

TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT")**PROPOSED ACQUISITION OF JUNIOR BONDS, CALL OPTION AND INTERESTS IN PROPERTY**

1. Introduction

GLM REIT Management Sdn Bhd ("GLM REIT" or "Manager"), the manager of Tower Real Estate Investment Trust ("Tower REIT") wishes to announce that Injaz Mena Investment Company PSC ("Injaz Mena"), AsiaEquity Partners Inc ("AsiaEquity Partners") and Injaz AsiaEquity Property Berhad ("Injaz AsiaEquity") have on 23 September 2008 accepted an offer ("Offer") from AmTrustee Berhad ("AmTrustee"), acting as trustee for Tower REIT, in relation to the proposed acquisition by Tower REIT of the following:-

(a) Acquisition of Junior Bonds

An aggregate of RM78 million nominal value bonds ("Junior Bonds") issued by Injaz AsiaEquity under an asset securitisation exercise for a total purchase consideration of RM157.5 million. A sum of RM27.75 million shall be paid as refundable deposit with a stakeholder within three (3) business days from the date of acceptance of the Offer;

(b) Acquisition of rights for the to purchase the Property including Refurbishment and Upgrading Works (as defined below) via:-

- (i) the acquisition of the Call Option for a consideration of RM1.00; and
- (ii) the direct purchase of the Property (including Refurbishment and Upgrading Works) from Injaz AsiaEquity, for a consideration of RM120 million, which is conditional upon the acquisition of Junior Bonds as per (a) above and Call Option as per (b)(i) above.

(collectively referred to as "Proposed Acquisitions")

2. Description of the Property and Refurbishment and Upgrading Works

(a) The Property

The property comprises all that piece of freehold land measuring approximately 6,804 square meters and held under Geran No. 12372, No. Lot 1215 Seksyen 57, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan together with a twenty-two (22) storey commercial building with three and half (3½) storey annexed podium block together with six (6) split level car park decks ("Property"). The Property currently operates as an office complex known as Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur with a current total net lettable area of the building of approximately 297,511 square feet and with 649 car park bays located in the car park decks.

(b) Refurbishment and Upgrading Works

The Property is currently undergoing refurbishment and upgrading works ("Refurbishment and Upgrading Works") and upon completion of the Refurbishment and Upgrading Works, the Property will have additional lettable area of about 70,000 sq ft. Injaz AsiaEquity has agreed to allocate the proceeds from the Junior Bonds of RM29 million to be utilized to finance the cost of the Refurbishment and Upgrading Works.

3. Conditions of the Proposed Acquisitions

The Offer is subject to the compliance and fulfillment of all the conditions precedent agreed by the parties under the Offer within a period of thirty (30) days from the date of acceptance of the Offer (the "Initial Conditions Period") or such other date as the parties may mutually agree in writing PROVIDED THAT the parties shall automatically extend the Initial Conditions Period for a further period of thirty (30) days in the event certain conditions precedent stated therein the Offer are still pending and/or unfulfilled on the expiry of the Initial Conditions Period. The conditions precedent include, inter alia, (a) the approval of the Securities Commission for transfer of the Junior Bonds, (b) waiver by Kenanga Management & Services Sdn Bhd or its holding company, K & N Kenanga Holdings Berhad of the right of first refusal over the Property, (c) satisfactory due diligence, (d) compliance with the relevant Junior Bonds selling restrictions, (e) compliance with terms of the Call Option agreement, (f) compliance with the Property selling restrictions, (g) such other approvals and consents necessary or required and (h) execution of the relevant acquisition documents in relation to the Proposed Acquisitions (the "Acquisition Documents").

4. Further information

A detailed announcement will be made upon execution of the relevant Acquisition Documents in relation to the Proposed Acquisitions.

This announcement is dated 24 September 2008

4