

Financial ResultsReference No **TR-100722-34164**

Company Name : **TOWER REAL ESTATE INVESTMENT TRUST**
 Stock Name : **TWRREIT**
 Date Announced : **22/07/2010**
 Financial Year End : **31/12/2010**
 Quarter : **2**
 Quarterly report for the financial period ended : **30/06/2010**
 The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:

[Tower REIT-2nd Qtr Result 30.06.2010.pdf](#)

Remark:

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30/06/2010

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2010 \$\$'000	30/06/2009 \$\$'000	30/06/2010 \$\$'000	30/06/2009 \$\$'000
1Revenue	12,150	12,756	23,186	25,304
2Profit/(loss) before tax	7,316	7,708	14,431	15,426
3Profit/(loss) for the period	7,316	7,708	14,431	15,426
4Profit/(loss) attributable to ordinary equity holders of the parent	7,316	7,708	14,431	15,426
5Basic earnings/(loss) per share (Subunit)	2.61	2.75	5.14	5.50

6Proposed/Declared dividend per share (Subunit)	4.50	5.00	4.50	5.00
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**AS AT END OF CURRENT
QUARTER**

**AS AT PRECEDING FINANCIAL
YEAR END**

7Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1.6210		1.6196
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Remarks :

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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**CONDENSED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

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**TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.06.2010 RM	Preceding Year Corresponding Quarter Ended 30.06.2009 RM	Current Year To Date 30.06.2010 RM	Preceding Year To Date 30.06.2009 RM
INCOME				
Gross revenue	12,150,218	12,756,017	23,186,214	25,303,868
Property operating expenses	(2,980,576)	(2,984,804)	(5,619,961)	(5,717,763)
Net property income	9,169,642	9,771,213	17,566,253	19,586,105
Interest income	9,562	9,339	17,445	18,179
Other income	43,778	23,993	49,450	37,813
	9,222,982	9,804,545	17,633,148	19,642,097
EXPENSES				
Manager's fees	667,306	680,527	1,303,015	1,364,288
Trustee's fees	33,994	34,348	67,578	67,578
Administrative expenses	70,901	142,687	132,695	328,458
Interest expenses	1,177,406	1,238,869	2,234,325	2,455,537
	1,949,607	2,096,431	3,737,613	4,215,861
NET TRUST INCOME	7,273,375	7,708,114	13,895,535	15,426,236
Change in fair value of derivatives financial instrument	43,015	-	535,572	-
INCOME BEFORE TAXATION	7,316,390	7,708,114	14,431,107	15,426,236
Taxation	-	-	-	-
NET INCOME FOR THE PERIOD	7,316,390	7,708,114	14,431,107	15,426,236
Net income for the period is made up as follows:				
- Realised	7,273,375	7,708,114	13,895,535	15,426,236
- Unrealised	43,015	-	535,572	-
	7,316,390	7,708,114	14,431,107	15,426,236
EARNINGS PER UNIT (SEN)				
- Basic	2.61	2.75	5.14	5.50
- Diluted	N/A	N/A	N/A	N/A
DISTRIBUTION PER UNIT (SEN)				
- Interim	4.50	5.00	4.50	5.00
- Final	N/A	N/A	N/A	N/A

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

The figures have not been audited.

	As At 30.06.2010 RM	As At 31.12.2009 RM
ASSETS		
<u>Non-current assets</u>		
Investment properties	596,045,757	596,000,000
<u>Current Assets</u>		
Trade receivables	51,432	144,348
Other receivables, deposits and prepayments	6,453,227	1,979,889
Deposits placed with licensed financial institution	300,000	300,000
Cash and bank balances	365,080	375,370
	7,169,739	2,799,607
TOTAL ASSETS	603,215,496	598,799,607
LIABILITIES		
<u>Non-current liabilities</u>		
Tenants' deposits	11,307,164	5,980,041
Borrowing	105,500,000	105,500,000
	116,807,164	111,480,041
<u>Current liabilities</u>		
Trade payables	366,287	400,440
Other payables and provisions	2,551,110	2,550,054
Derivative financial instrument	885,858	-
Tenants' deposits	3,292,680	7,341,352
Borrowing	12,000,000	8,700,000
Provision for income distribution	12,622,500	14,025,000
	31,718,435	33,016,846
TOTAL LIABILITIES	148,525,599	144,496,887
NET ASSET VALUE	454,689,897	454,302,720
<u>REPRESENTED BY :</u>		
Unitholders' capital	285,344,766	285,344,766
Undistributed income - unrealised	164,470,224	165,356,082
Undistributed income - realised	4,874,907	3,601,872
	454,689,897	454,302,720
NUMBER OF UNITS IN CIRCULATION (UNITS)	280,500,000	280,500,000
NET ASSET VALUE PER UNIT (RM)		
- before income distribution	1.6660	1.6696
- after income distribution	1.6210	1.6196

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE SECOND QUARTER ENDED 30 JUNE 2010

The figures have not been audited.

	Unitholders' capital RM	-----Distributable----- Undistributed Income		Total RM
		Unrealised RM	Realised RM	
<u>Current Year To Date</u>				
At 1 January 2010, as previously stated	285,344,766	165,356,082	3,601,872	454,302,720
- effect of adopting FRS 139	-	(1,421,430)	-	(1,421,430)
At 1 January 2010, as restated	285,344,766	163,934,652	3,601,872	452,881,290
Operations for the period ended 30 June 2010				
Net trust income	-	-	13,895,535	13,895,535
Change in fair value of derivatives financial instrument	-	535,572	-	535,572
	-	535,572	13,895,535	14,431,107
Unitholders' transactions				
Provision for income distribution			(12,622,500)	(12,622,500)
	-	-	(12,622,500)	(12,622,500)
At 30 June 2010	285,344,766	164,470,224	4,874,907	454,689,897
<u>Preceding Year Corresponding Period</u>				
At 1 January 2009	285,344,766	159,586,337	1,596,283	446,527,386
Operations for the period ended 30 June 2009				
Net income for the period	-	-	15,426,236	15,426,236
	-	-	15,426,236	15,426,236
Unitholders' transactions				
Provision for income distribution	-	-	(14,025,000)	(14,025,000)
	-	-	(14,025,000)	(14,025,000)
At 30 June 2009	285,344,766	159,586,337	2,997,519	447,928,622

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached.

**TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

The figures have not been audited.

	Current Year To Date 30.06.2010 RM	Preceding Year To Date 30.06.2009 RM
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Income before taxation	14,431,107	15,426,236
Adjustments for:		
Interest expense	2,234,325	2,455,537
Interest income	(17,445)	(18,179)
Change in fair value of derivatives financial instrument	(535,572)	-
Operating profit before working capital changes	<u>16,112,415</u>	<u>17,863,594</u>
Changes in working capital:		
Trade and other receivables	(4,380,422)	269,591
Trade and other payables	1,245,354	(294,520)
Net cash generated by operating activities	<u>12,977,347</u>	<u>17,838,665</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Upgrade / enhancement of investment properties	(45,757)	(504,636)
Interest income	17,445	18,179
Net cash used in investing activities	<u>(28,312)</u>	<u>(486,457)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Interest paid	(2,234,325)	(2,455,537)
Proceeds from / (repayments to) loan and borrowing	3,300,000	(2,800,000)
Distribution paid to unitholders	(14,025,000)	(12,201,750)
Net cash used in financing activities	<u>(12,959,325)</u>	<u>(17,457,287)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,290)	(105,079)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>375,370</u>	<u>497,189</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>365,080</u>	<u>392,110</u>
Cash and cash equivalents at end of period comprise of:		
Cash and bank balances	365,080	250,000
Deposits placed with licensed financial institution	300,000	142,110
	<u>665,080</u>	<u>392,110</u>
Deposits pledged as security	(300,000)	-
	<u>365,080</u>	<u>392,110</u>

The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached.

A. Explanatory Notes pursuant to Financial Reporting Standards ("FRS") 134**A1. Basis of Preparation**

The quarterly financial report is unaudited and prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.44 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of Tower Real Estate Investment Trust ("Tower REIT" or "Trust") for the year ended 31 December 2009.

Changes in Accounting Policies

Except as described below, 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 REIT for the year ended 31 December 2009.

(1) FRS 101 (revised), Presentation of Financial Statements

With the adoption of FRS 101 (revised), the components of the financial statements presented have changed to consist of statement of comprehensive income, statement of financial position, statement of changes in net asset value and statement of cash flows and notes to the financial statements. Since the changes only affect presentation aspects, there is no impact on the financial position and results of the Trust.

(2) FRS 139, Financial Instruments: Recognition and Measurement

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows:

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Trust becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Trust categorises financial instruments as follows:

Financial assets**(a) Financial assets at fair value through profit or loss**

Fair value through profit or loss category comprises of financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

(b) Loans and receivables

Loans and receivables category comprises of debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises of financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their values with the gain or loss recognised in the profit or loss.

Impact on opening balance

In accordance with the transition provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010:

	Undistributed Income RM'000
At 1 January 2010, as previously stated	168,958
Adjustments arising from adoption of FRS 139:	
- Recognition of derivatives previously not recognised	<u>(1,421)</u>
At 1 January 2010, as restated	<u><u>167,537</u></u>

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

A2. Audit Report of Preceding Financial Year

The Auditors' Report on the preceding financial statements for the year ended 31 December 2009 was not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

The business operations of the Trust were 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 quarterly results.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of equity securities for the current quarter.

A7. Income Distribution

No income distribution was paid during the quarter under review. However, for the six-month period ended 30 June 2010, the Board of GLM REIT Management Sdn Bhd, the Manager of Tower REIT, is declaring an interim income distribution of 4.50 sen per unit, amounting to RM12,622,500 and representing approximately 91% of the distributable net income for the period (realised), payable on 23 August 2010.

A8. Segmental Reporting

The principal activity of the Tower REIT is to invest in properties in Malaysia with the primary objective to derive rental income and medium to long term capital growth. Hence, no segmental reporting is presented.

A9. Valuation of Investment Properties

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

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.

B. Additional Information pursuant to Paragraph 9.44 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

B1. Review of Performance

For the current year to date ended 30 June 2010, the Trust recorded gross revenue and net income (realised) of RM23.186 million and RM13.896 million respectively, representing a decrease of about 8% and 10% respectively as compared to the preceding year's corresponding period. The decreases in gross revenue and net income (realised) were mainly attributed to the drop in average occupancy rate of Menara HLA as a result of two long-term anchor tenants moving out to their own premises.

However, the occupancy rate of Menara HLA had improved to about 90% from May 2010 onwards with new replacement tenancies. With the replenishment of the occupancy in Menara HLA, both the gross revenue and net income (realised) of current quarter ended 30 June 2010 had shown an increase of 10% as compared to the immediate preceding quarter ended 31 March 2010.

B2. Changes in State of Affairs

There were no material changes in the state of affairs of the Trust for the quarter under review.

B3. Changes in Portfolio Composition

As at 30 June 2010, Tower REIT's composition of investment portfolio is as follows:

<u>Real Estate</u>	Fair Value as at 30.06.2010 RM'000	Total Real Estate Portfolio %
Menara HLA	295,046	49
HP Towers	207,000	35
Menara ING	94,000	16
	596,046	100

There were no material changes in the portfolio composition and asset allocations of the Trust for the quarter under review.

B4. Changes in Net Asset Value ("NAV")

The total NAV and NAV per unit after income distribution of the Trust as at 30 June 2010 were RM454.690 million and RM1.6210 respectively. There were no material changes in the total NAV and NAV per unit compared to the immediate preceding quarter.

B5. Changes in Unit Price

On 30 June 2010, Tower REIT unit price closed at RM1.19 per unit, a slight decrease of 0.8% compared to the opening unit price of RM1.20 per unit on 1 April 2010.

B6. Utilisation of Proceeds raised from any Issuance of New Units

There was no issuance of new units during the quarter under review.

B7. Circumstances affecting Interest of the Unitholders

There were no unusual circumstances which had materially affected the interest of the unitholders for the current quarter.

B8. Review of Office Property Market

Despite positive sentiment surrounding the economy, office occupiers remain cautious about expansion amidst a time of significant new supply. Although there are comparatively more active enquiries for space during the last quarters, the pace of demand for office space has yet to match the improved economic environment. During the quarter under review, occupancy remained stable while rental continued to experience downward pressure amidst the substantial incoming supply.

There were no major investment transactions during the quarter under review. With limited prime offices for sale, the yields for office investments remain stable within the range of 6% to 8%.

B9. Prospects

The outlook of the office market is expected to stabilise as the economy continues to recover with the government's initiative to stimulate economy by further liberalising the business environment. However, due to the considerable amount of incoming new supply, occupancy and rental rates are expected to be under pressure.

The Manager will continue to proactively manage the assets under the Trust's portfolio in order to safeguard rental income stream and to strengthen the Trust's financial position.

Barring any unforeseen circumstances, we expect the Trust to deliver sustainable performance for the remaining period of the financial year ending 31 December 2010.

B10. Material Litigation

There was no material litigation as at the date of this report.

B11. Major Maintenance Cost and Capital Expenditure

There were no major maintenance cost or capital expenditure incurred during the quarter under review.

B12. Soft Commission

During the quarter ended 30 June 2010, the Manager did not receive any soft commission (i.e. goods and services) from its brokers or dealers, by virtue of transaction conducted by the Trust.

B13. Revenue Recognition**i) Rental / Car Park Income**

Rental from investment property is recognised in the income statement on a straight-line basis over the term of the lease unless collection is in doubt, in which case, it is recognised on a receipt basis.

Rental/car park income is recognised on an accrual basis except where default in payment of rent has occurred and rent dues remain outstanding for over six months, in which case, recognition of rental/car park income is suspended. Subsequent to suspension, income is recognised on the receipt basis until all arrears have been paid.

ii) Interest Income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

B14. Manager's Fee

Pursuant to the Deed constituting Tower REIT, the Manager's fees consist of a base fee (excluding any goods and services tax payable) of up to 0.75% per annum of the gross asset value and a performance fee (excluding any goods and services tax payable) of up to 4% per annum of the net property income, but before deduction of property management fee. The total base fee and performance fee for the period ended 30 June 2010 of RM677,524 and RM625,491 are 0.10% and 3.35% of the gross asset value and net property income respectively.

B15. Trustee's Fee

Pursuant to the Deed constituting Tower REIT, the Trustee is entitled to receive a fee of 0.03% per annum of the NAV of Tower REIT with a cap of RM200,000. The total Trustee's fee for the period ended 30 June 2010 is RM67,578.

B16. Tax Expense

	Current Year to Date 30.06.2010 RM'000	Preceding Year to Date 30.06.2009 RM'000
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	14,431	15,426
Income tax using Malaysian tax rate of 25% (2009: 25%)	3,608	3,857
Non-deductible expenses	118	195
Effect of fair value adjustment on derivatives which is not taxable	(134)	-
Effect of income exempted from tax	(3,592)	(4,052)
Tax expense	-	-

B17. Units held by Related Parties

As at 30 June 2010, the Manager did not hold any units in Tower REIT. The related parties of the Manager held units in Tower REIT as follows:

	As at 30.06.2010	
	Number of Units '000	Market value RM'000
Direct/Indirect* unitholdings in Tower REIT of the related parties of the Manager:		
HLP Equities Sdn Bhd	56,219	66,901
Hong Leong Assurance Berhad	49,965	59,458
Asia Fountain Investment Company Limited	14,000	16,660
Hong Leong Bank Berhad	13,990	16,648
Hong Leong Investment Bank Berhad	5,981	7,117
Tang Hong Cheong	160 *	190
Lim Chew Yan	20	24
Chan Wan Leong	90	107

The market value is determined by multiplying the number of units with the market price of RM1.19 per unit as at 30 June 2010.

B18. Income Distribution

The Manager of Tower REIT is declaring an interim income distribution of 4.50 sen per unit, amounting to RM12,622,500, representing approximately 91% of the distributable net income (realised) for the six-month period ended 30 June 2010, payable on 23 August 2010 to the unitholders registered in the Record of Depositors on 9 August 2010.

Distribution to unitholders is from the following sources:

	Current Year to Date 30.06.2010 RM'000	Preceding Year to Date 30.06.2009 RM'000
Net property income	17,566	19,586
Interest income	17	18
Other income	49	38
	<u>17,632</u>	<u>19,642</u>
Less: Expenses	<u>(3,737)</u>	<u>(4,216)</u>
	13,895	15,426
Less: Undistributed income	<u>(1,272)</u>	<u>(1,401)</u>
	<u>12,623</u>	<u>14,025</u>
 Total distribution comprises of:		
- Interim income distribution	12,623	14,025
- Final income distribution	-	-
	<u>12,623</u>	<u>14,025</u>
 Distribution per unit		
- Interim (sen)	4.50	5.00
- Final (sen)	-	-
	<u>4.50</u>	<u>5.00</u>

Pursuant to the amended Section 109D of the Income Tax Act, 1967, the following withholding tax rates (effective 1 January 2009) will be deducted for distributions made to the following categories of unitholders:

- Resident corporate (no withholding tax, to tax at prevailing rate)
- Non-resident corporate (withholding tax 25%)
- Resident non-corporate (withholding tax 10%)
- Non-resident institutional (withholding tax 10%)
- Non-resident individual (withholding tax 10%)

B19. Derivative Financial Instrument

The Trust had entered into Interest Rate Swaps (“IRS”) with a licensed financial institution to swap its floating rate into fixed rate as a pre-emptive move to mitigate the Trust’s interest rate exposure. As at 30 June 2010, the Trust had entered into IRS with total notional contracts of RM85 million, fixed for contractual periods expiring in years 2011 and 2012, at rates ranging from 3.58% to 3.66% against 3-month KLIBOR.

	Contract/ Notional Value as at 30.06.2010 RM'000	Fair Value Assets / (Liabilities) as at 30.06.2010 RM'000
Interest rate swaps		
- 1 year to 3 years	85,000	(886)
	<u>85,000</u>	<u>(886)</u>

Hedged accounting is not applied and the changes in fair value of IRS are recognised in the profit or loss. For the six-month period ended 30 June 2010, the Trust had recognised a gain of RM535,572 arising from the changes in fair value of the IRS as derived below:

	Fair Value as at 30.06.2010 RM'000	Fair Value as at 01.01.2010 RM'000	Gain/(Loss) RM'000
Interest rate swaps	(886)	(1,421)	535
	<u>(886)</u>	<u>(1,421)</u>	<u>535</u>

The fair value of the interest rate swaps is derived from the yield curves obtained from broker quotes in the market. The valuations are tested for reasonableness by discounting estimated future cash flows of the swap based on the terms and maturity of each contract using discount factors obtained from the prevailing interest rate swap yield curves in the market on the valuation date.

There were no changes in the credit risk, market risk and liquidity risk associated with the above derivatives since the last financial year ended 31 December 2009.

B20. Statement by the Directors of the Managers

In the opinion of the Directors of the Manager, the quarterly financial report gives a true and fair view of the financial position of Tower REIT as at 30 June 2010 and of its financial performance and cash flows for the period ended 30 June 2010.

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
22 July 2010