

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2025

TOWER REAL ESTATE INVESTMENT TRUST

Financial Year End	30 Jun 2025
Quarter	4 Qtr
Quarterly report for the financial period ended	30 Jun 2025
The figures	have not been audited

Attachments



[Tower REIT Q4 Results.pdf](#)
672.4 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2025

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
		MYR'000	MYR'000	MYR'000	MYR'000
1	Revenue	9,728	9,703	38,912	37,036
2	Profit/(loss) before tax	954	1,622	7,195	3,319
3	Profit/(loss) for the period	962	4,034	7,203	5,731
4	Profit/(loss) attributable to ordinary equity holders of the parent	962	4,034	7,203	5,731
5	Basic earnings/(loss) per share (Subunit)	0.20	1.35	1.47	1.92
6	Proposed/Declared dividend per share (Subunit)	0.40	0.77	1.22	1.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent	1.1601		1.1614	

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



Announcement Info

Company Name	TOWER REAL ESTATE INVESTMENT TRUST
Stock Name	TWRREIT
Date Announced	25 Jul 2025
Category	Financial Results
Reference Number	FRA-24072025-00012

CONDENSED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

<u>Contents</u>	<u>Page</u>
Condensed Statement of Comprehensive Income	1
Condensed Statement of Financial Position	2
Condensed Statement of Changes In Net Asset Value	3
Condensed Statement of Cash Flow	4
Notes to the Financial Statements	5 - 12

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TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter Ended	Corresponding	To Date	To Date
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
<u>Income</u>				
Gross revenue	9,728	9,703	38,912	37,036
Property operating expenses	(4,652)	(3,707)	(17,251)	(16,960)
Net property income	5,076	5,996	21,661	20,076
Interest income	398	89	991	136
Other income	546	223	932	325
	6,020	6,308	23,584	20,537
<u>Expenses</u>				
Manager's fees	(601)	(632)	(2,418)	(2,345)
Trustee's fee	(43)	(39)	(171)	(152)
Administrative expenses	(509)	(948)	(1,251)	(1,469)
Interest expense	(3,830)	(3,189)	(12,466)	(13,374)
	(4,983)	(4,808)	(16,306)	(17,340)
Net Trust Income	1,037	1,500	7,278	3,197
Change in fair value of investment properties	(83)	122	(83)	122
Income before tax	954	1,622	7,195	3,319
Taxation	8	2,412	8	2,412
Income after tax	962	4,034	7,203	5,731
Other comprehensive income	-	-	-	-
Total comprehensive income for the period/year	962	4,034	7,203	5,731
Total comprehensive income for the period/year is made up as follows:				
- Realised	1,037	1,500	7,278	3,197
- Unrealised	(75)	2,534	(75)	2,534
	962	4,034	7,203	5,731
BASIC EARNINGS PER UNIT (SEN)				
- Realised	0.21	0.50	1.48	1.07
- Unrealised	(0.01)	0.85	(0.01)	0.85
	0.20	1.35	1.47	1.92

The Condensed Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached.

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TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

The figures have not been audited.

	Unaudited As At 30.06.2025 RM'000	Audited As At 30.06.2024 RM'000
ASSETS		
<u>Non-current assets</u>		
Plant and equipment	4,020	4,925
Investment properties	806,000	802,000
	810,020	806,925
<u>Current Assets</u>		
Trade receivables	330	459
Other receivables, deposits and prepayments	3,411	3,388
Cash and bank balances	26,843	26,846
	30,584	30,693
TOTAL ASSETS	840,604	837,618
LIABILITIES		
<u>Non-current liabilities</u>		
Tenants' deposits	8,437	8,105
Borrowings	232,531	232,312
Deferred tax liability	17,283	17,291
	258,251	257,708
<u>Current liabilities</u>		
Trade payables	113	61
Other payables and provisions	7,409	5,049
Tenants' deposits	5,353	4,720
	12,875	9,830
TOTAL LIABILITIES	271,126	267,538
NET ASSET VALUE	569,478	570,080
<u>REPRESENTED BY :</u>		
Unitholders' capital	350,025	350,025
Undistributed income - unrealised	158,090	158,165
Undistributed income - realised	61,363	61,890
	569,478	570,080
NUMBER OF UNITS IN CIRCULATION (UNITS)	490,875,000	490,875,000
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.1601	1.1614
- After income distribution	1.1561	1.1537

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached.

The figures have not been audited.

	Undistributed Income			
	Unitholders' Capital	Non-distributable Unrealised	Distributable Realised	Total
	RM'000	RM'000	RM'000	RM'000
<u>Current Year To Date</u>				
At 1 July 2024	350,025	158,165	61,890	570,080
Operations for the year ended 30 June 2025				
Net income for the year	-	(75)	7,278	7,203
Total comprehensive income for the year	-	(75)	7,278	7,203
Unitholders' transactions				
Distribution to unitholders				
- 2024 final (paid on 30 August 2024)	-	-	(3,780)	(3,780)
- 2025 interim (paid on 28 February 2025)	-	-	(4,025)	(4,025)
	-	-	(7,805)	(7,805)
At 30 June 2025	350,025	158,090	61,363	569,478
<u>Preceding Year To Date</u>				
At 1 July 2023	285,345	155,631	60,095	501,071
Operations for the year ended 30 June 2024				
Net income for the year	-	2,534	3,197	5,731
Total comprehensive income for the year	-	2,534	3,197	5,731
Unitholders' transactions				
Issuance of Rights Units	65,216	-	-	65,216
Establishment and issuance expenses	(536)	-	-	(536)
Distribution to unitholders				
- 2023 final (paid on 30 August 2023)	-	-	(757)	(757)
- 2024 interim (paid on 28 February 2024)	-	-	(645)	(645)
	64,680	-	(1,402)	63,278
At 30 June 2024	350,025	158,165	61,890	570,080

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached.

TOWER REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

The figures have not been audited.

	Current Year To Date 30.06.2025 RM'000	Preceding Year To Date 30.06.2024 RM'000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Income before tax	7,195	3,319
Adjustments for:		
Depreciation	820	819
Interest expense	12,466	13,374
Interest income	(991)	(136)
Change in present value of tenants' deposits	(496)	-
Change in fair value of investment properties	83	(122)
Net loss on impairment of trade receivables	481	150
Operating profit before working capital changes	19,558	17,404
Changes in working capital:		
Trade and other receivables	(375)	174
Trade and other payables	2,762	(657)
Net cash generated from operating activities	21,945	16,921
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of plant and equipment	(3,998)	(2,459)
Interest income	991	136
Net cash used in investing activities	(3,007)	(2,323)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Interest paid	(11,136)	(13,154)
Proceeds from issuance of Right Units	-	65,216
Establishment and issuance expenses	-	(536)
Repayment of revolving credit facility	-	(11,000)
Repayment of term loan	-	(28,200)
Distribution paid to unitholders	(7,805)	(1,402)
Net cash (used in)/from financing activities	(18,941)	10,924
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3)	25,522
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	26,846	1,324
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	26,843	26,846
Cash and cash equivalents comprise:		
Short term deposits	26,090	26,300
Cash and bank balances	753	546
	26,843	26,846

The Condensed Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached.

A. Explanatory Notes pursuant to the Malaysian Financial Reporting Standard ("MFRS") 134

A1. Basis of preparation

The quarterly financial report is unaudited and prepared in accordance with MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. It does not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of Tower Real Estate Investment Trust ("Tower REIT" or "Trust") for the financial year ended 30 June 2024.

Changes in Accounting Policies

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those adopted in the preparation of the audited financial statements of Tower REIT for the financial year ended 30 June 2024. The initial application of the accounting standards, amendments or interpretations do not have any material financial impact to the current year and prior year's financial statements of Tower REIT.

A2. Audit Report of Preceding Financial Year

The Auditors' Report of the preceding financial year ended 30 June 2024 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 of Amounts Reported in Prior Interim Periods of the Current Financial year or in Prior Financial years

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or prior financial years that have had a material impact in the current financial year.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and the financial year to-date.

A7. Income Distribution Paid During the Current Quarter

No income distribution was paid during the quarter ended 30 June 2025.

A8. Segmental Reporting

No operating segment information has been prepared as the Trust has only one reportable segment and its assets are located in Malaysia.

A9. Valuation of Investment Properties

During the quarter under review, a revaluation exercise was undertaken for the three properties pursuant to Clause 10.02 of the Securities Commission's Listed REIT Guidelines. The revaluation exercise resulted in an aggregate decrease in fair value of RM0.08 million. The fair value loss has been incorporated into the financial statements in the Trust for the financial year ended 30 June 2025 as an unrealised loss.

A10. Borrowing and Debt Securities

Particulars of the Trust's borrowings as at 30 June 2025 are as follows:

	RM'000
Secured	232,531
Unsecured	-
	<u>232,531</u>

The above borrowing is denominated in Ringgit Malaysia.

A11. Material Events

There were no material events subsequent to the current period under review up to the date of this quarterly report that required disclosure.

A12. Changes in the Composition of the Trust

There was no change in the composition of the Trust during the current quarter, and the fund comprised 490,875,000 units.

A13. 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

Performance of the Fourth Quarter/Full Financial Year

The current quarter ended 30 June 2025 recorded gross revenue of RM9.7 million, unchanged compared to the corresponding quarter of the previous financial year. Property operating costs increased by 25% to RM4.7 million, mainly due to an assessment tax rebate in the previous year corresponding quarter. Interest expense rose by 20% to RM3.8 million, primarily due to fees incurred on borrowings. Consequently, the net trust income declined by RM0.5 million.

For the full financial year, the Trust recorded gross revenue of RM38.9 million and net trust income of RM7.3 million, which represented an increase of 5% and 128% respectively as compared to the preceding financial year. The improvement resulted from higher rental income from Menara HLX and Plaza Zurich, higher interest income and reduced interest costs.

B2. Material Change in Income before Tax for the Fourth Quarter Compared with Immediate Preceding Quarter

Net trust income for the Fourth Quarter of RM1.0 million was lower as compared to net trust income of RM1.9 million in the immediate preceding quarter. This was mainly due to fees incurred on borrowings.

B3. Changes in State of Affairs

There were no material changes in the state of affairs of the Trust for the Fourth Quarter.

B4. Changes in Portfolio Composition

As at 30 June 2025, Tower REIT's composition of investment portfolio was as follows:

Real Estate	RM'000	% of Total Real Estate Portfolio
Menara HLX	328,000	41
Plaza Zurich	227,000	28
Menara Guoco	251,000	31
	<u>806,000</u>	<u>100</u>

B5. Changes in Net Asset Value

	As at 30.06.2025 RM'000	As at 31.03.2025 RM'000
Net asset value ('NAV')	569,478	568,516
NAV per unit (RM)	1.1601	1.1582

NAV per unit as at 30 June 2025 was comparable with the immediate preceding quarter.

B6. Changes in Unit Price

Tower REIT's unit price was last traded at RM0.29 per unit on 30 June 2025 (RM0.295 as at 31 March 2025).

B7. Utilisation of Proceeds Raised from any Issuance of New Units

Tower REIT received total proceeds of RM65.2 million from the Rights Issue exercise. As at 30 June 2025, the proceeds were utilised as follows:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for Utilisation
Refurbishment of existing properties	23,865	3,933	Within 18 to 24 months
Repayment of bank borrowings	40,000	40,000	Within 12 months
Expenses in relation to the Corporate Exercises	1,351	1,197	Within 1 month
Total	65,216	45,130	

The balance of the rights proceeds of RM20.1 million is placed in fixed deposit with a commercial bank pending their utilisation.

B8. Circumstances Affecting Interest of the Unitholders

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

B9. Prospects

In spite of the persistent challenges seen in Klang Valley office market, there are positive signs that economic activities have started to pick up with more leasing enquiries. The Manager has achieved improved financial performances across Tower REIT portfolio through sustainable improvement in rental and occupancy rates, maintaining competitive pricing that aligns with market rates, implementing enhanced ESG initiatives and offering various leasing options from bare to fitted units and thereby leading to an improved leasing pipeline. The foregoing together with the drive towards sustained operational efficiencies and effective cost management, will remain the strategic imperatives for Tower REIT going forward.

B10. Material Litigation

The Inland Revenue Board ("IRB") had on 7 December 2021, appealed to the Court of Appeal against the decision of the High Court, which was in favour of Tower REIT on the assessment of real property gains tax ("RPGT") of RM2.4 million in relation to the disposal of Menara ING in year 2014. The IRB has subsequently on 5 March 2024 withdrawn the appeal against the decision of the High Court. On 23 April 2024, the IRB issued a notice on tax refund amounting to RM2.4 million which had been recognised as a tax recoverable in preceding financial year. The refund is currently pending receipt from IRB.

B11. Soft Commission

During the quarter ended 30 June 2025, 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.

B12. Revenue Recognition

i) Gross Revenue

For the quarter ended 30 June 2025, gross revenue composition of rental income and non-rental income are as follows:

	RM'000
Rental income	5,868
Service charge	2,711
Car park and other income	1,149
Gross Revenue	<u>9,728</u>

ii) Rental income and service charge

Rental income and service charge from investment property are recognised over the term of the lease unless their collectability are in doubt, in which case, are recognised on a receipt basis.

iii) Car park income

Car park income is recognised upon services being rendered.

iv) Other income

Other income consists of income from signage rental, compensation charges and other associated income. Other income is recognised when services are rendered.

v) Interest income

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

B13. Manager's Fees

Pursuant to the Deed constituting Tower REIT, the Manager's fees (excluding taxes) shall consist of:-

- (1) a base fee of up to 0.75% per annum of the gross asset value;
- (2) a performance fee of up to 4.00% per annum of the net property income, but before deduction of property management fees payable;
- (3) an acquisition fee of 1.00% of the acquisition price of any assets acquired; and
- (4) a divestment fee of 0.50% of the sale price of any asset sold or divested.

The total base fee and performance fee for the period ended 30 June 2025 of RM1,640,317 and RM777,854 respectively were 0.20% and 3.35% of the gross asset value and net property income respectively.

B14. Trustee's Fee

Pursuant to the Deed constituting Tower REIT, the Trustee is entitled to receive a fee of up to 0.03% per annum of the audited net asset value of Tower REIT with a cap of RM200,000. The total Trustee's fee for the period ended 30 June 2025 is RM170,967.

B15. Taxation

	3 months ended		Year-to-date	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Current tax recovery				
- RPGT refundable	-	(2,424)	-	(2,424)
Deferred tax (income)/expense				
- Current year	(8)	12	(8)	12
	<u>(8)</u>	<u>12</u>	<u>(8)</u>	<u>12</u>
Total taxation	<u>(8)</u>	<u>(2,412)</u>	<u>(8)</u>	<u>(2,412)</u>
Reconciliation of tax expense				
Income before tax	954	1,623	7,195	3,319
Income tax using Malaysian tax rate of 24%	<u>229</u>	<u>390</u>	<u>1,727</u>	<u>797</u>
Difference in tax rate arising from loss/(gain) investment properties	12	(17)	12	(17)
Non-deductible expenses	352	279	545	573
Effect of income exempted from tax	(601)	(640)	(2,292)	(1,341)
RPGT refundable	-	(2,424)	-	(2,424)
Total income tax expense	<u>(8)</u>	<u>(2,412)</u>	<u>(8)</u>	<u>(2,412)</u>

Under Section 61A of the Income Tax Act 1967, the undistributed income of a REIT is exempted from income tax provided that the REIT distributes 90% or more of its total income for the year. If the REIT is unable to meet the 90% distribution criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As Tower REIT intends to distribute at least 90% of its total income for the year to its unitholders, no provision for tax has been made in the current quarter.

B16. Income Distribution

The Manager of Tower REIT has declared a final income distribution of 0.40 sen per unit, amounting to RM1,963,500 (0.77 sen per unit, amounting to RM3,779,738 in the previous year corresponding period), representing approximately 95.3% of the realised distributable income for the year ended 30 June 2025, payable on 28 August 2025 to the unitholders registered in the Record of Depositors on 12 August 2025.

The income distribution to the unitholders ended 30 June 2025 is derived from the following sources: -

The figures have not been audited.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.06.2025 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2024 RM'000	Current Year To Date 30.06.2025 RM'000	Preceding Year To Date 30.06.2024 RM'000
Rental income	9,728	9,703	38,912	37,036
Interest income	398	89	991	136
Other income	546	223	932	325
	<u>10,672</u>	<u>10,015</u>	<u>40,835</u>	<u>37,497</u>
Less:				
Expenses	(9,635)	(8,515)	(33,557)	(34,300)
Taxation	-	-	-	-
Realised income for the period/year	<u>1,037</u>	<u>1,500</u>	<u>7,278</u>	<u>3,197</u>
Previous quarter/year undistributed realised income	<u>60,326</u>	<u>60,390</u>	<u>58,110</u>	<u>59,338</u>
Total realised income available for distribution	<u>61,363</u>	<u>61,890</u>	<u>65,388</u>	<u>62,535</u>
Less: Proposed/declared income distribution	<u>(1,964)</u>	<u>(3,780)</u>	<u>(5,989)</u>	<u>(4,425)</u>
Balance undistributed realised income	<u><u>59,399</u></u>	<u><u>58,110</u></u>	<u><u>59,399</u></u>	<u><u>58,110</u></u>
Distribution per unit (sen)	0.40	0.77	1.22	1.00

B17. Units held by Related Parties

As at 30 June 2025, the Manager did not hold any unit in Tower REIT. The related parties of the Manager held units in Tower REIT as follows:

	Number of units '000	Market Value ** RM'000
Direct unitholdings in Tower REIT of the related parties of the Manager:		
GLM Equities Sdn Bhd	163,548	47,429
Hong Leong Assurance Berhad	101,974	29,572
Asia Fountain Investment Company Limited	24,500	7,105
Associated Land Sendirian Berhad	41,466	12,025
Hong Leong Investment Bank Berhad	10,302	2,988

** The market value is determined by multiplying the number of units with the market price as at 30 June 2025 of RM0.29 per unit.

B18. Statement by the Directors of the Manager

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 2025 and of its financial performance and cash flows for the period ended 30 June 2025.

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

CHIN MIN YANN
Secretary

Kuala Lumpur
25 July 2025