

**TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**

The figures have not been audited.	Individual Quarter		Cumulative Quarter	
		Preceding Year		Preceding Year
	Current Year	Corresponding	Current Year	Year
	Quarter Ended 30.09.2007 RM	Quarter Ended 30.09.2006 RM	To Date 30.09.2007 RM	To Date 30.09.2006 RM
<u>INCOME</u>				
Gross revenue	10,437,557	8,087,022	29,435,870	14,369,845
Property operating expenses	(2,242,615)	(2,250,511)	(6,411,551)	(4,145,556)
Net property income	8,194,942	5,836,511	23,024,319	10,224,289
Interest income	103,309	130,199	327,732	385,810
Other income	12,847	60,103	22,250	60,103
	8,311,098	6,026,813	23,374,301	10,670,202
<u>EXPENSES</u>				
Manager's fees	553,429	198,975	1,607,831	352,075
Trustee's fees	24,994	18,970	72,999	34,171
Administrative expenses	37,404	35,650	175,016	118,640
Interest expenses	1,460,104	1,205,937	4,059,812	2,132,545
	2,075,930	1,459,532	5,915,657	2,637,431
INCOME BEFORE TAXATION	6,235,167	4,567,281	17,458,643	8,032,771
Taxation	-	-	-	-
NET INCOME FOR THE PERIOD	6,235,167	4,567,281	17,458,643	8,032,771
INCOME DISTRIBUTION				
- Distributed Income	-	-	(11,220,000)	-
- Provision for income distribution	-	-	-	-
	6,235,167	4,567,281	6,238,643	8,032,771
EARNINGS PER UNIT (SEN) *				
- Basic	2.22	1.92	6.51	3.38
- Diluted	N/A	N/A	N/A	N/A

* Based on the weighted average number of units in issued (Refer to Note B12).

The Condensed Income Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2006 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	As At 30.09.2007 RM	As At 31.12.2006 RM
<u>ASSETS</u>		
Investment properties	467,550,760	390,000,000
Trade receivables	200,062	475,323
Other receivables, deposits and prepayment	1,268,854	9,207,874
Deposits with licensed financial institutions	8,700,000	13,669,216
Cash and bank balances	300,826	418,054
TOTAL ASSETS	478,020,502	413,770,467
<u>LIABILITIES</u>		
Trade payables	476,191	620,804
Other payables and accrued expenses	1,021,899	804,922
Tenant deposits	10,907,273	8,953,484
Provision for income distribution	-	12,692,475
Borrowings	135,500,000	105,500,000
TOTAL LIABILITIES	147,905,364	128,571,685
NET ASSET VALUE	330,115,138	285,198,782
<u>REPRESENTED BY :</u>		
Unitholders' capital	285,344,766	246,667,055
Undistributable income - realised	6,238,699	54
Undistributable income - unrealised (Investment fluctuation reserves)	38,531,673	38,531,673
	330,115,138	285,198,782
NUMBER OF UNITS IN CIRCULATION (UNIT)	280,500,000	280,500,000
NET ASSET VALUE PER UNIT (RM)	1.177	1.017

The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the period ended 31 December 2006 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Unitholders'	-----Distributable-----		Total RM
	Capital RM	Unrealised RM	Realised RM	
<u>Current Year To Date</u>				
At 1 January 2007	246,667,055	38,531,673	54	285,198,782
Operation for the period ended 30 September 2007				
Net income for the period	-	-	17,458,643	17,458,643
	-	-	17,458,643	17,458,643
Unitholders' transaction				
Creation of units	39,130,000	-	-	39,130,000
Establishment and issue expenses	(452,288)	-	-	(452,288)
Distribution to unitholders	-	-	(11,220,000)	(11,220,000)
	38,677,712	-	(11,220,000)	27,457,712
At 30 September 2007	285,344,767	38,531,673	6,238,698	330,115,138
<u>Preceding Year Corresponding Period</u>				
At 21 February 2006	1	-	-	1
Operation for the period ended 30 September 2006				
Net income for the period	-	-	8,032,771	8,032,771
	-	-	8,032,771	8,032,771
Unitholders' transaction				
Creation of units	251,631,179	-	-	251,631,179
Establishment and issue expenses	(4,822,135)	-	-	(4,822,135)
	246,809,044	-	-	246,809,044
At 30 September 2006	246,809,045	-	8,032,771	254,841,816

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the period ended 31 December 2006 and the accompanying explanatory notes attached.

**TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	Current Year To Date 30.09.2007 RM	Preceding Year To Date 30.09.2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before taxation	17,458,643	8,032,771
Adjustments for:		
Interest income	(327,732)	(385,810)
Interest expense	4,059,812	2,132,545
Operating profit before changes in working capital	21,190,723	9,779,506
Trade and other receivables	8,214,281	(677,295)
Trade and other payable	2,026,154	10,755,212
Net cash generated from operating activities	31,431,158	19,857,423
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investment properties	(77,550,760)	(351,354,491)
Interest income	327,732	385,810
Net cash used in investing activities	(77,223,028)	(350,968,681)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,059,812)	(2,132,545)
Proceeds from issue of units	39,130,000	251,631,180
Proceeds from borrowings	30,000,000	105,500,000
Dividend paid to unitholders	(23,912,475)	-
Establishment and issue expenses	(452,288)	(4,822,135)
Net cash generated from financing activities	40,705,425	350,176,500
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,086,444)	19,065,242
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,087,270	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,000,826	19,065,242
Cash and cash equivalents at end of period comprise of:		
Deposits placed with licensed financial institutions	8,700,000	17,704,685
Cash and bank balances	300,826	1,360,557
	9,000,826	19,065,242

The Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the period ended 31 December 2006 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
NOTES TO THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A. Explanatory Notes Pursuant to Financial Reporting Standards ("FRS") 134

A1. Basis of Preparation

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements of Tower Real Estate Investment Trust ("Tower REIT" or "Trust") for the financial period ended 31 December 2006.

A2. Audit Report of Preceding Financial Year

The auditors' report on the preceding financial statements for the period ended 31 December 2006 was not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

The business operations of the Trust are not affected by any seasonal or cyclical factors for the quarter under review.

A4. Unusual Items

There were no unusual items to be disclosed for the quarter under review.

A5. Changes in Estimates

There were no changes in estimates that had a material effect in the quarter results.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter. The outstanding debts are disclosed in Note B8.

A7. Income Distribution

During the quarter under review, Tower REIT had, on 28 August 2007, paid an interim income distribution of 4 sen per unit, totalling RM11,220,000, representing approximately 100% of distributable income after taxation for the six-month period ended 30 June 2007.

A8. Segmental Reporting

Not applicable.

A9. Valuation of Investment Properties

The valuation of the existing properties, namely Menara HLA and HP Towers, had been brought forward without any amendment from the previous audited financial statements.

The newly acquired investment property known as Menara ING had been valued on 15 September 2006 by Ooi & Zaharin Sdn. Bhd. (Knight Frank), an independent professional firm of registered valuers.

TOWER REAL ESTATE INVESTMENT TRUST
NOTES TO THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

A10. Material Events Subsequent to the End of the Quarterly Period

There were no material events subsequent to the end of the quarterly period.

A11. Changes in the Composition of the Trust

There was no change in the composition of the Trust during the current quarter and the fund size stands at 280,500,000 units.

A12. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets to be disclosed.

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B. Additional Information Pursuant to Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

For the current quarter ended 30 September 2007, the Trust recorded gross revenue and income before taxation of RM10.437 million and RM6.235 million respectively, representing an increase of 29% and 36% respectively as compared to preceding year corresponding quarter ended 30 September 2006.

Similarly, the Trust recorded higher gross revenue and income before taxation of RM29.436 million and RM17.459 million respectively for the current year to date as compared to RM14.370 million and RM8.033 million respectively in the preceding year's corresponding period.

The increase in gross revenue and income before taxation was mainly due to the contribution from Menara ING which was acquired on 27 March 2007 as well as higher rental income as a result of the higher rental rates of the other properties of the Trust.

B2. Material Changes in Income Before Taxation for the Quarter as compared with the Immediate Preceding Quarter

There were no material changes in the income before taxation for the quarter under review as compared with the immediate preceding quarter.

B3. Prospects

The Manager, after considering the strength of the real estate portfolio invested and the positive economic outlook, expects the Trust to perform satisfactory in the remaining period of the financial year ending 31 December 2007.

As such, the Manager is of the opinion that the Trust will perform better than its forecasted profit for the financial year ending 31 December 2007 as disclosed in the Circular to Unitholders of the Trust dated 14 February 2007.

B4. Taxation

There was no tax payable as the Trust intends to distribute approximately 100% of the distributable income to unitholders for the financial year ending 31 December 2007.

B5. Sales of Unquoted Investments and/or Properties

There were no sale of unquoted investments or properties during the current quarter.

B6. Quoted Investments

There was no purchase or disposal of quoted investments during the current quarter.

TOWER REAL ESTATE INVESTMENT TRUST
NOTES TO THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

B7. Corporate Developments

There was no corporate proposal announced during the current quarter.

B8. Borrowings and Debt Securities

Particulars of the Trust's borrowings as at 30 September 2007 are as follows:

	RM
Secured:	
- Long term borrowing	105,500,000
- Short term borrowing	30,000,000
	<u>135,500,000</u>

B9. Off Balance Sheet Financial Instruments

There was no off balance sheet financial instruments as at the latest practicable date from the date of issuance of this report except for the interest rate swaps entered into by the Trust with a licensed financial institution to hedge its floating rate borrowing exposure into fixed rate as a pre-emptive move to mitigate the Trust's interest rate risk exposure.

As at 30 September 2007, the Trust had an interest rate swaps with a total notional contracts of RM65,000,000, fixed for 5 years at rates ranging from 3.58% to 3.63% against 3-month KLIBOR.

The net difference between the fixed rate and floating 3-month KLIBOR will be settled between the Trust and the licensed financial institution in every 3 months. This net difference is recognised directly to the income statement over the period of the contracts.

There is a minimal credit and market risk as the interest rate swaps contracts were executed with an established financial institution.

B10. Material Litigation

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

B11. Income Distribution

No income distribution has been proposed or declared for the current quarter ended 30 September 2007. The Trust intends to distribute 100% of the distributable income to its unitholders for the financial year ending 31 December 2007.

Pursuant to Section 61A of the Income Tax Act, 1967, the Trust is exempted from tax provided that it distributes at least 90% of its total income to its unitholders. Withholding tax will be deducted for distributions made to the following categories of unitholders:

- Resident corporate (tax at prevailing rate)
- Resident non-corporate (withholding tax 15%)
- Non-resident individual (withholding tax 15%)
- Non-resident corporate (withholding tax 27%)
- Non-resident institutional (withholding tax 20%)

TOWER REAL ESTATE INVESTMENT TRUST
NOTES TO THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

B12. Earnings Per Unit

	Current Year Quarter Ended 30.09.07 RM	Current Year To Date 30.09.07 RM
Net income for the period	<u>6,235,167</u>	<u>17,458,643</u>
Number of units in issue *	<u>280,500,000</u>	<u>268,214,286</u>
Basic earnings per unit (sen)	<u>2.22</u>	<u>6.51</u>
Diluted earnings per unit (sen)	<u>N/A</u>	<u>N/A</u>

The basic earnings per unit is calculated by dividing the income for the period attributable to unitholders over the weighted average number of units in issue during the period.

* Based on weighted average of the number of units in issue. The total number of units issued had increased from 237,500,000 to 280,500,000 arising from the issuance of 43,000,000 additional new units on 20 March 2007.

By Order of the Board
GLM REIT Management Sdn Bhd
(as the Manager of Tower Real Estate Investment Trust)

LIM YEW YOKE
LEE SOW YEANG
Secretaries

Kuala Lumpur
13 November 2007