Quarterly rpt on consolidated results for the financial period ended 31 Mar 2025

TOWER REAL ESTATE INVESTMENT TRUST

Financial Year End	30 Jun 2025
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2025
The figures	have not been audited

Attachments

POF	Tower REIT Q3 Results.pdf
	899.8 kB

Default Currency	Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2025

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
		MYR'000	MYR'000	MYR'000	MYR'000
1	Revenue	9,100	9,196	29,184	27,333
2	Profit/(loss) before tax	1,920	997	6,241	1,697
3	Profit/(loss) for the period	1,920	997	6,241	1,697
4	Profit/(loss) attributable to ordinary equity holders of the parent	1,920	997	6,241	1,697
5	Basic earnings/(loss) per share (Subunit)	0.39	0.36	1.27	0.60
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.82	0.23
		AS AT END OF CURRENT QUARTER			EDING FINANCIAL EAR END
7	Net assets per share attributable to ordinary equity holders of the parent		1.1582		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	28 Apr 2025
Category	Financial Results
Reference Number	FRA-25042025-00010



CONDENSED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2025

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TOWER REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THIRD QUARTER ENDED 31 MARCH 2025

The figures have not been audited.

The figures have not been audited.	Individu	al Quarter Preceding Year	Cumulative	Quarter Preceding
	Current Year Quarter Ended 31.03.2025 RM'000	Corresponding Quarter Ended 31.03.2024 RM'000	Current Period To Date 31.03.2025 RM'000	Period To Date 31.03.2024 RM'000
Income				
Gross revenue	9,100	9,196	29,184	27,333
Property operating expenses	(4,157)	(4,065)	(12,599)	(13,253)
Net property income	4,943	5,131	16,585	14,080
Interest income	88	15	593	47
Other income	354	70	386	102
	5,385	5,216	17,564	14,229
Expenses				
Manager's fees	(589)	(580)	(1,817)	(1,713)
Trustee's fee	(42)	(37)	(128)	(113)
Administrative expenses	(16)	(272)	(742)	(521)
Interest expense	(2,818)	(3,330)	(8,636)	(10,185)
	(3,465)	(4,219)	(11,323)	(12,532)
Net Trust Income Change in fair value of investment properties	1,920	997	6,241	1,697
Income before tax Taxation	1,920	997	6,241	1,697
Income after tax Other comprehensive income	1,920	997	6,241	1,697
Total comprehensive income for the period	1,920	997	6,241	1,697
Total comprehensive income for the period is made up as follows:				
- Realised	1,920	997	6,241	1,697
- Unrealised	-	-	-	-
	1,920	997	6,241	1,697
BASIC EARNINGS PER UNIT (SEN)				
- Realised	0.39	0.36	1.27	0.60
- Unrealised			-	-
	0.39	0.36	1.27	0.60

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.

TOWERREIT TOWER REAL ESTATE INVESTMENT TRUST CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

The figures have not been audited.

	Unaudited	Audited
	As At 31.03.2025	As At 30.06.2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	8,178	4,925
Investment properties	802,000	802,000
	810,178	806,925
<u>Current Assets</u>		
Trade receivables	883	459
Other receivables, deposits and prepayments	4,270	3,388
Cash and bank balances	24,532	26,846
	29,685	30,693
TOTAL ASSETS	839,863	837,618
LIABILITIES		
Non-current liabilities		
Tenants' deposits	8,030	8,105
Borrowings	168,076	232,312
Deferred tax liability	17,291	17,291
	193,397	257,708
Current liabilities		1
Trade payables	438	61
Other payables and provisions	7,065	5,049
Tenants' deposits	6,047	4,720
Borrowings	64,400	-
	77,950	9,830
TOTAL LIABILITIES	271,347	267,538
NET ASSET VALUE	568,516	570,080
<u>REPRESENTED BY</u> :		
Unitholders' capital	350,025	350,025
Undistributed income - unrealised	158,165	158,165
Undistributed income - realised	60,326	61,890
	568,516	570,080
NUMBER OF UNITS IN CIRCULATION (UNITS)	490,875,000	490,875,000
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.1582	1.1614
- After income distribution	1.1582	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.

TOWER REAL ESTATE INVESTMENT TRUST CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE THIRD QUARTER ENDED 31 MARCH 2025

The figures have not been audited.

0		Undistribute	d Income	
	Unitholders' Capital RM'000	Non-distributable Unrealised RM'000	Distributable Realised RM'000	Total RM'000
Current Period To Date				
At 1 July 2024	350,025	158,165	61,890	570,080
Operations for the period ended 31 March 2025				
Net income for the period	-	-	6,241	6,241
Total comprehensive income for the period	-	-	6,241	6,241
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 31 March 2025	350,025	158,165	60,326	568,516
Preceding Period To Date				
At 1 July 2023	285,345	155,631	60,095	501,071
Operations for the period ended 31 March 2024				
Net income for the period	-	-	1,697	1,697
Total comprehensive income for the period		-	1,697	1,697
Unitholders' transactions				
Distribution to unitholders				
- 2023 final (paid on 30 August 2023)	-	-	(757)	(757)
- 2024 interim (paid on 28 February 2024)		-	(645)	(645)
	-	-	(1,402)	(1,402)
At 31 March 2024	285,345	155,631	60,390	501,366

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 THIRD QUARTER ENDED 31 MARCH 2025

The figures have not been audited.

The lightes have not been addited.		D U
	Current	Preceding
	Period	Period
	To Date	To Date
	31.03.2025	31.03.2024
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		1 (07
Income before tax	6,241	1,697
Adjustments for:		
Depreciation	614	615
Interest expense	8,636	10,185
Interest income	(593)	(47)
Net loss on impairment of trade receivables	129	-
Operating profit before working capital changes	15,027	12,450
Changes in working capital:		
Trade and other receivables	(1,435)	(1,659)
Trade and other payables	3,645	1,584
Net cash generated from operating activities	17,237	12,375
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(3,867)	(2,472)
Interest income	593	47
Net cash used in investing activities	(3,274)	(2,425)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(8,472)	(10,020)
Proceeds from borrowings	-	3,400
Repayment of borrowings	-	(2,600)
Distribution paid to unitholders	(7,805)	(1,402)
Net cash used in financing activities	(16,277)	(10,622)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,314)	(672)
CASH AND CASH EQUIVALENTS AT BEGINNING OF	(=,0 1 1)	(0,-)
THE FINANCIAL PERIOD	26,846	1,324
CASH AND CASH EQUIVALENTS AT END OF THE	24,532	652
FINANCIAL PERIOD	21,552	032
Cash and cash equivalents comprise:		
Short term deposits	23,751	-
Cash and bank balances	781	652
	24,532	652
	7	

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 Cyclicality 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

The Trust had, on 28 February 2025 paid an interim income distribution of 0.82 sen per unit, amounting to RM4,025,175 for the financial period ending 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

The valuation of Menara HLX, Plaza Zurich and Menara Guoco had been brought forward without any amendments from the previous audited financial statements.

A10. Borrowing and Debt Securities

Particulars of the Trust's borrowings as at 31 March 2025 are as follows:

	RM'000
Secured	232,476
Unsecured	-
	232,476

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 Third Quarter/Nine-Month Financial Period

Gross revenue for the quarter ended 31 March 2025 ("Third Quarter") was stable at RM9.1 million despite the partial release of lettable areas. Property operating costs were higher by 2.3% mainly due to lower assessment rebates received for Plaza Zurich. Interest expenses fell by 15.4%. Other Income in the quarter was boosted by the receipt of compensation from a departing tenant. Accordingly, net trust income before change in fair value of investment properties and tax improved by RM0.9 million as compared to the corresponding quarter of the preceding year.

For the nine-month financial period, gross revenue and net trust income improved by RM1.9 million (6.8%) and RM4.5 million (267.8%) respectively as compared to the corresponding period of the preceding year. The improvement in the results was due to the gains from higher rental and interest income, reduced property operating expenses and lower interest costs.

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

Net trust income for the Third Quarter of RM1.9 million was slightly lower as compared to net trust income of RM2.3 million in the immediate preceding quarter. This was mainly due to partial release of lettable areas.

B3. Changes in State of Affairs

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

B4. Changes in Portfolio Composition

As at 31 March 2025, Tower REIT's composition of investment portfolio was as follows:

Real Estate	RM'000	% of Total Real Estate Portfolio
Menara HLX	327,600	41
Plaza Zurich	225,000	28
Menara Guoco	249,400	31
	802,000	100

TOWER REAL ESTATE INVESTMENT TRUST NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE THIRD QUARTER ENDED 31 MARCH 2025

B5. Changes in Net Asset Value

	As at	As at	
	31.03.2025	31.12.2024	
	RM'000	RM'000	
Net asset value ('NAV')	568,516	570,621	
NAV per unit (RM)	1.1582	1.1625	

NAV per unit as at 31 March 2025 was comparable with the immediate preceding quarter.

B6. Changes in Unit Price

Tower REIT's unit price was last traded at RM0.295 per unit on 31 March 2025 (RM0.310 as at 31 December 2024).

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 31 March 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	3,762	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	44,959	

The balance of the rights proceeds of RM20.3 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

Despite the challenging office market, there are positive signs that economic activities have started to pick up with more leasing enquiries. The recent global trade uncertainties may dampen business confidence. The Manager has achieved improved occupancy in all properties and will continue to pursue asset enhancement initiatives to improve building attributes, increase operational efficiencies and enhance ESG performance while expanding the leasing pipeline. This, together with effective cost management, remains the strategic imperatives of Tower REIT to strengthen its competitive position.

TOWER REAL ESTATE INVESTMENT TRUST NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE THIRD QUARTER ENDED 31 MARCH 2025

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 31 March 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 3-month quarter ended 31 March 2025, gross revenue composition of rental income and non-rental income are as follows:

	RM'000
Rental income	5,263
Service charge	2,719
Car park and other income	1,118
Gross Revenue	9,100

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.

TOWER REAL ESTATE INVESTMENT TRUST NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE THIRD QUARTER ENDED 31 MARCH 2025

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 31 March 2025 of RM1,231,317 and RM585,332 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 31 March 2025 is RM128,394.

B15. Taxation

	3 months ended		Period -to-date	
	31.03.2025 RM'000	31.03.2024 RM'000	31.03.2025 RM'000	31.03.2024 RM'000
Current tax expense	<u> </u>	-	-	
Reconciliation of tax expense				
Income before tax	1,920	997	6,241	1,697
Income tax using Malaysian tax rate of 24%	461	239	1,498	407
Non-deductible expenses	14	111	193	294
Effect of income exempted from tax	(475)	(350)	(1,691)	(701)
Total income tax expense	-	-	-	-

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.

TOWER REAL ESTATE INVESTMENT TRUST NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE THIRD QUARTER ENDED 31 MARCH 2025

B16. Income Distribution

No income distribution had been declared for the current quarter.

The interim income distribution for the current financial period to the unitholders is derived from the following sources: -

The figures have not been audited.

The figures have not been audited.	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.03.2025 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2024 RM'000	Current Year To Date 31.03.2025 RM'000	Preceding Year To Date 31.03.2024 RM'000
Rental income	9,100	9,196	29,184	27,333
Interest income	88	15	593	47
Other income	354	70	386	102
_	9,542	9,281	30,163	27,482
Less:				
Expenses	(7,622)	(8,284)	(23,922)	(25,785)
Taxation	-	-	-	-
Realised income for the period Previous quarter/year	1,920	997	6,241	1,697
undistributed realised income	58,406	59,393	58,110	59,338
Total realised income available for distribution	60,326	60,390	64,351	61,035
Less: Proposed/declared income distribution			(4,025)	(645)
Balance undistributed realised income =	60,326	60,390	60,326	60,390
Distribution per unit (sen)	-	-	0.82	0.23

B17. Units held by Related Parties

As at 31 March 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	48,247
Hong Leong Assurance Berhad	101,974	30,082
Asia Fountain Investment Company Limited	24,500	7,228
Associated Land Sendirian Berhad	41,466	12,232
Hong Leong Investment Bank Berhad	10,302	3,039

** The market value is determined by multiplying the number of units with the market price as at 31 March 2025 of RM0.295 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 31 March 2025 and of its financial performance and cash flows for the period ended 31 March 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 28 April 2025