multi-year infrastructure projects and implementation of catalytic initiatives will support investment activity. Budget 2024 measures will also provide additional impetus to economic activity. Meanwhile, domestic financial conditions remain conducive to sustain credit growth, as financial institutions continue to operate with strong capital and liquidity buffers.

The growth outlook is subject to downside risks from weaker-than-expected external demand, and larger and protracted declines in commodity production. Nevertheless, stronger-than-expected tourism activity, a strong recovery from the E&E down cycle, and faster implementation of projects provide upside to Malaysia's economic outlook.

(Source: BNM Quarterly Bulletin Vol 28 No.3, 3rd Quarter of 2023, Bank Negara Malaysia)

5.2 Overview and outlook of the office sector in Kuala Lumpur

(i) Overview

The purpose-built office segment saw eight prominent transactions in the review period with consideration of more than RM635 million.

The average occupancy rate for purpose-built office decreased to 73.7% in 2022 as compared to 74.8% in 2021. The annual take-up was at 38,299 square meters ("**s.m.**") (2021: 5,603 s.m.).

There were six completions in the review period *(for the year 2022)* that contributed additional space of 293,814 s.m. to the market. As at end-2022, there were 458 existing purpose-built offices (9,813,927 s.m.) with another 16 buildings (978,869 s.m.) in the incoming supply and 20 buildings (790,806 s.m.) in the planned supply.

Prices for office space recorded mixed movement. In the central town prime area, marginal decline between 4.1% and 4.2% was recorded in Wisma Perintis (level 6) and Heritage House (level 12). The highest price was recorded at Menara Bangkok Bank (level 22) at RM15,930 per s.m. ("**psm**").

The office rental market portrayed mixed performance in 2022. Several office buildings witnessed double digit growth namely Menara Perak (level 8 - 12) 13.5%, Wisma Boustead (15.7%), Wisma Bandar (15.7%), Bangunan Public Bank (19.3%), Menara Dato' Onn (PWTC) 13.8%, and Menara Shell (11.9%). Rental at ground level Wisma Genting at Jalan Sultan Ismail remained highest ranging between RM118.41 psm to 131.32 psm.

As at 2022, the Purpose-Built Office Rental Index for the state stood at 138.7 points, down by 0.1% from 138.9 points in 2021. The Purpose-Built Office Average Rental as 2022 stood at RM53.53 psm, decreased from RM53.61 psm recorded in 2021.

(ii) Outlook

Although 2022 is the challenging year, the state' *(Kuala Lumpur)* property market is expected to continue its growth momentum in 2023. Transportation infrastructure projects allocated in 2023 Budget and Twelfth Malaysia Plan remains as the catalyst contribute to the physical development, creating employment opportunities and socio-economic enhancement of the people.

As the country's *(Malaysia)* GDP growth is projected to be moderately lower in 2023 than the previous year and in line with other countries in the region, the property market performance is expected to be cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under RMK-12 are expected to remain supportive of the property sector.

(Source: Property Market Report 2022, National Property Information Centre, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Prospects of Tower REIT

The Board believes that the office rental market remains challenging particularly in the Klang Valley, with high vacancies, depressed rental rates, higher operating cost and rising interest cost. Despite the difficult operating environment, the Manager has achieved an improved occupancy in all its properties within the Tower REIT portfolio over the past 12 months, while recognising that more refurbishment work needs to be carried out. The Manager will continue to take a proactive stance, diligently working to enhance its offering to cater to the target market, to contain costs and to ensure a sustainable and competitive position.

(Source: Management of the Manager)

[The rest of this page is intentionally left blank]

6. EFFECTS OF THE PROPOSALS

The pro forma effects of the Proposed Rights Issue on the Unitholders' capital, net asset value ("**NAV**") per Unit and gearing ratio, earnings and distributable income, and the substantial Unitholders' unitholdings are illustrated based on the Minimum Scenario and the Maximum Scenario in **Section 2.2** of this announcement. The Maximum Scenario is based on GLME being able to subscribe for the Rights Units pursuant to the Additional Undertaking, following approvals by the non-interested Unitholders and the SC to the Proposed Exemption.

6.1 Unitholders' capital

The pro forma effects of the Proposed Rights Issue on the Unitholders' capital of Tower REIT are as follows:

	Minimum Scenario		**Maximum Scenario**	
	No. of Units	**RM**	**No. of Units**	**RM**
As at the LPD	280,500,000	285,345,000	280,500,000	285,345,000
Number of Rights Units to be issued pursuant to the Proposed Rights Issue	49,452,066	(1)(2)17,056,433	187,000,000	(1)(3)64,874,800
Enlarged Unitholders' capital	**329,952,066**	**302,401,433**	**467,500,000**	**350,219,800**

Notes:

(1) Calculated based on the illustrative Issue Price of RM0.35 per Rights Unit.

(2) Assuming part of the estimated expenses relating to the Proposed Rights Issue under the Minimum Scenario for the amount of approximately RM0.25 million will be capitalised while the remaining estimated expenses of approximately RM1.10 million will be expensed off.

(3) Assuming part of the estimated expenses relating to the Proposed Rights Issue under the Maximum Scenario for the amount of approximately RM0.57 million will be capitalised while the remaining estimated expenses of approximately RM0.78 million will be expensed off.

6.2 NAV per Unit and gearing ratio

For illustration purposes only, the pro forma effects of the Proposed Rights Issue on the NAV per Unit and gearing ratio based on the latest audited statement of financial position of Tower REIT as at 30 June 2023 are as follows:

		After the Proposed Rights Issue	
	Audited as at 30 June 2023	**Minimum Scenario**	**Maximum Scenario**
	RM'000	**RM'000**	**RM'000**
Unitholders' capital	285,345	[(1)]302,401	[(1)]350,220
Undistributed income - realised	60,095	[(2)(3)(4)]58,925	[(2)(3)(5)]60,282
Undistributed income - unrealised	155,631	155,631	155,631
Total Unitholders' Fund / NAV	**501,071**	**516,957**	**566,133**
No. of Units in circulation (**'000**)	280,500	329,952	467,500
NAV per Unit*			
- *Before income distribution (**RM**)*	1.79	1.57	1.21
- *After income distribution (**RM**)*	1.78	1.57	1.21
Total assets (**RM'000**)	808,234	808,234	[(6)]832,333
Total borrowings (**'000**)	271,292	[(7)]255,335	[(8)]231,292
Gearing ratio[#] (**times**)	0.34	0.32	0.28

Notes:

(1) After taking into consideration the Issue Price of RM0.35 per Rights Unit and part of the estimated expenses of approximately RM0.25 million under the Minimum Scenario and approximately RM0.57 million under the Maximum Scenario will be capitalised against the Unitholders' capital.

(2) The total estimated expenses is approximately RM1.35 million in relation to the Proposals, of which the expenses directly attributable to the issuance of the Rights Units of approximately RM1.10 million will be charged to realised undistributed income under the Minimum Scenario, while approximately RM0.78 million will be charged to realised undistributed income under the Maximum Scenario.

(3) After taking into consideration the final income distribution of 0.27 sen per Unit amounting to approximately RM0.76 million which was paid in August 2023.

(4) After taking into consideration the interest savings of approximately RM0.69 million calculated based on the average interest rate of the bank borrowings of 4.30% per annum (assuming the same interest rate as FYE 30 June 2023) as a result of the partial repayment of bank borrowings amounting to approximately RM15.96 million under the Minimum Scenario

(5) After taking into consideration the interest savings of approximately RM1.72 million calculated based on the average interest rate of the bank borrowings of 4.30% per annum (assuming the same interest rate based as FYE 30 June 2023) as a result of the partial repayment of bank borrowings amounting to approximately RM40.00 million under the Maximum Scenario

(6) After taking into consideration the refurbishment works for the existing properties of approximately RM24.10 million under the Maximum Scenario.

(7) After taking into consideration the partial repayment of bank borrowings of approximately RM15.96 million under the Minimum Scenario.

(8) After taking into consideration the partial repayment of bank borrowings of RM40.00 million under the Maximum Scenario.

* *Calculated based on NAV divided by the number of Units in circulation.*

\# *Calculated based on total borrowings divided by total assets.*

6.3 Earnings and distributable income

The issuance of new Rights Units pursuant to the Proposed Rights Issue will dilute the distribution per Unit ("**DPU**"). Nevertheless, the Proposed Rights Issue is expected to be yield accretive for the Unitholders, after taking into consideration the expected interest savings arising from the partial repayment of bank borrowings.

For illustration purposes, the pro forma effects of the Proposed Rights Issue on the DPU based on the audited statement of comprehensive income for the financial year ended ("**FYE**") 30 June 2023 and assuming the Proposed Rights Issue was effected on 1 July 2022 is as follows:

		After the Proposed Rights Issue	
	Audited for the FYE 30 June 2023	**Minimum Scenario**	**Maximum Scenario**
	RM'000	**RM'000**	**RM'000**
Net (loss) for the year	(17,600)	[(1)](18,013)	[(2)](16,656)
Income distribution	1,627	[(1)]1,214	[(2)]2,571
No. of Units in circulation ('**000**)	280,500	329,952	467,500
(Loss) per Unit* (**sen**)	**(6.27)**	**(5.46)**	**(3.56)**
DPU[#] (**sen**)	**0.58**	**0.37**	**0.55**

Notes:

(1) After taking into consideration the following:

(a) interest savings of approximately RM0.69 million calculated based on the average interest rate of the bank borrowings of 4.30% per annum (assuming the same interest rate as FYE 30 June 2023) as a result of the partial repayment of bank borrowings amounting to approximately RM15.96 million under the Minimum Scenario; and

(b) the estimated expenses of approximately RM1.10 million in connection with the Proposals which will be charged as expenses under the Minimum Scenario.

(2) After taking into consideration the following:

(a) interest savings of approximately RM1.72 million calculated based on the average interest rate of the bank borrowings of 4.30% per annum (assuming the same interest rate based as FYE 30 June 2023) as a result of the partial repayment of bank borrowings amounting to approximately RM40.00 million under the Maximum Scenario; and

(b) the estimated expenses of approximately RM0.78 million in connection with the Proposals, which will be charged as expenses under the Maximum Scenario.

* *Calculated based on net (loss) for the year divided by the number of Units in circulation.*

\# *Calculated based on income distribution divided by the number of Units in circulation.*

The Manager had declared and paid a total income distribution of 0.96 sen per Unit for the FYE 30 June 2023. For the period from 1 July 2023 up to the LPD, the Manager had also declared and paid income distribution of 0.27 sen per Unit on 30 August 2023.

Barring unforeseen circumstances, the Manager intends to distribute at least 90% of the distributable and realised income of Tower REIT for each year or such other intervals as determined by the Manager at their discretion. The Proposed Rights Issue is not expected to have any material effect on the distribution policy.

6.4 Substantial Unitholders' unitholdings

Based on the Record of Depositors of Tower REIT as at the LPD, the effects of the Proposed Rights Issue on the substantial Unitholders' unitholdings are as follows:

Minimum Scenario

	As at the LPD				After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Units	(1)%	No. of Units	(1)%	No. of Units	(2)%	No. of Units	(2)%
	'000		'000		'000		'000	
GLME	60,769	21.66	-	-	101,281	30.70	-	-
HLA	58,271	20.77	-	-	58,271	17.66	-	-
HLA Holdings Sdn Bhd	-	-	58,271	#20.77	-	-	58,271	#17.66
Mitsui Sumitomo Insurance Company, Limited	-	-	58,271	#20.77	-	-	58,271	#17.66
Hong Leong Financial Group Berhad	-	-	64,158	*22.87	-	-	64,158	*19.44
GuocoLand	-	-	60,769	**21.66	-	-	101,281	**30.70
GLL (Malaysia) Pte Ltd	-	-	60,769	**21.66	-	-	101,281	**30.70
GuocoLand Limited	-	-	60,769	**21.66	-	-	101,281	**30.70
GuocoLand Assets Pte Ltd	-	-	60,769	**21.66	-	-	101,281	**30.70
Guoco Group Limited	-	-	138,927	^49.53	-	-	179,439	^54.38
GuoLine Overseas Limited	-	-	138,927	^49.53	-	-	179,439	^54.38
GuoLine Capital Assets Limited	-	-	138,927	^49.53	-	-	179,439	^54.38
Hong Leong Company (Malaysia) Berhad ("**HLCM**")	-	-	77,567	*27.65	-	-	86,507	*26.22
HL Holdings Sdn Bhd	-	-	77,567	~27.65	-	-	86,507	~26.22
Tan Sri Quek Leng Chan	-	-	152,336	^54.31	-	-	201,788	^61.16
Kwek Leng Beng	-	-	152,336	^54.31	-	-	201,788	^61.16
Kwek Holdings Pte Ltd	-	-	152,336	^54.31	-	-	201,788	^61.16
Hong Realty (Private) Limited	-	-	152,336	^54.31	-	-	201,788	^61.16
Hong Leong Investment Holdings Pte Ltd	-	-	152,336	^54.31	-	-	201,788	^61.16
Kwek Leng Kee	-	-	152,336	^54.31	-	-	201,788	^61.16
Davos Investment Holdings Private Limited	-	-	152,336	^54.31	-	-	201,788	^61.16
Quek Leng Chye	-	-	152,336	^54.31	-	-	201,788	^61.16

Notes:

(1) Based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) Based on the enlarged total Unitholders' capital of 329,952,066 Units after the Proposed Rights Issue.

 # Held through HLA.

** Held through subsidiaries.*

*** Held through GLME.*

^ Held through subsidiaries and companies in which the major Unitholder has an interest.

~ Held through HLCM.

Maximum Scenario

	As at the LPD				After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Units	(1)%	No. of Units	(1)%	No. of Units	(2)%	No. of Units	(2)%
	'000		'000		'000		'000	
GLME	60,769	21.66	-	-	238,829	51.09	-	-
HLA	58,271	20.77	-	-	58,271	12.46	-	-
HLA Holdings Sdn Bhd	-	-	58,271	#20.77	-	-	58,271	#12.46
Mitsui Sumitomo Insurance Company, Limited	-	-	58,271	#20.77	-	-	58,271	#12.46
Hong Leong Financial Group Berhad	-	-	64,158	*22.87	-	-	64,158	*13.72
GuocoLand	-	-	60,769	**21.66	-	-	238,829	**51.09
GLL (Malaysia) Pte Ltd	-	-	60,769	**21.66	-	-	238,829	**51.09
GuocoLand Limited	-	-	60,769	**21.66	-	-	238,829	**51.09
GuocoLand Assets Pte Ltd	-	-	60,769	**21.66	-	-	238,829	**51.09
Guoco Group Limited	-	-	138,927	^49.53	-	-	316,987	^67.80
GuoLine Overseas Limited	-	-	138,927	^49.53	-	-	316,987	^67.80
GuoLine Capital Assets Limited	-	-	138,927	^49.53	-	-	316,987	^67.80
HLCM	-	-	77,567	*27.65	-	-	86,507	*18.50
HL Holdings Sdn Bhd	-	-	77,567	~27.65	-	-	86,507	~18.50
Tan Sri Quek Leng Chan	-	-	152,336	^54.31	-	-	339,336	^72.59
Kwek Leng Beng	-	-	152,336	^54.31	-	-	339,336	^72.59
Kwek Holdings Pte Ltd	-	-	152,336	^54.31	-	-	339,336	^72.59
Hong Realty (Private) Limited	-	-	152,336	^54.31	-	-	339,336	^72.59
Hong Leong Investment Holdings Pte Ltd	-	-	152,336	^54.31	-	-	339,336	^72.59
Kwek Leng Kee	-	-	152,336	^54.31	-	-	339,336	^72.59
Davos Investment Holdings Private Limited	-	-	152,336	^54.31	-	-	339,336	^72.59
Quek Leng Chye	-	-	152,336	^54.31	-	-	339,336	^72.59

Notes:

(1) Based on the total Unitholders' capital of 280,500,000 Units as at the LPD.

(2) Based on the enlarged total Unitholders' capital of 467,500,000 Units after the Proposed Rights Issue.

 # Held through HLA.

** Held through subsidiaries.*

*** Held through GLME.*

^ Held through subsidiaries and companies in which the major Unitholder has an interest.

~ Held through HLCM.

6.5 Convertible securities

As at the LPD, Tower REIT does not have any convertible securities.

7. APPROVALS REQUIRED

The Proposals are subject to, amongst others, the following approvals being obtained:

(i) Bursa Securities, for the listing and quotation of the Rights Units on the Main Market of Bursa Securities pursuant to the Proposed Rights Issue;

(ii) the Unitholders for the Proposed Rights Issue and the non-interested Unitholders for the Proposed Exemption at the Unitholders' Meeting to be convened;

(iii) SC for the Proposed Exemption. The application to seek approval for the Proposed Exemption will be submitted to the SC after the approval of the non-interested Unitholders for the Proposed Exemption has been obtained at the Unitholders' Meeting to be convened; and

(iv) any other relevant authorities and/or parties, if required.

The Proposed Exemption is conditional upon the Proposed Rights Issue but not *vice versa*.

The Proposals are not conditional upon any other proposal undertaken or to be undertaken by Tower REIT.

8. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDER OF THE MANAGER, MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED WITH THEM

8.1 Proposed Rights Issue

None of the Directors and/or major shareholder of the Manager, major Unitholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Rights Issue, save for their respective entitlements as Unitholders under the Proposed Rights Issue, to which all Entitled Unitholders will be similarly entitled.

8.2 Proposed Exemption

The interest of the Directors and major shareholder of the Manager, major Unitholders and/or persons connected with them in respect of the Proposed Exemption are set out below.

(i) Interested Directors of the Manager

(a) Mr. Tang Hong Cheong is a Director of the Manager. He is also a Director of GuocoLand, which is an applicant seeking for the SC's approval for exemption from its obligation to undertake a mandatory offer in connection with the Proposed Exemption.

(b) Mr. Cheng Hsing Yao (Zheng Xinyao) is a Director of the Manager. He is also a Director of GuocoLand, which is an applicant seeking for the SC's approval for exemption from its obligation to undertake a mandatory offer in connection with the Proposed Exemption.

(c) Puan Noorbaizura Binti Hermeyney is a Director of the Manager. She is also a Director of GLME and GuocoLand, which are applicants seeking for the SC's approval for exemption from their obligation to undertake a mandatory offer in connection with the Proposed Exemption.

(d) Ms. Lim Tau Kien is a Director of the Manager. She is also a Director of HLA Holdings Sdn Bhd. HLA Holdings Sdn Bhd is the holding company of HLA, being a person connected and PAC with the Interested Major Shareholder (as defined below).

As at the LPD, Mr. Tang Hong Cheong, Mr. Cheng Hsing Yao (Zheng Xinyao), Puan Noorbaizura Binti Hermeyney and Ms. Lim Tau Kien (collectively referred to as the "**Interested Directors**") do not hold any Units, direct or indirect, in Tower REIT.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings and on resolutions pertaining to the Proposed Exemption. The Interested Directors have further undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect unitholdings in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting to be convened.

(ii) Interested major shareholder of the Manager

The Manager is a wholly-owned subsidiary of GuocoLand, an applicant seeking for the SC's approval in respect of the Proposed Exemption. GuocoLand will also be named as the ultimate offeror in respect of the potential mandatory general offer obligation under the Code and the Rules to be triggered arising from GLME subscribing for Rights Units pursuant to its Additional Undertaking. Accordingly, GuocoLand is deemed interested in the Proposed Exemption, and is referred to as the "**Interested Major Shareholder**".

The Interested Major Shareholder will abstain from voting in respect of its direct and/or indirect unitholdings held in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting to be convened. The Interested Major Shareholder has further undertaken to ensure that persons connected to it will also abstain from voting in respect of their direct and/or indirect unitholdings in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting.

(iii) Interested major Unitholders of Tower REIT

(a) GLME is a direct major Unitholder. GLME is also an applicant seeking for the SC's approval in respect of the Proposed Exemption. GLME will be named as the offeror in respect of the potential mandatory general offer obligation under the Code and the Rules to be triggered arising from GLME subscribing for Rights Units pursuant to its Additional Undertaking. In addition, GLME is a wholly-owned subsidiary of the Interested Major Shareholder.

(b) HLA is a direct major Unitholder. HLA is a person connected and PAC with the Interested Major Shareholder.

GLME and HLA are collectively referred to as the "**Interested Major Unitholders**". Please refer **Section 6.4** of this announcement for further information on their unitholdings in Tower REIT.

The Interested Major Unitholders will abstain from voting in respect of their direct and/or indirect unitholdings in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting to be convened. The Interested Major Unitholders have further undertaken to ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect unitholdings in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting.

For the Unitholders' information and for the avoidance of doubt:

(a) the Interested Major Shareholder will ensure that ALSB, HLIB, HLA and AFIC, being PACs of the Interested Major Shareholder in respect of the Proposed Exemption; and

(b) GLME will ensure that VST, being a PAC of GLME in respect of the Proposed Exemption,

(collectively referred to as the "**Other Interested Parties**"), will also abstain from voting in respect of their direct and/or indirect unitholdings in Tower REIT on the resolution pertaining to the Proposed Exemption at the Unitholders' Meeting to be convened. Please refer to **Section 2.3** of this announcement for further information on the Other Interested Parties' unitholdings in Tower REIT.

9. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Rights Issue, including but not limited to the rationale for the Proposed Rights Issue, the pro forma effects of the Proposed Rights Issue as well as the proposed utilisation of proceeds to be raised from the Proposed Rights Issue, is of the opinion that the Proposed Rights Issue is in the best interests of Tower REIT.

The Board (save for the Interested Directors), having considered all aspects of the Proposed Exemption, including but not limited to the rationale for the Proposed Exemption and the effects of the Proposed Exemption, is of the opinion that the Proposed Exemption is in the best interests of Tower REIT.

10. SUBMISSION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposed Rights Issue is expected to be made within 2 months from the date of this announcement.

The application for the Proposed Exemption is expected to be submitted to the SC after obtaining the approval of the non-interested Unitholders at the Unitholders' Meeting to be convened

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, the Proposals are expected to be completed by the first quarter of 2024.

12. ADVISERS

HLIB has been appointed as Principal Adviser to the Manager for the Proposals.

Pursuant to subparagraph 4.08(3) of the Rules, Malacca Securities Sdn Bhd has been appointed as the Independent Adviser to advise to the non-interested Director and non-interested Unitholders as to whether the Proposed Exemption is fair and reasonable so far as the non-interested Director and non-interested Unitholders are concerned.

This announcement is dated 13 December 2023.