

# Pavilion-REIT reports solid performance for 2Q

## Net profit up RM12mil on strong showing from malls

### PROPERTY

**PETALING JAYA:** Pavilion Real Estate Investment Trust (Pavilion-REIT) has reported a higher net profit of RM78.66mil for its second quarter of financial year ended June 30, (2Q25), up from RM67.12mil a year ago, driven by stronger contributions from the Pavilion Bukit Jalil mall in Kuala Lumpur.

Revenue for the quarter rose to RM213.34mil, compared with RM201.3mil in the same period last year.

In a filing with Bursa Malaysia, Pavilion-REIT said the improvement was largely attributable to Pavilion Bukit Jalil, which benefited from a higher occupancy rate and increased income from its exhibition centre and advertising spaces.

The REIT added that enhanced advertising revenue from the upgraded LED screen at Elite Pavilion Mall in Kuala Lumpur also supported the improved top line.

"Total property operating expenses were higher by RM2.3mil or 3% compared with 2Q24 mainly due to the increase in marketing expenses driven by campaigns as well as setup cost for advertising-related income," it said.

As a result, net property income rose 8% to RM133.3mil in 2Q25 from RM123.47mil in the previous corresponding quarter.

For the first half of this financial year (1H25), net profit rose to RM169.08mil from RM150.28mil in the same period a year ago.

Revenue climbed to RM441.52mil from RM419.82mil, while net property income increased to RM272.58mil from RM256.05mil.

The REIT noted that the total property operating expenses incurred was higher

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Pavilion Real Estate Investment Trust

by 3% at RM168.94mil in 1H25.

This was mainly due to set up costs for advertising income and higher doubtful-debt provisions.

Earnings per unit stood at 4.60 sen, up 0.49 sen from 4.11 sen in the previous year's corresponding period.

Pavilion-REIT declared an interim income distribution of 0.32 sen per unit for the financial year ending Dec 31, payable on Aug 27, 2025.

Looking ahead, the REIT said it remains mindful of ongoing cost pressures, including the imposition of service tax on commercial rentals, higher minimum wages and the impact of subsidy rationalisation on operating margins.

"Businesses in the retail industry are adopting a cautious stand, given that cost pressures remain elevated.

"The manager will continue its proactive management of Pavilion-REIT's investment properties to give its unitholders steady distributions," the REIT said in its filing.

The REIT added that the return of large-scale business events and international concerts continue to drive demand as the hospitality market continues to gain traction and international arrivals continue to increase.

As of end-June, Pavilion-REIT's portfo-

lio comprises Pavilion Kuala Lumpur Mall, the Pavilion Tower office tower, Da Men Mall in Subang Jawa, Intermark Mall, Elite Pavilion Mall, Pavilion Bukit Jalil, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

In May, the REIT received unit holders approval to acquire Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur for RM480 million.

Management said the deals would strengthen its long-term performance and reinforce its presence within the prime Bukit Bintang shopping area in Kuala Lumpur.

Pavilion-REIT chief executive officer Datuk Philip Ho said the hotels would be highly synergistic with Pavilion Kuala Lumpur Mall and Elite Pavilion Mall, allowing for an elevated visitor and hotel guest experience.

He added the REIT remained focused on owning and managing high-performing retail-led assets, especially super-regional and integrated developments, and the acquisition presented a value-aligned opportunity within the REIT's existing footprint in Bukit Bintang.

In a separate filing, Pavilion-REIT said it holds several rights of first refusal, placing it in a strong position to expand its net lettable area going forward.