

**OTHERS PROPOSED DISPOSAL BY TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT" OR "TRUST") OF ALL 19 OFFICE PARCELS AND 190 CAR PARK BAYS WITHIN MENARA ING TO GOLDSTONE KUALA LUMPUR SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM132,340,725 ("PROPOSED DISPOSAL").**

**TOWER REAL ESTATE INVESTMENT TRUST**

Type	Announcement
Subject	OTHERS
Description	PROPOSED DISPOSAL BY TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT" OR "TRUST") OF ALL 19 OFFICE PARCELS AND 190 CAR PARK BAYS WITHIN MENARA ING TO GOLDSTONE KUALA LUMPUR SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM132,340,725 ("PROPOSED DISPOSAL").

GLM REIT Management Sdn Bhd, the manager of Tower REIT, wishes to inform that AmTrustee Berhad, the trustee of Tower REIT, had on 29 December 2014, entered into a sale and purchase agreement with Goldstone Kuala Lumpur Sdn Bhd in respect of the Proposed Disposal.

Please refer to the attachment for further details of the Proposed Disposal.

This announcement is dated 29 December 2014.

**Attachments**

[Tower REIT ann - Disposal of Menara ING v4\(231214\).doc](#)  
45 KB

**Announcement Info**

Company Name	TOWER REAL ESTATE INVESTMENT TRUST
Stock Name	TWRREIT
Date Announced	29 Dec 2014
Category	General Announcement
Reference No	TR-141224-55275

## TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT" OR "TRUST")

PROPOSED DISPOSAL BY THE TRUST OF ALL 19 OFFICE PARCELS AND 190 CAR PARK BAYS WITHIN MENARA ING (COLLECTIVELY THE "PROPERTY") TO GOLDSTONE KUALA LUMPUR SDN BHD ("PURCHASER") FOR A TOTAL CASH CONSIDERATION OF RM132,340,725 ("PROPOSED DISPOSAL")

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### 1. Introduction

GLM REIT Management Sdn Bhd ("**Manager**"), the manager of the Trust, wishes to inform that AmTrustee Berhad ("**Trustee**"), the trustee of the Trust, had on 29 December 2014, entered into a sale and purchase agreement ("**SPA**") with the Purchaser in respect of the Proposed Disposal.

### 2. Details of the Proposed Disposal

The Proposed Disposal is for a cash consideration of RM132,340,725 ("**Disposal Consideration**").

The Disposal Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the potential development value of the land on which the Property is situated.

The salient terms of the Proposed Disposal are as follows:

- (a) The Property shall be disposed on an as is where is basis, free from encumbrances and with vacant possession, subject to all conditions of title whether expressed or implied, upon the terms and conditions of the SPA;
- (b) Mode of payment of the Disposal Consideration:
  - (i) a deposit of RM13,234,072.50 equivalent to 10% of the Disposal Consideration had been paid upon the execution of the SPA;
  - (ii) the balance RM119,106,652.50 equivalent to 90% of the Disposal Consideration shall be paid within 3 months from the date of the SPA ("**Completion Period**").

In the event the Purchaser is unable to pay/does not pay the balance of the Disposal Consideration within the Completion Period, the vendor shall at the Purchaser's written request (not less than 14 business days prior to the expiry of the Completion Period), grant the Purchaser an extension of time of 30 days from the expiry of the Completion Period to pay the balance of the Disposal Consideration, subject to interest at the rate of 10% per annum on the outstanding balance calculated on a daily basis.

The Proposed Disposal will enable the Trust to realise its investment in the Property at an attractive price. Proceeds from the Proposed Disposal will be used to repay bank borrowings and will enable the Manager to pursue acquisition opportunities to grow the Trust.

### 3. Information on the Property

Address	:	Menara ING, No. 84 Jalan Raja Chulan, 50200 Kuala Lumpur
Property type/use	:	Commercial office building
Age	:	25 years
Encumbrance	:	Nil
Tenure	:	Freehold
Aggregate floor area	:	160,413 sq. ft.
Net lettable area	:	160,413 sq. ft.
Parking space	:	190 car park bays
Date of acquisition#	:	27 March 2007 / 30 July 2010*
Net book value based on latest audited financial statements	:	RM101,500,000 as at 31 December 2013

**Notes:**

# This represents 82.99% of the total share unit entitlement and 100% of the car park bays of Menara ING.

\* On 30 July 2010, the Trust acquired an additional floor of offices with net lettable area of 9,018 sq. ft..

### 4. Effects of the Proposed Disposal

The Proposed Disposal will not have any effect on the issued and paid up unit capital and substantial unitholders' unitholdings of the Trust.

The Proposed Disposal will have a favourable impact on the net gearing of the Trust. Based on the net asset value ("**NAV**") per unit of the Trust as at 30 September 2014 of RM1.7948, the Proposed Disposal is expected to result in an increase in the NAV per unit by approximately 5%.

The Proposed Disposal is expected to result in a total realised gain of approximately RM40.40 million, of which RM15.04 million had been recognised as fair value gains in the prior years. The Proposed Disposal will contribute positively to the earnings of the Trust for the financial year ending 31 December 2015.

### 5. Other information

The Proposed Disposal is not subject to the approval of the unitholders of the Trust and any regulatory authorities.

None of the directors of the Manager, major shareholders of the Manager and major unitholders of the Trust, and persons connected with them are interested in the Proposed Disposal.

The Board of Directors of the Manager is of the opinion that the Proposed Disposal is in the best interest of the Trust.

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the first half of the year 2015.

The SPA is available for inspection at the registered office of the Manager at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 29 December 2014.