

## General Announcement

Reference No **TR-080131-66153**

Company Name : **TOWER REAL ESTATE INVESTMENT TRUST**  
Stock Name : **TWRREIT**  
Date Announced : **31/01/2008**

Type : **Announcement**  
Subject : **TOWER REAL ESTATE INVESTMENT TRUST ("TOWER REIT")**  
**- Variance of unaudited results for the year ended 31 December 2007 compared to forecast results in the Circular to Unitholders of Tower REIT dated 14 February 2007 in relation to the acquisition of Menara ING (the "Circular")**

### Contents :

GLM REIT Management Sdn Bhd, the Manager of Tower REIT, announces that the unaudited net income for the year ended 31 December 2007 of RM106.2 million has exceeded the forecast results of RM19.3 million as disclosed in the Circular, by 449%.

The positive variance of RM86.9 million was mainly attributed to the surplus of RM82.4 million arising from the revaluation of the three (3) investment properties of Tower REIT, namely Menara HLA, HP Towers and Menara ING, in line with the fair value model stipulated in the Financial Reporting Standards 140 (Investment Property).

Excluding the surplus from fair value adjustment of investment properties of RM82.4 million, the net income for the year of RM23.8 million exceeded the forecast results of RM19.3 million as disclosed in the Circular, by 23%. This variance was mainly due to the following:-

- (i) Total revenue increased by RM1.1 million due to the higher than expected property revenue resulting from the higher occupancy and rental rates of Menara HLA and HP Towers;
- (ii) Property operating expenses were lower than the forecast by RM1.9 million as a result of efficient cost controls and higher recoverable costs from the tenants; and
- (iii) Borrowing cost was lower than forecast by RM1.2 million due to the lower than expected borrowing interest rate.

Please refer to the attached income statement for comparison of the unaudited results against the forecast, showing the variances.



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This announcement is dated 31 January 2008.