

PAVILION

REAL ESTATE INVESTMENT TRUST

2019 Q4 Business Overview



23 January 2020

PRIVATE AND CONFIDENTIAL

PAVILION
REAL ESTATE INVESTMENT TRUST



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1. Overview

Asset Portfolio

- Pavilion REIT consists of :
 - Pavilion Kuala Lumpur Mall, a 7-storey retail podium, together with a 3-storey retail office block and a 4-storey entertainment annex located at Jalan Bukit Bintang, Kuala Lumpur
 - Elite Pavilion Mall, a 10-storey retail mall seamlessly connected to Pavilion Kuala Lumpur Mall
 - Intermark Mall, a 6 level retail with rooftop at intersection of Jalan Tun Razak and Jalan Ampang, Kuala Lumpur
 - DA MEN Mall, a 5-storey retail mall with a lower ground floor located in USJ Subang Jaya
 - Pavilion Tower, a 20-storey office block located adjacent to Pavilion Kuala Lumpur Mall

In the M-REIT market, Pavilion REIT

- has the largest retail mall, by valuation
- within the top 4 in terms of market capitalization
- part of FTSE Bursa Malaysia Mid 70 Index
- part of MSCI Malaysia Annual Property Index
- reviewed by MSCI ESG Research LLC

Sector	Retail	Office
Total Asset Value as at 31 Dec 2019	RM6,223m	RM134m
<i>(30 June 2019)</i>	<i>(RM6,215m)</i>	<i>(RM134m)</i>
Weightage	97.9%	2.1%

2. Financial Results

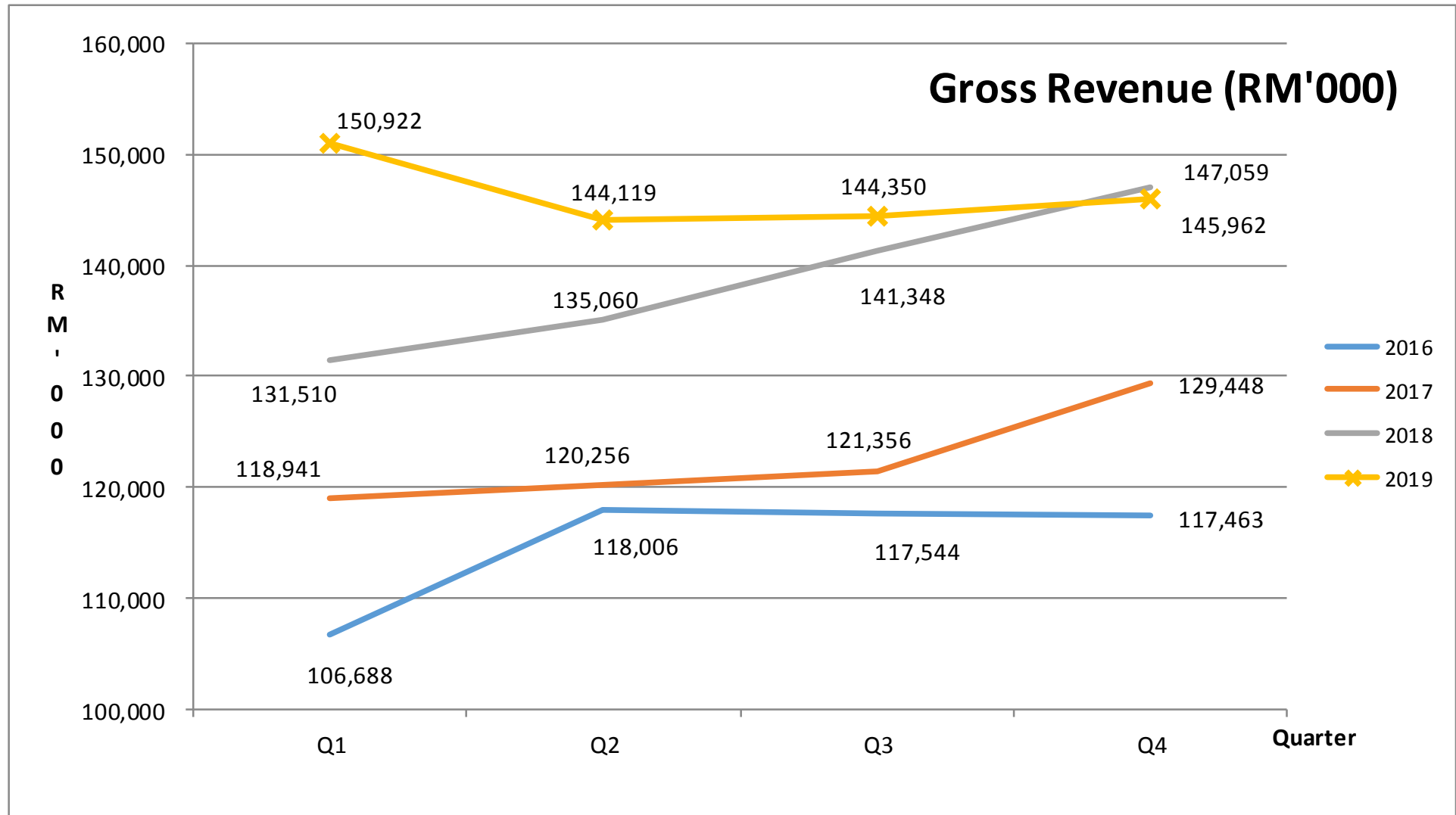
Highlights from Statement of Comprehensive Income – Current Year Quarter against Same Quarter Last Year

	Current Quarter ended 31 December		
	Current Year (unaudited)	Last Year (unaudited)	Favourable / (Adverse)
	RM'000	RM'000	%
Gross Revenue	145,962	147,059	(0.7)
Property Operating Expenses	54,714	46,075	(18.7)
Net Property Income	91,248	100,984	(9.6)
Income before Taxation (excl revaluation gain)	59,717	66,662	(10.4)
Distributable Income	62,328	69,735	(10.6)
Earnings per unit (sen) (excl revaluation gain)	2.46	2.20	11.8
Proposed / Declared DPU (sen)	2.06	2.30	(10.4)

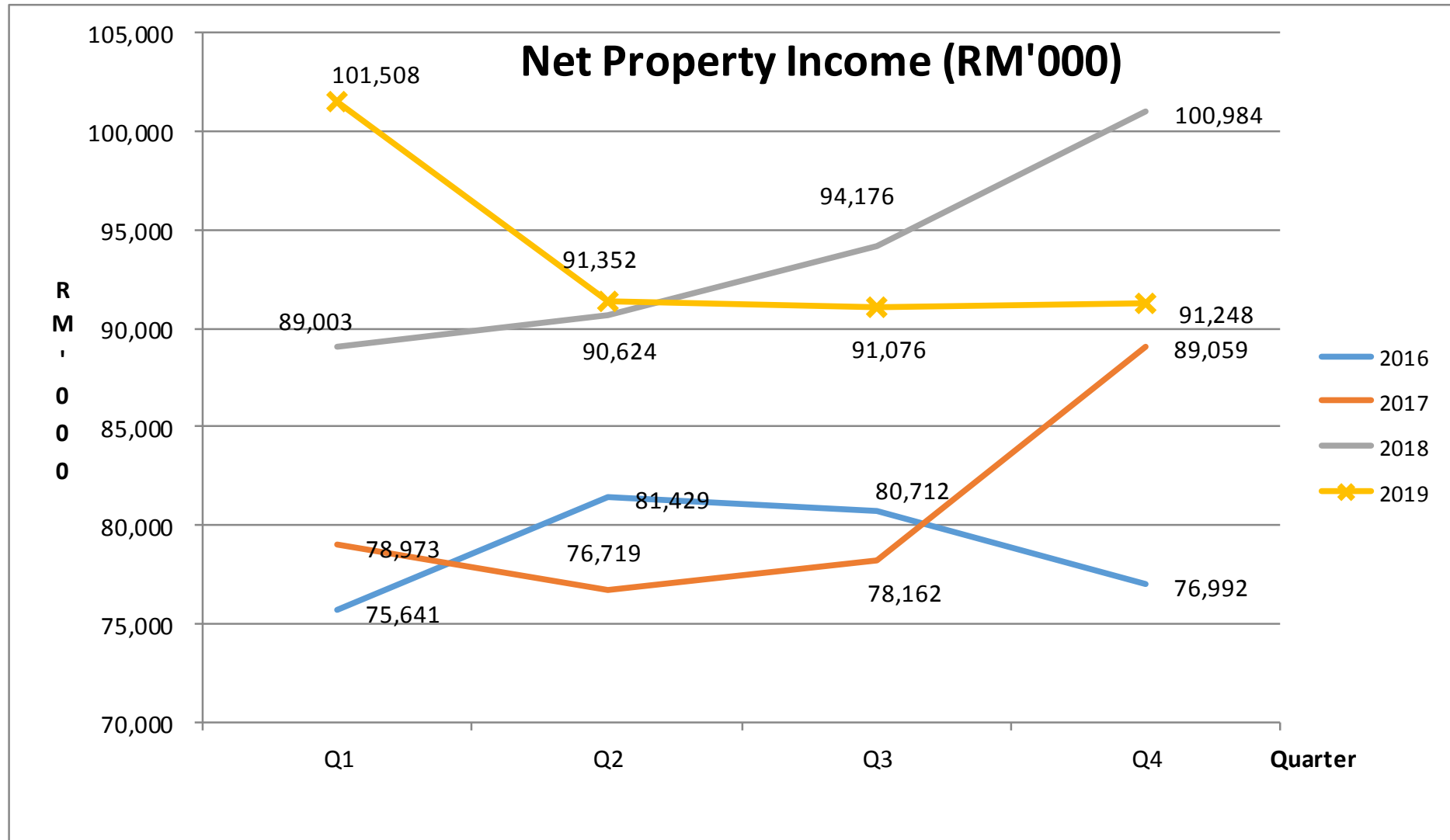
Highlights from Statement of Comprehensive Income – Current Year Quarter against Last Preceding Quarter

	Quarter ended		
	31 Dec 2019 (unaudited)	30 Sept 2019 (unaudited)	Favourable / (Adverse)
	RM'000	RM'000	%
Gross Revenue	145,962	144,350	1.1
Property Operating Expenses	54,714	53,274	2.7
Net Property Income	91,248	91,076	0.2
Income before Taxation (excl revaluation gain)	59,717	59,448	0.4
Distributable Income	62,328	61,996	0.5
Earnings per unit (sen) (excl revaluation gain)	2.46	1.95	26.2
Proposed / Declared DPU (sen)	2.06	2.04	1.0

Pavilion REIT's Gross Revenue (RM'000)

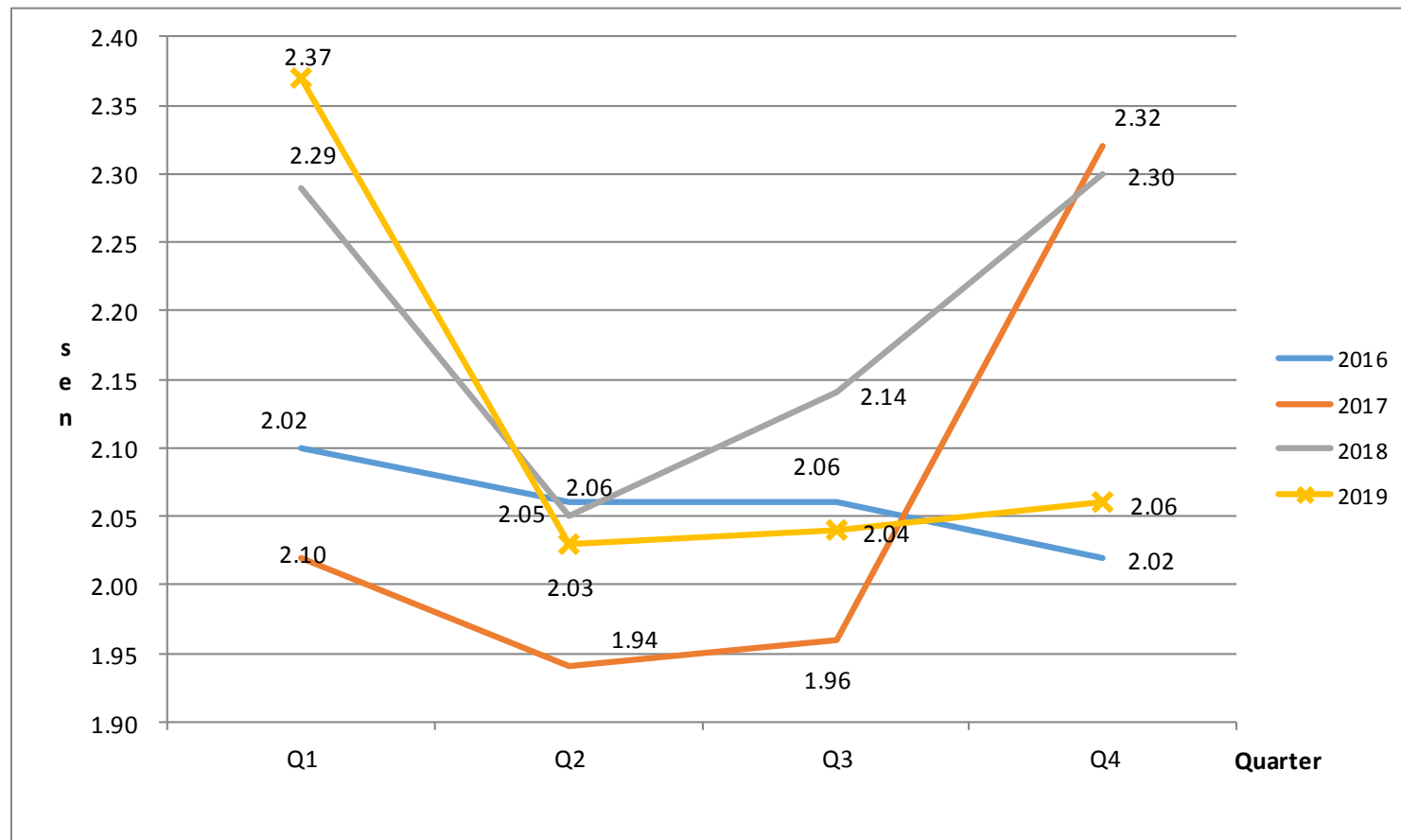


Pavilion REIT's Net Property Income (RM'000)



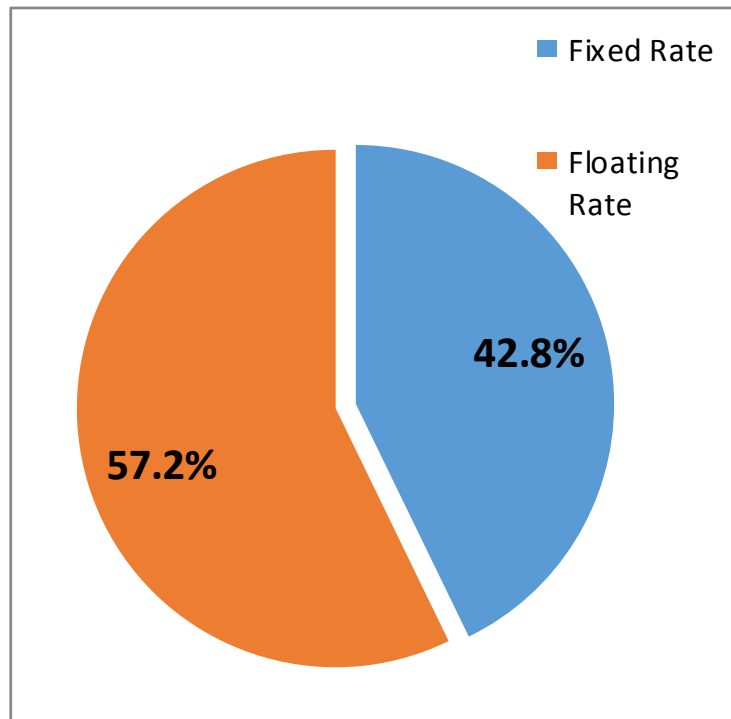
Pavilion REIT's Distribution (sen)

Year	Jan to June (sen)	July to Dec (sen)	Total (sen)	Change
2016	4.16	4.08	8.24	-
2017	3.96	4.28	8.24	-
2018	4.34	4.44	8.78	6.6%
2019	4.40	4.10	8.50	(3.2%)



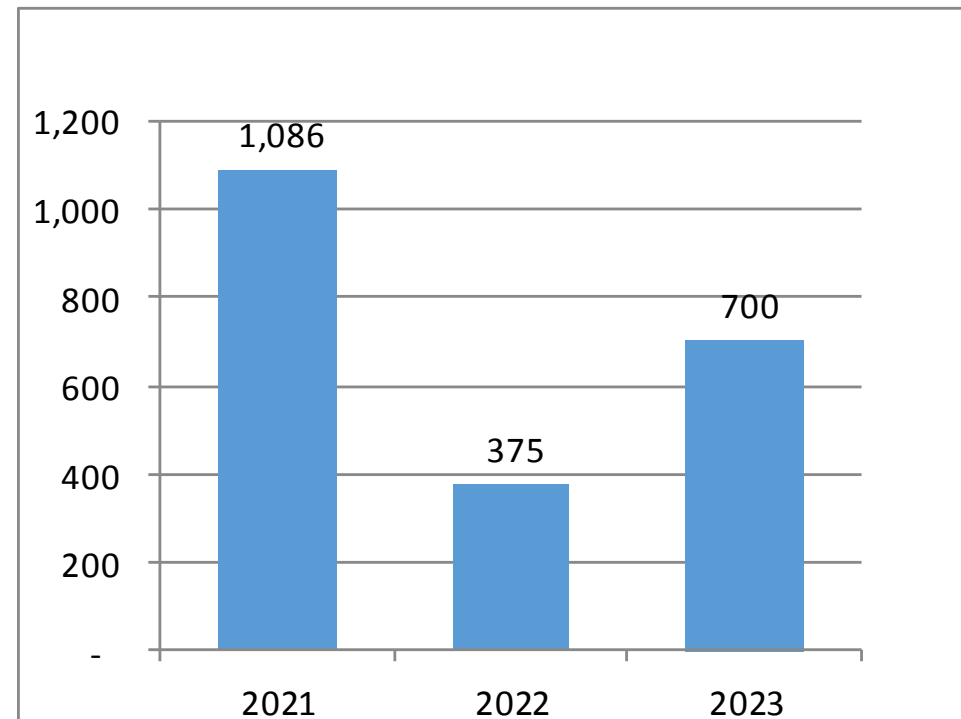
Pavilion REIT Debt as at 31 December 2019

Fixed vs Floating Rate



Average Interest Cost : 4.8%

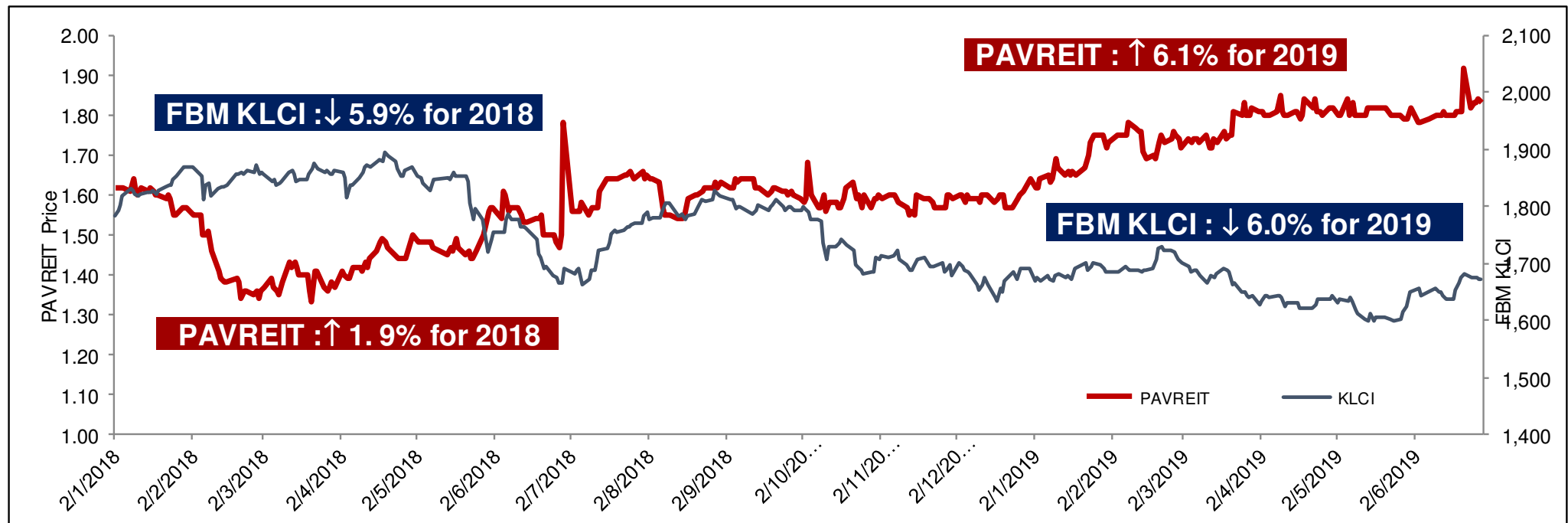
Debt Maturity Profile (RM million)



Gearing : 34.0%

3. Investors Relation

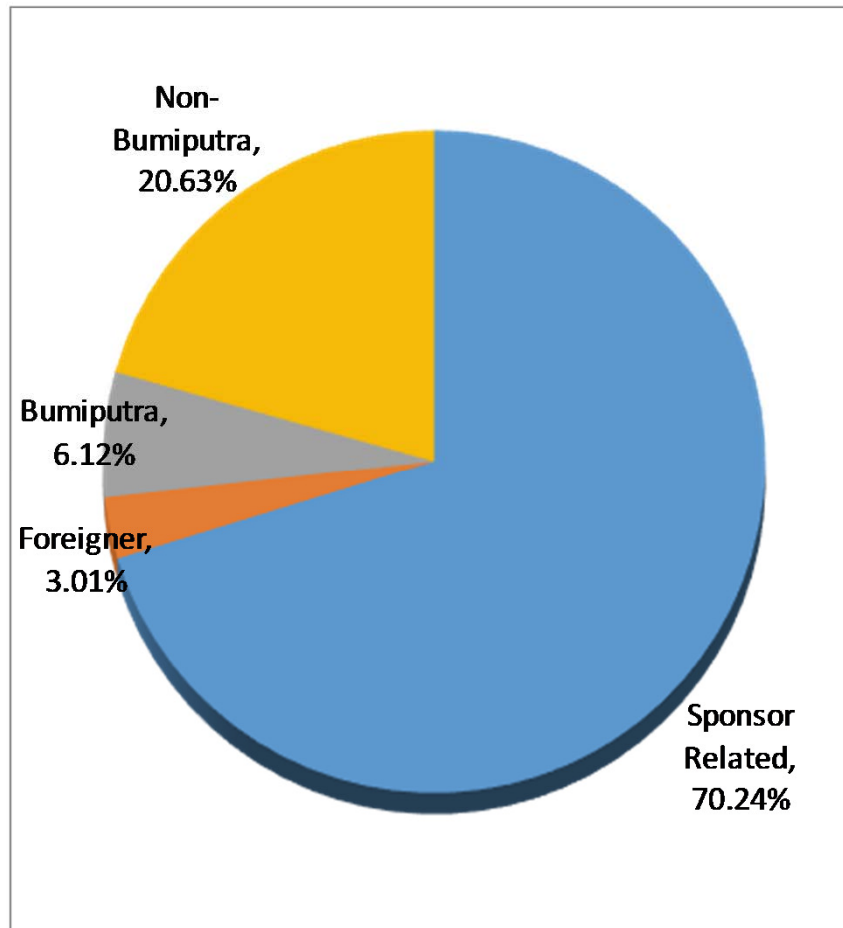
Capital appreciation of 103.3% since listing, 7 Dec 2011



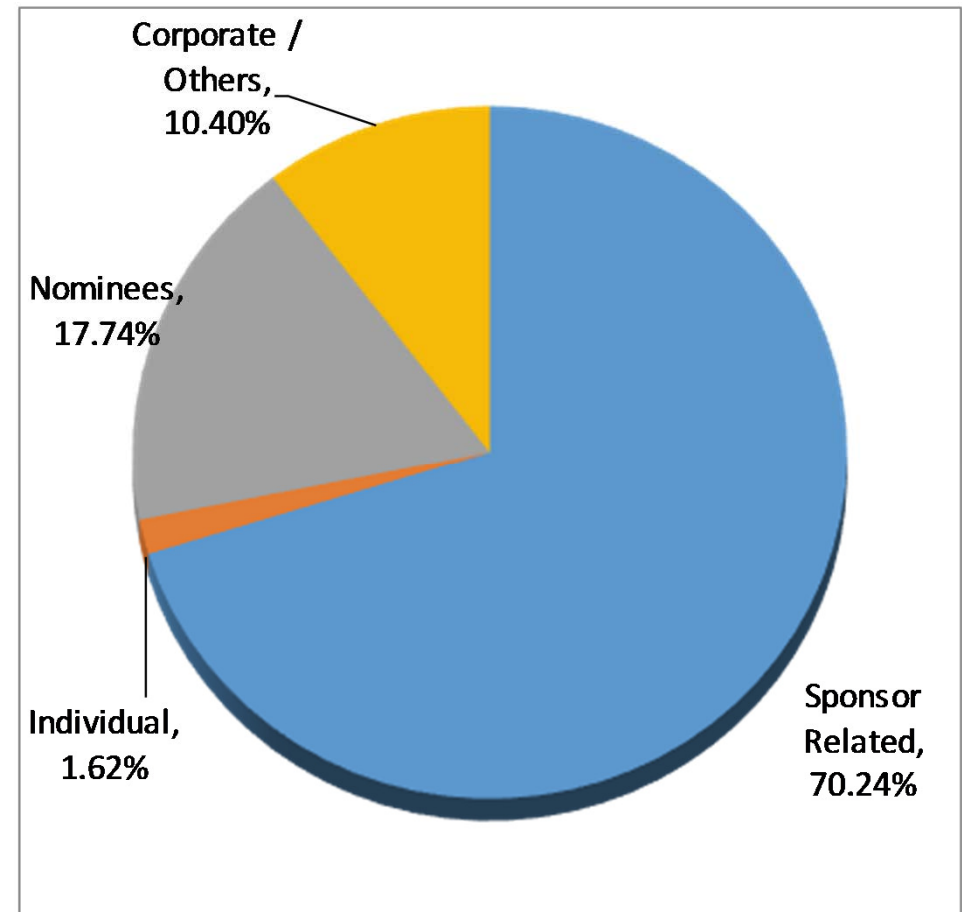
Trading Performance	31 Dec 2018	31 Dec 2019
Closing unit price as at 31 December 2018 / 31 Dec 2019	RM1.64	RM1.74
Highest traded price during the year	RM1.78	RM1.92
Lowest traded price during the year	RM1.32	RM1.61
Capital appreciation (closing price on institutional IPO price of RM0.90)	82.2%	93.3%
Market capitalization (RM'000) as at 31 Dec 2018 / 31 Dec 2019	4,980,196	5,291,497

Unitholders' Composition based on Unitholdings as at 31 December 2019

Type of Holders



Category of Holders



Total number of unitholders as at 31 Dec 2019 : 6,068 (5,872 as at 31 Dec 2018)

Top 10 Unitholders' as at 31 December 2019

No	Name	%
1	HSBC Nominees (Asing) Sdn Bhd CS (Switz) for Qatar Holding LLC	33.18
2	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account – CIMB Investment Bank Berhad for Lim Siew Choon (UCDSB-SSCA)	22.70
3	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account – CIMB Investment Bank Berhad for Tan Kewi Yong (UCDSB-SSCA)	9.27
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	6.42
5	Kumpulan Wang Persaraan (Diperbadankan)	5.60
6	UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Siew Choon	5.10
7	Amanah Trustees Berhad Amanah Saham Bumiputera	1.77
8	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for AIA Bhd	1.56
9	Permodalan Nasional Berhad	1.14
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	0.86

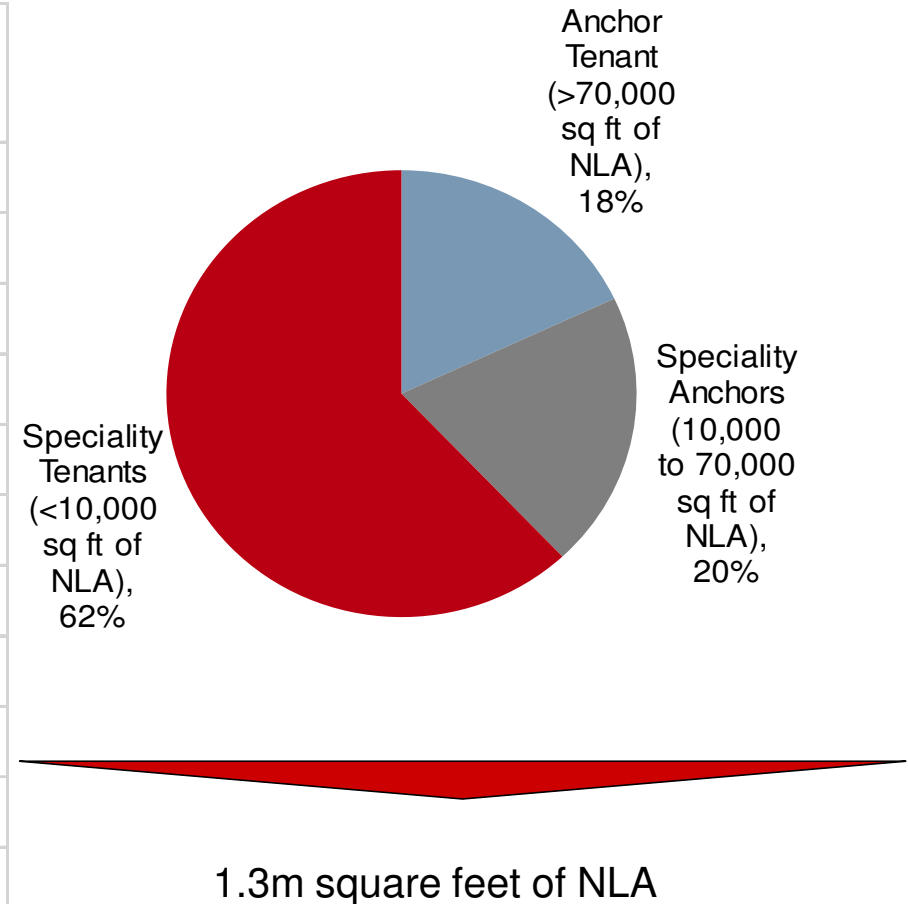
4. Pavilion Kuala Lumpur Mall

Pavilion Kuala Lumpur Mall – Tenancy Status

Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
Parkson Elite	Departmental Store	18.4%
Golden Screen Cinema	Urban Leisure	4.5%
Food Republic	Food & Beverage	2.4%
Mercato	Supermarket	1.8%
Forever 21	Fashion	1.7%
Padini Concept Store	Fashion	1.5%
Zara	Fashion	1.3%
Cartier	Fashion	0.5%
Hermes	Fashion	0.3%
Polo Ralph Lauren	Food & Beverage	0.4%
Total		32.8%

Tenant Mix by NLA

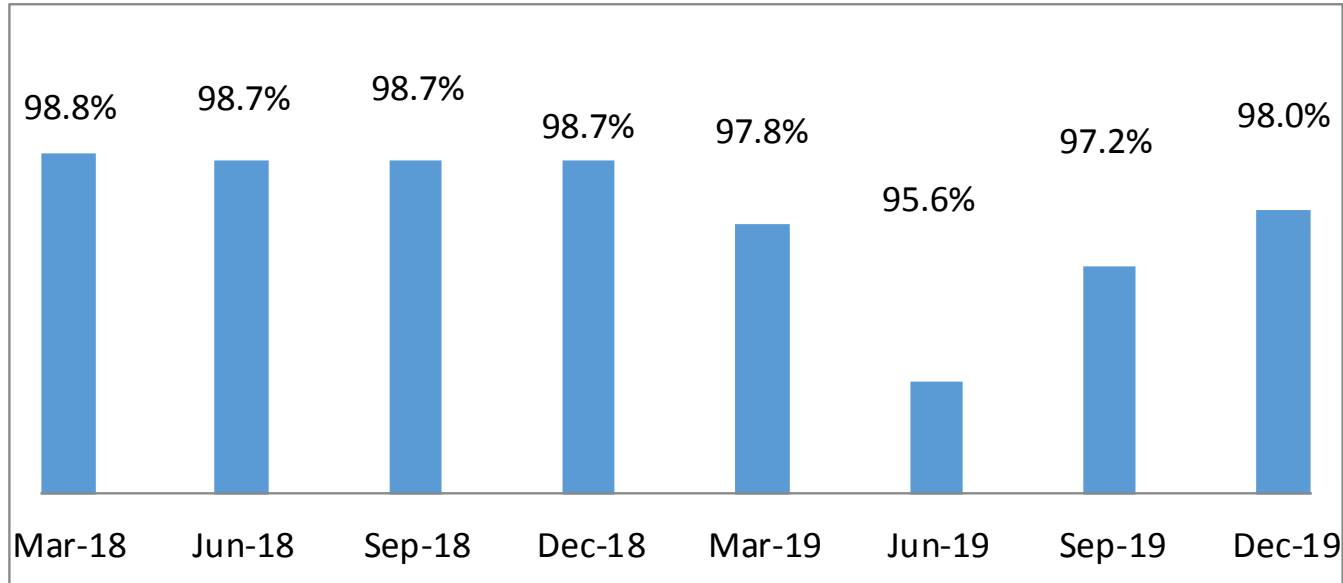


Top 10 retail tenants contributes 17.9% of Gross Rent High proportion of speciality tenants

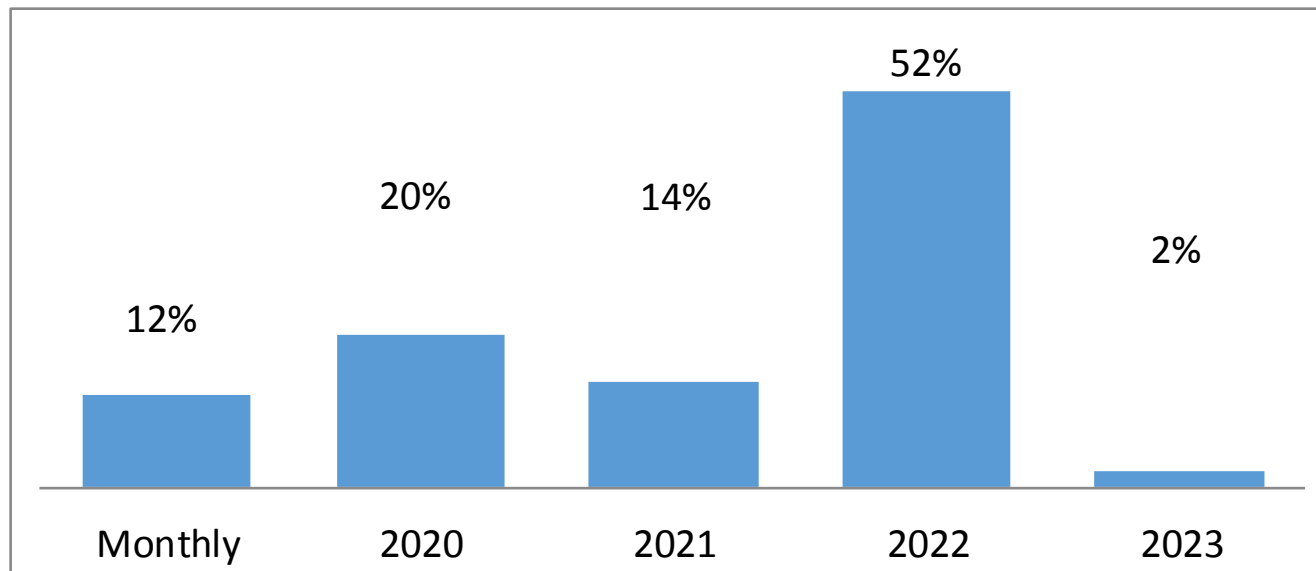
Pavilion Kuala Lumpur mall enjoys a diverse and unique tenant base along with rising rental rates and consistently high occupancy rates

Pavilion Kuala Lumpur Mall – Tenancy Status

Occupancy rate at the end of quarter

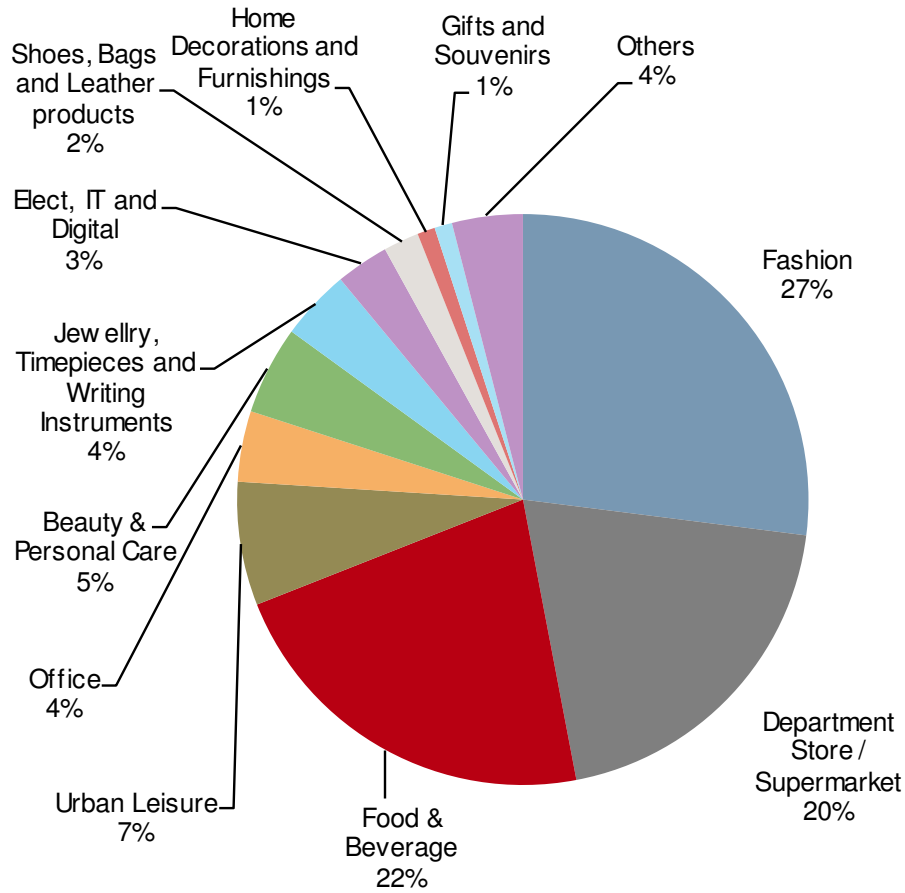


Projected tenancy expiry schedule on NLA

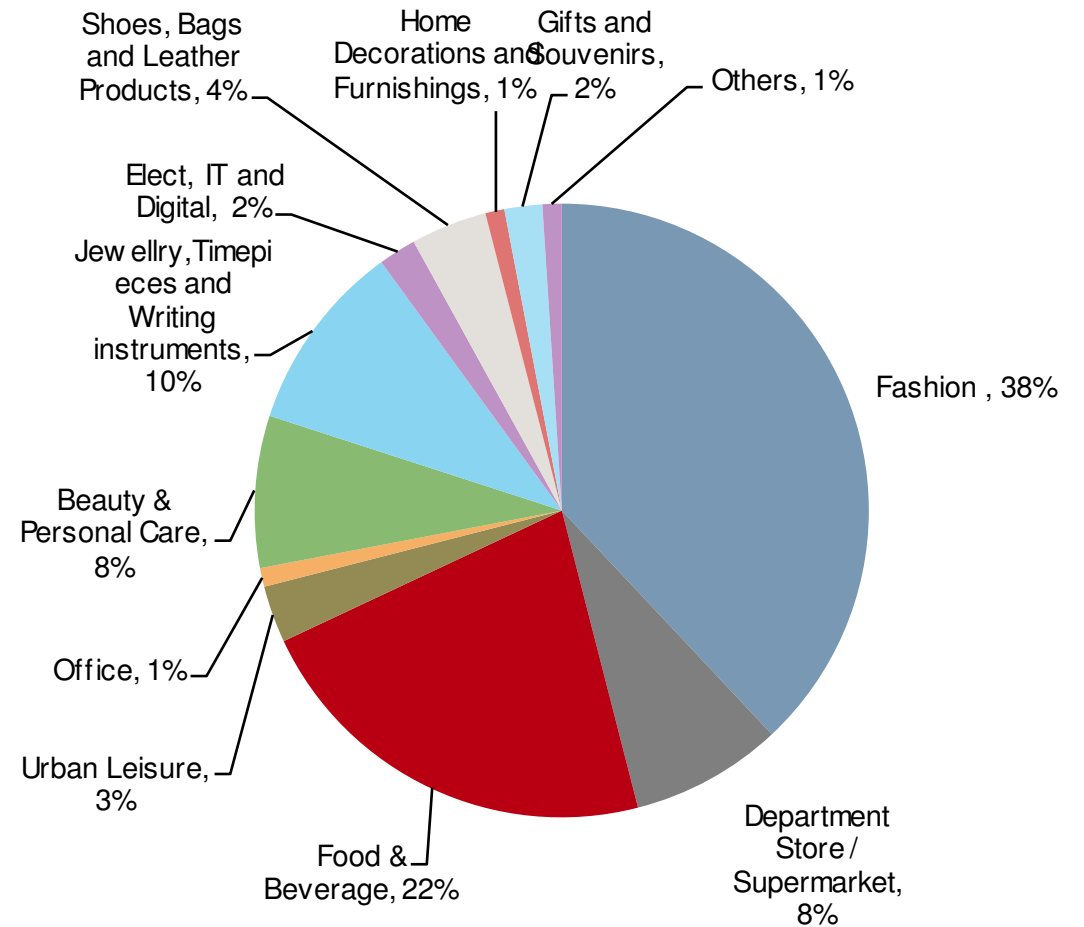


Pavilion Kuala Lumpur Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



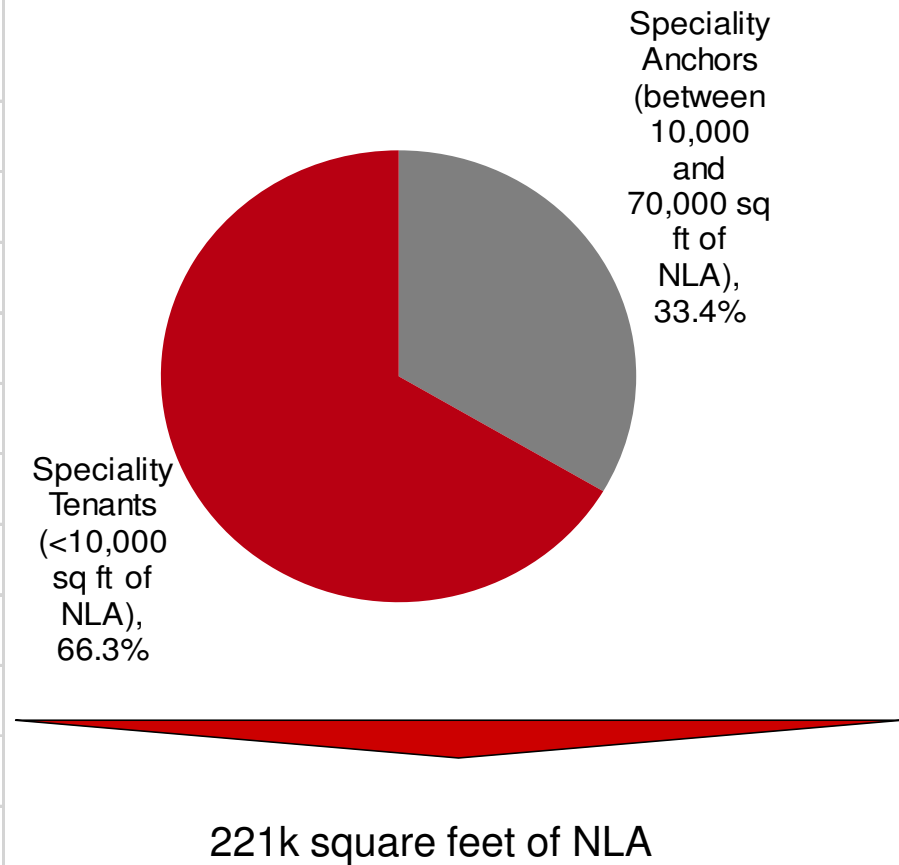
5. Intermark Mall

Intermark Mall – Tenancy Status

Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
Jaya Grocer	Supermarket	14.7%
Hua Wei	IT	7.0%
Primrose Hill Active Learnin	Edutainment	6.5%
MST Golf	Sports	5.1%
Sports Direct	Sports	4.3%
Space Furniture	Home Furnishing	4.0%
Oriental Landmark	Food & Beverage	2.7%
McDonald's	Food & Beverage	2.6%
Savini	Food & Beverage	2.1%
Hanare	Food & Beverage	1.8%
Total		50.8%

Tenant Mix by NLA

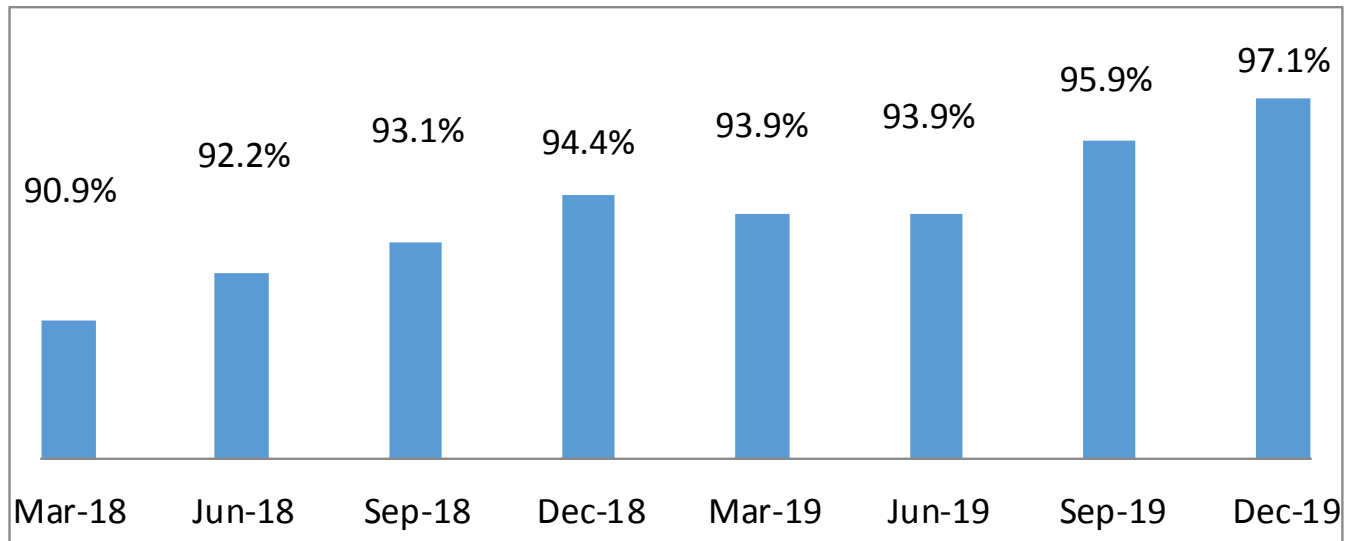


Top 10 retail tenants contributes 41.1% of Gross Rent

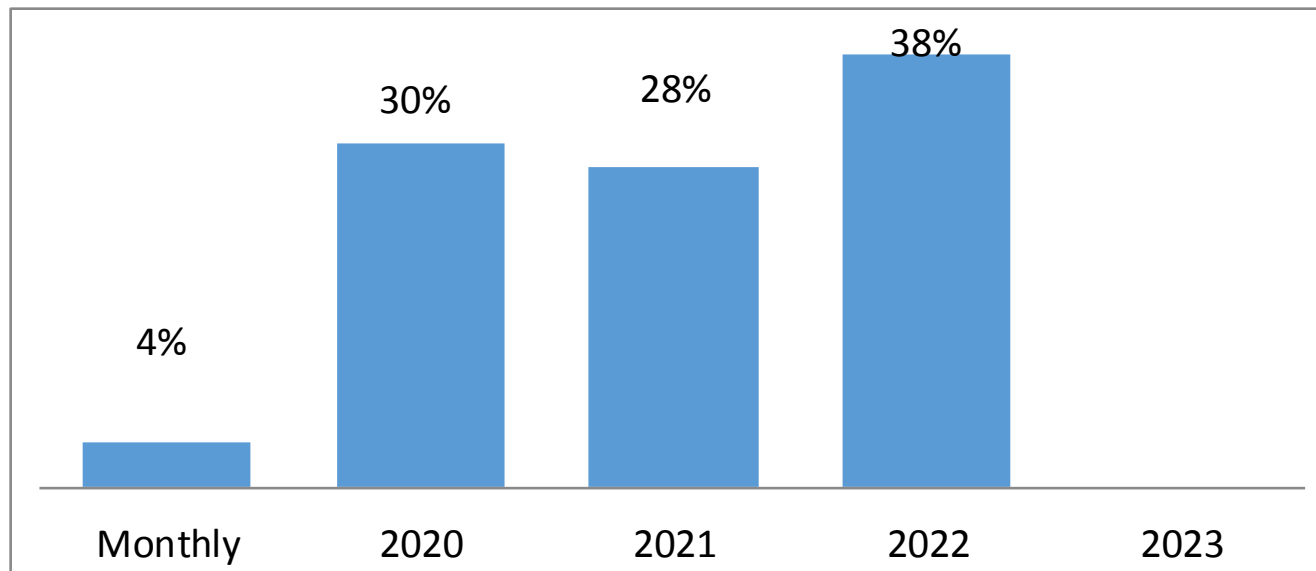
Intermark Mall being positioned to cater to middle income professionals, expatriate and family conveniences

Intermark Mall – Tenancy Status

Occupancy rate at the end of quarter

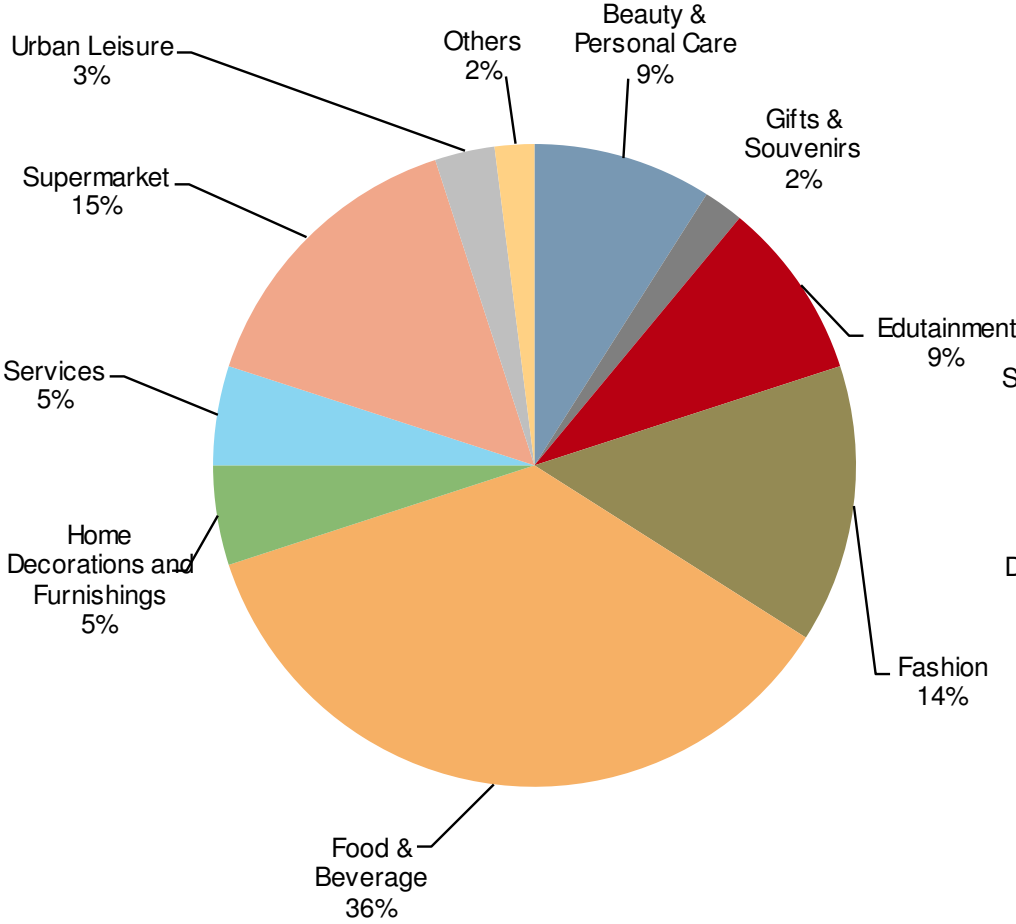


Projected tenancy expiry schedule on NLA

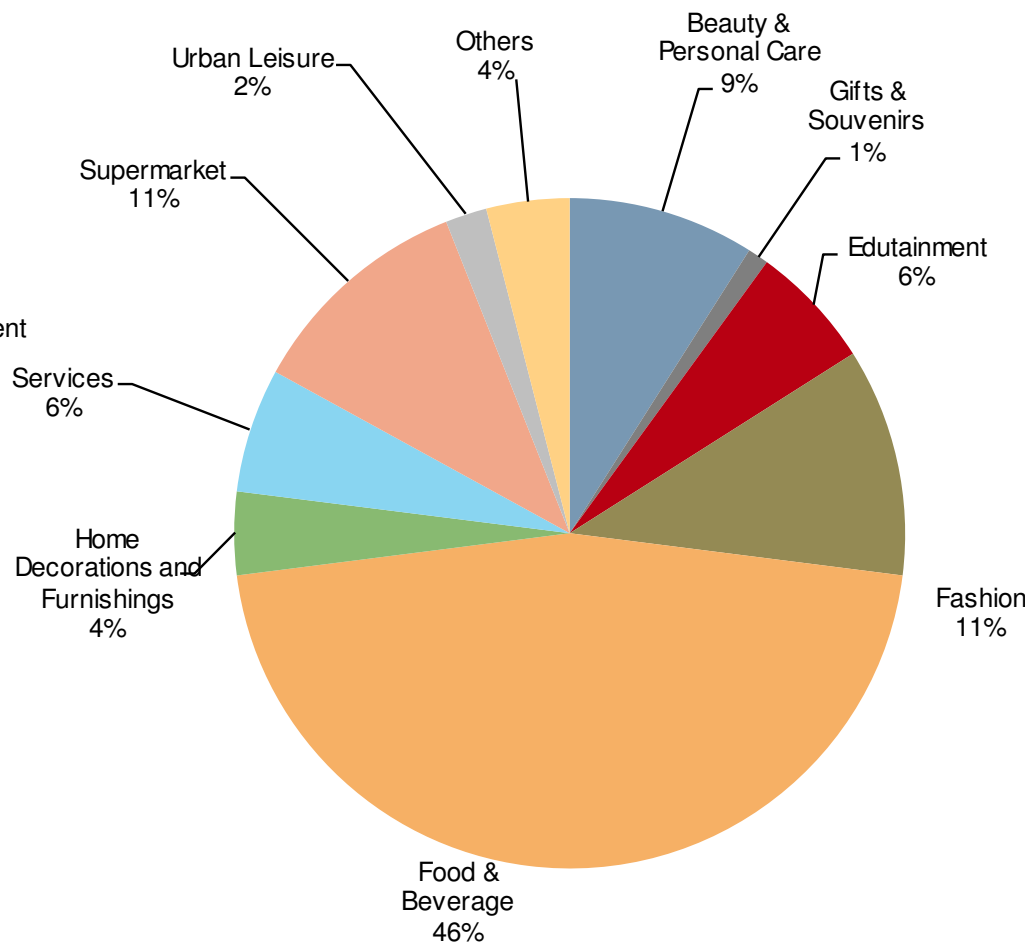


Intermark Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



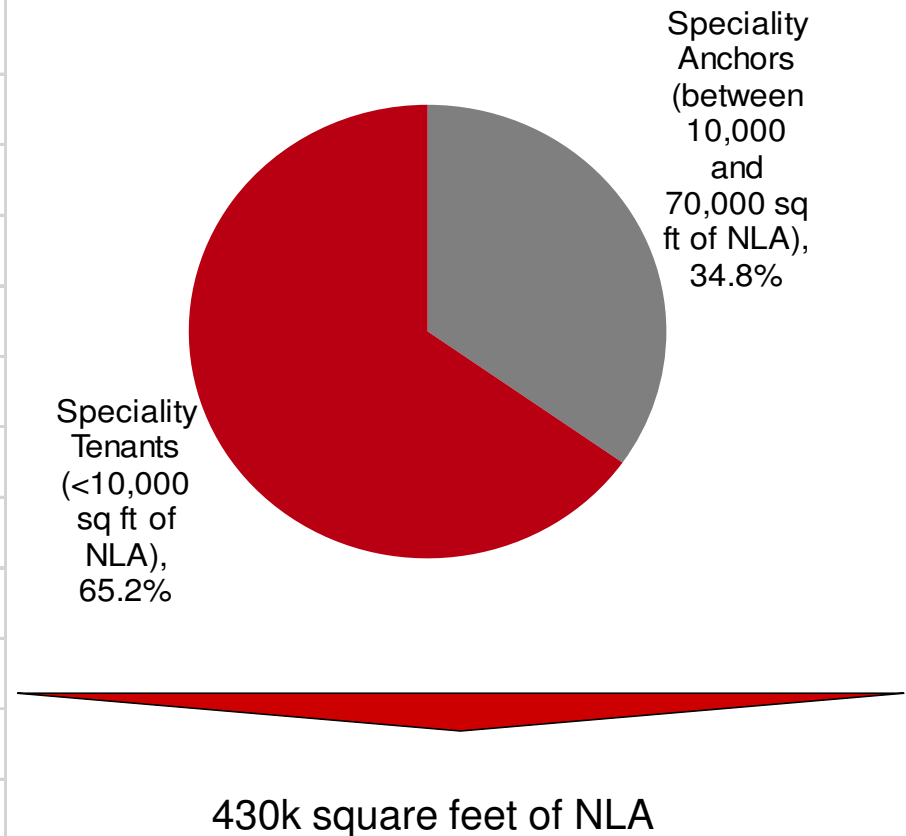
6. DA MEN Mall

DA MEN Mall – Tenancy Status

Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
Jaya Grocer	Supermarket	8.6%
Food Arcade	Food & Beverage	4.7%
Grand Harbour Restaurant	Food & Beverage	4.2%
Music Box	Urban Leisure	3.4%
Chi-X Fitness	Urban Leisure	3.3%
Mr DIY	Home Furnishing	3.2%
New Nanyang Food Street	Food & Beverage	2.7%
Nam Heong Ipoh	Food & Beverage	1.5%
Aunty Manju's Restaurant	Food & Beverage	1.2%
Swensen's	Food & Beverage	0.7%
Total		33.5%

Tenant Mix by NLA

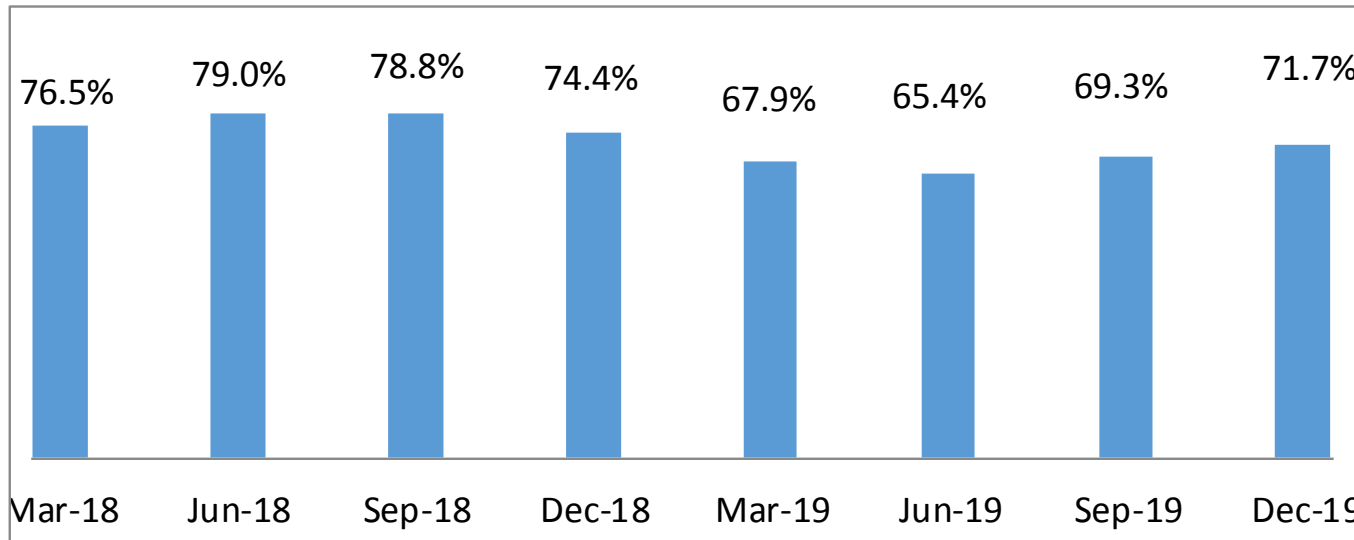


Top 10 retail tenants contributes 41.9% of Gross Rent

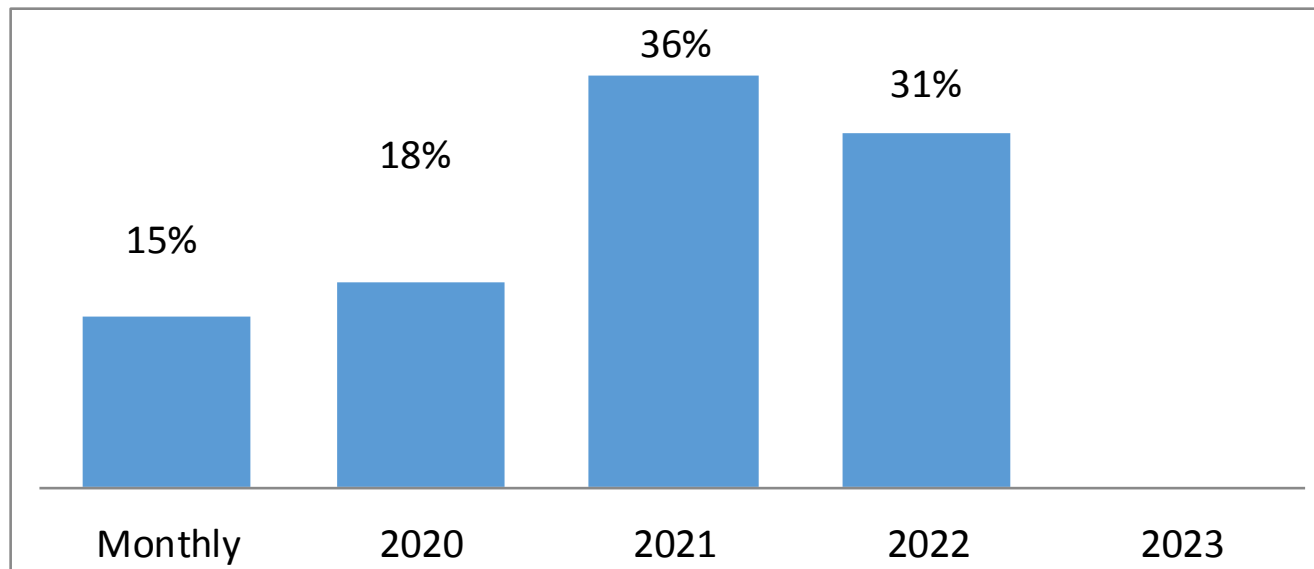
Da men Mall targeting offerings of F&B and beauty products/services, catering to middle income suburb residential, commercial and industrial clientele

DA MEN Mall – Tenancy Status

Occupancy rate at the end of quarter

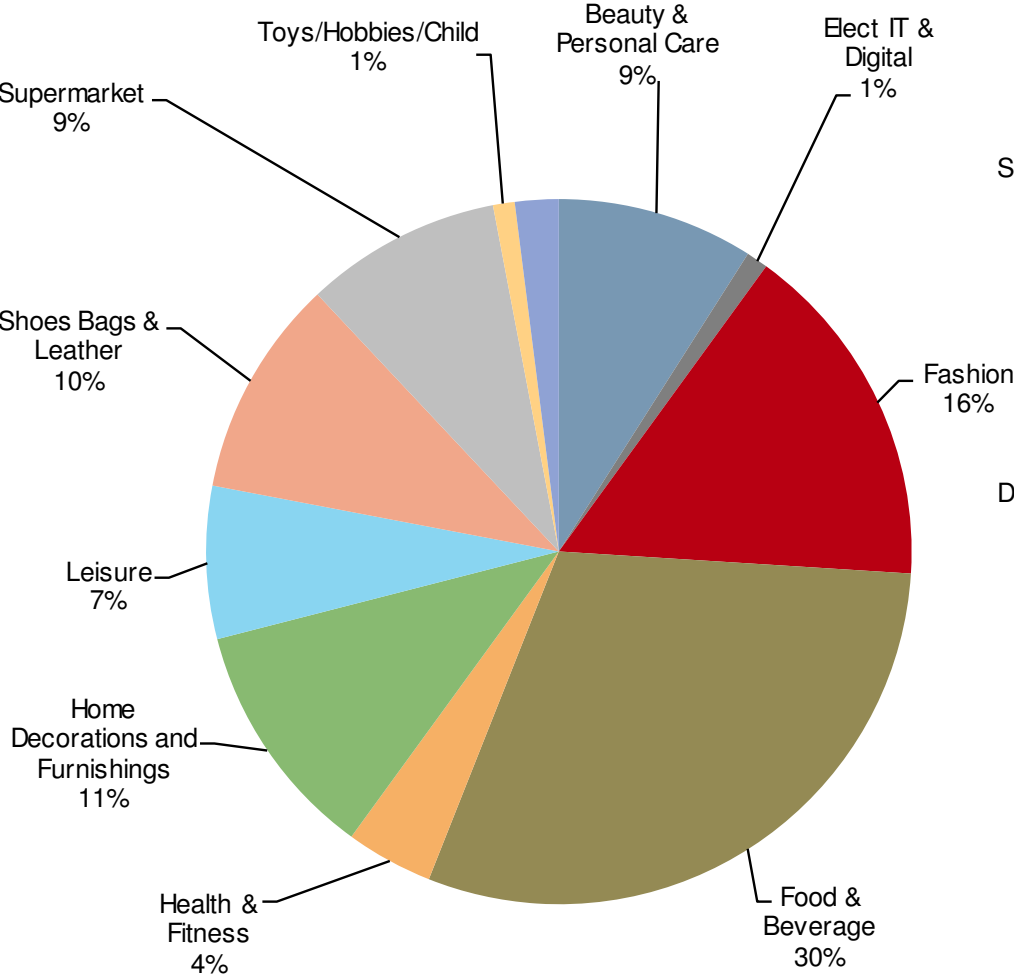


Projected tenancy expiry schedule on NLA

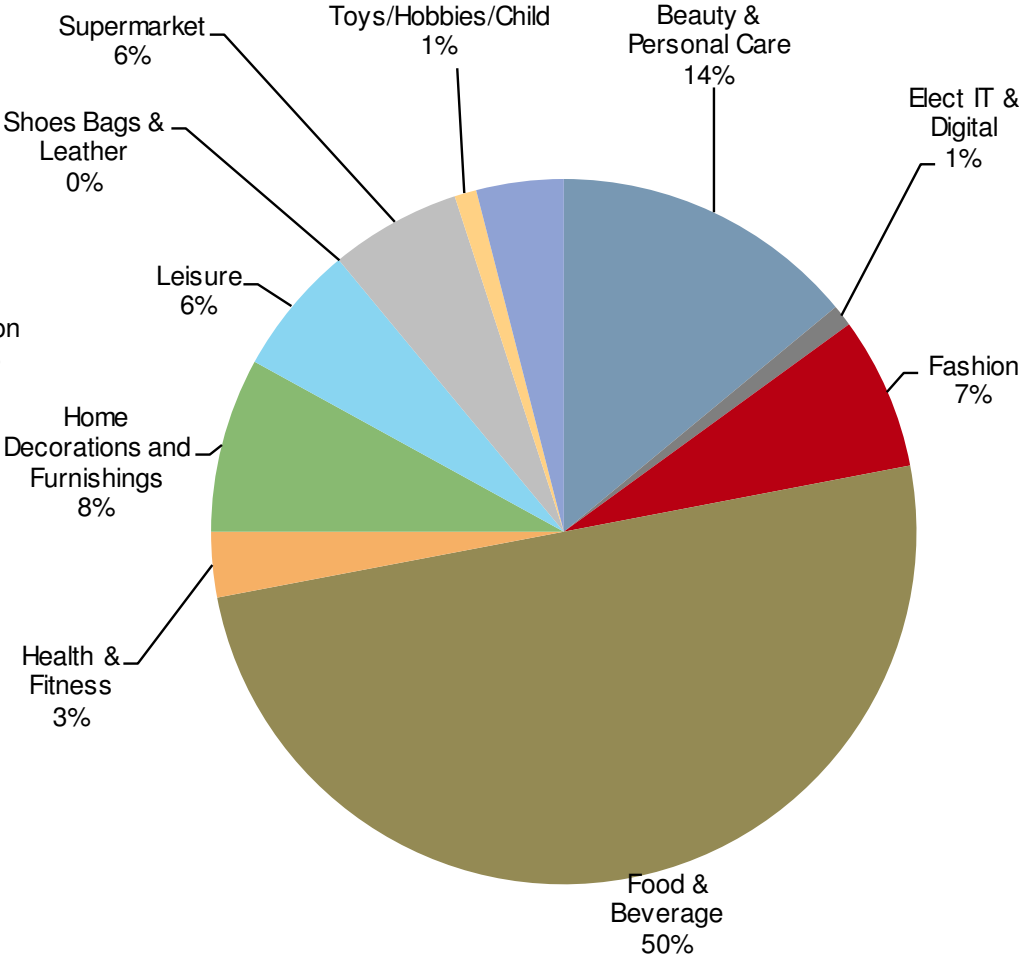


DA MEN Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



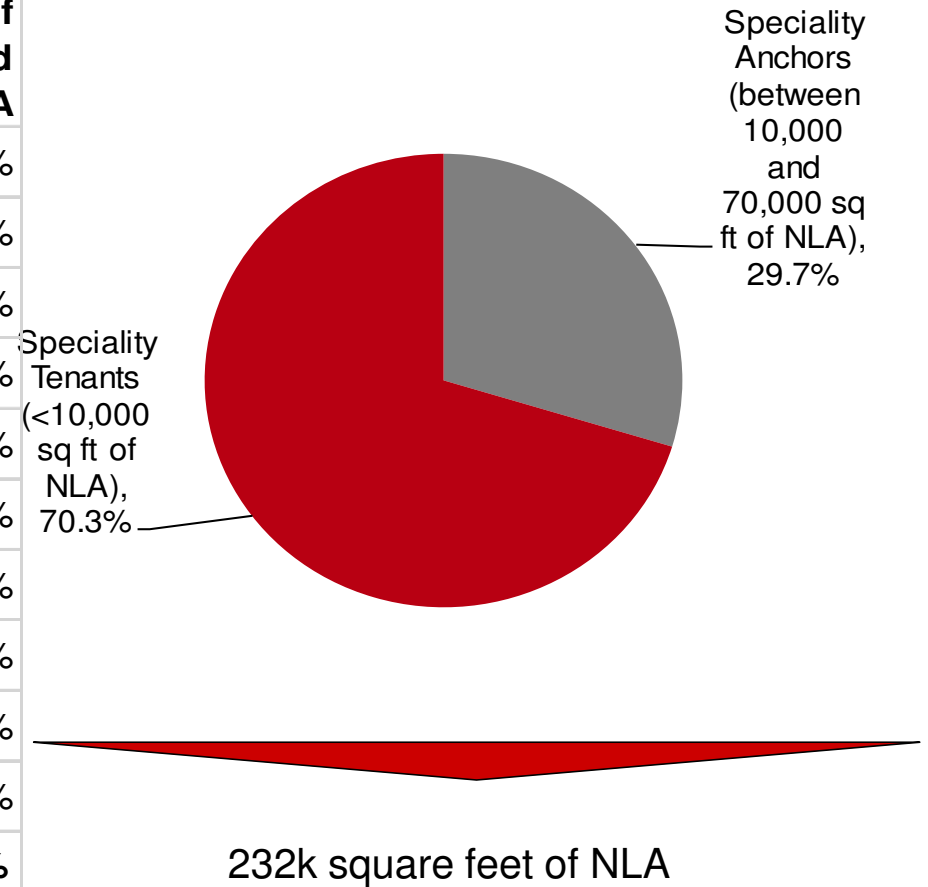
7. Elite Pavilion Mall

Elite Pavilion Mall – Tenancy Status

Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
JD Sports, King of Trainer	Fashion	6.6%
Muji	Fashion	6.2%
Mango and Mango Man	Fashion	6.0%
Toys R Us	Leisure Hobbies & Toys	6.0%
Haidilao Hot Pot	Food & Beverage	5.0%
COS	Fashion	3.5%
Coach	Fashion	2.8%
Lululemon	Fashion	1.9%
Rimowa	Travel & Luggage	1.0%
LukFook Jewellery	Jewellery Timepiece	1.0%
Total		40.0%

Tenant Mix by NLA

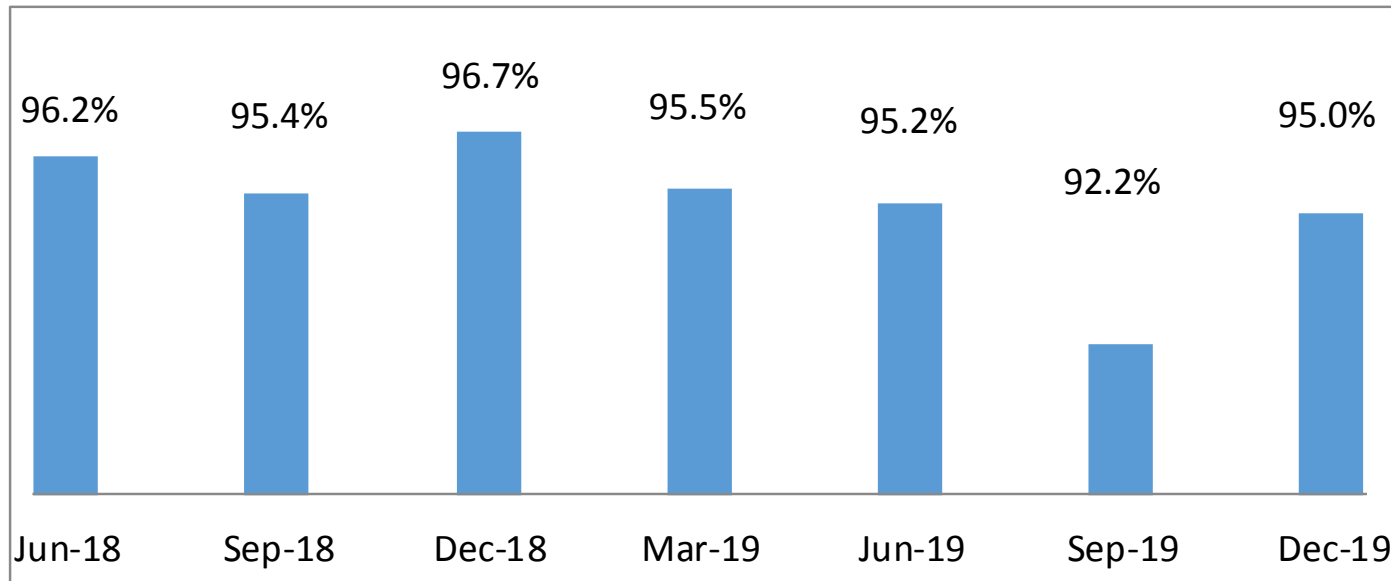


Top 10 retail tenants contributes 43.1% of Gross Rent

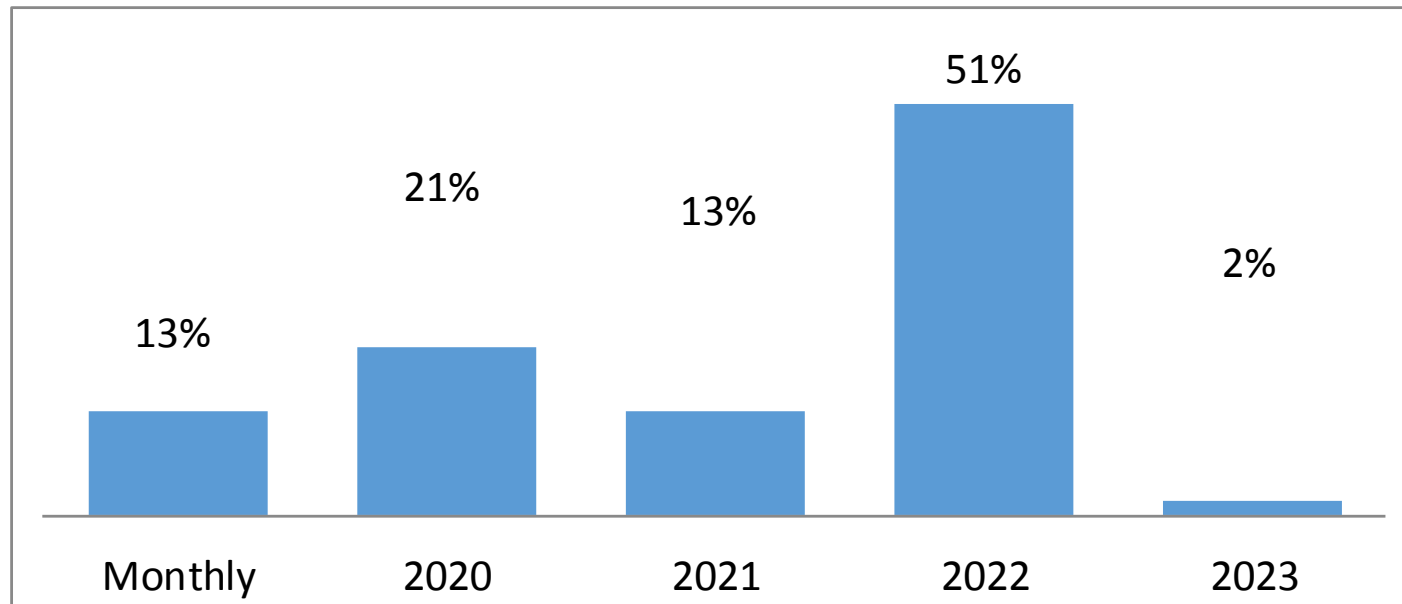
An extension to Pavilion Kuala Lumpur mall, it offers additional variety of shopping options

Elite Pavilion Mall – Tenancy Status

Occupancy rate at the end of quarter

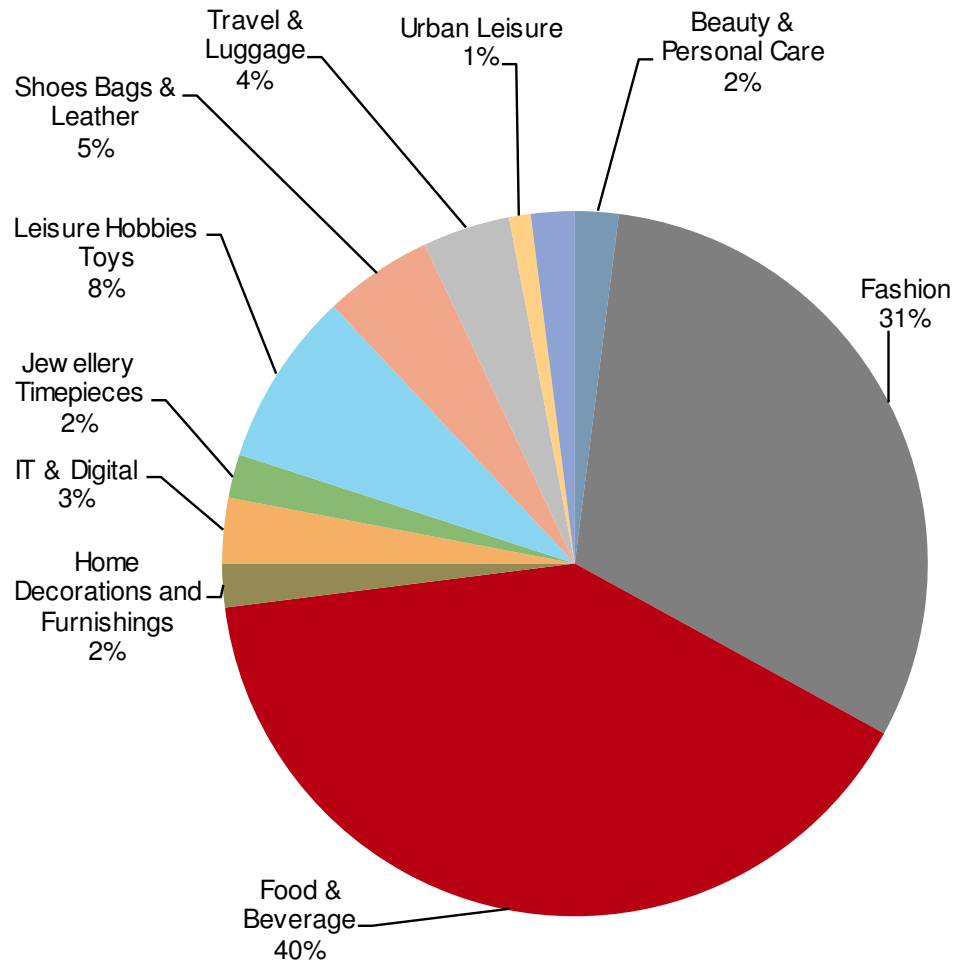


Projected tenancy expiry schedule on NLA

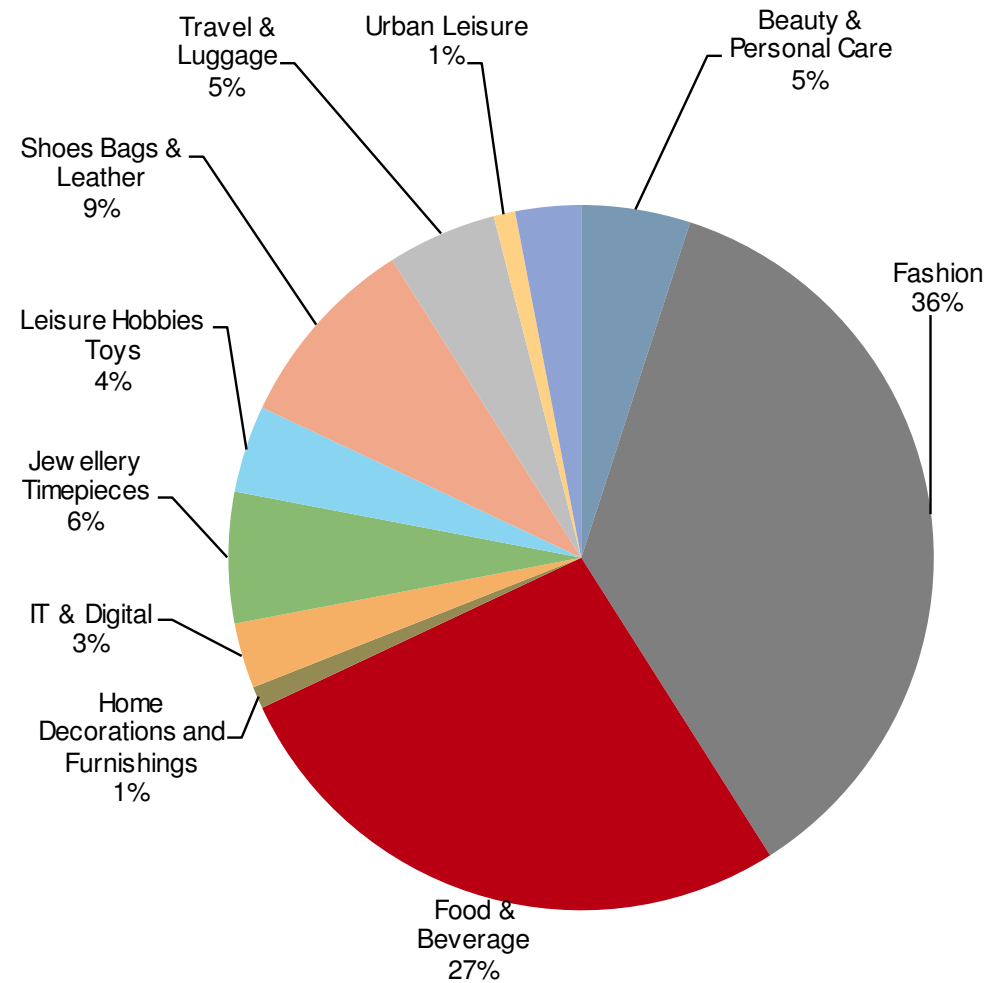


Elite Pavilion Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



8. Pavilion Tower

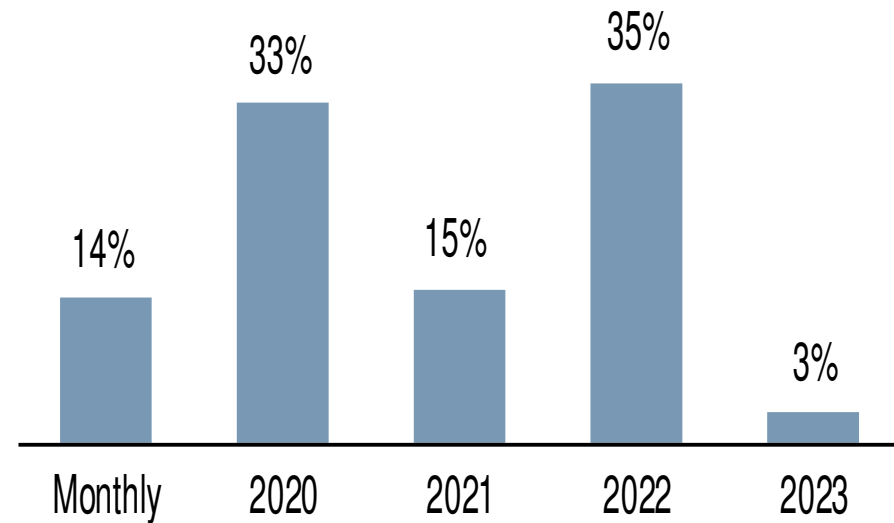
Pavilion Tower

One of Kuala Lumpur's premier business addresses



86% space occupied

Projected expiry schedule on NLA

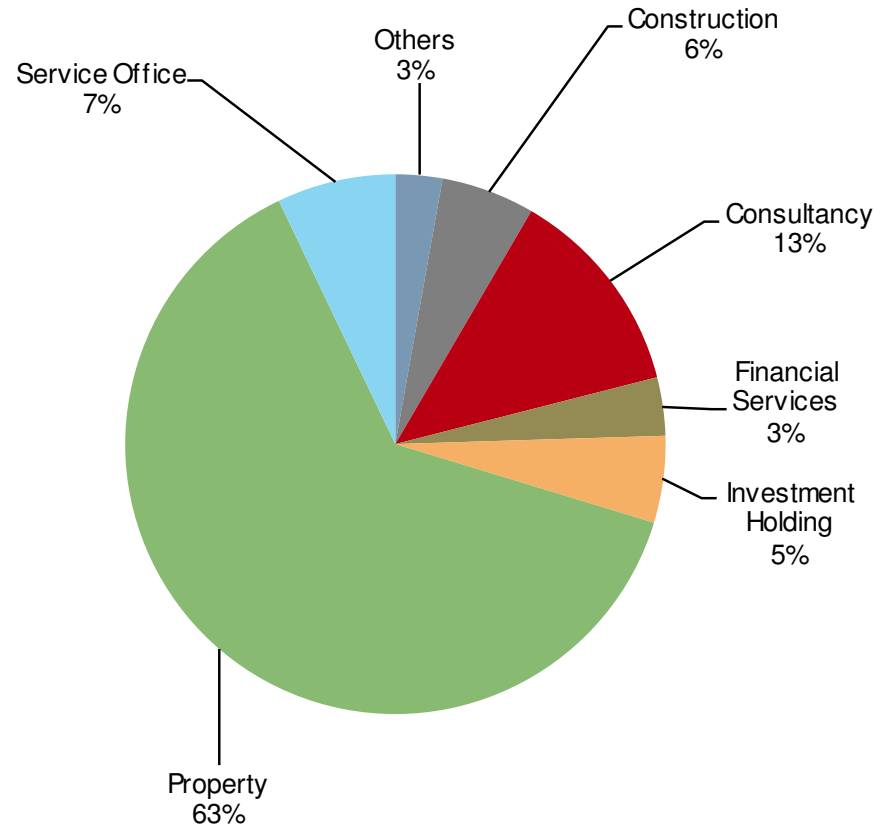


Benefits of Pavilion Tower

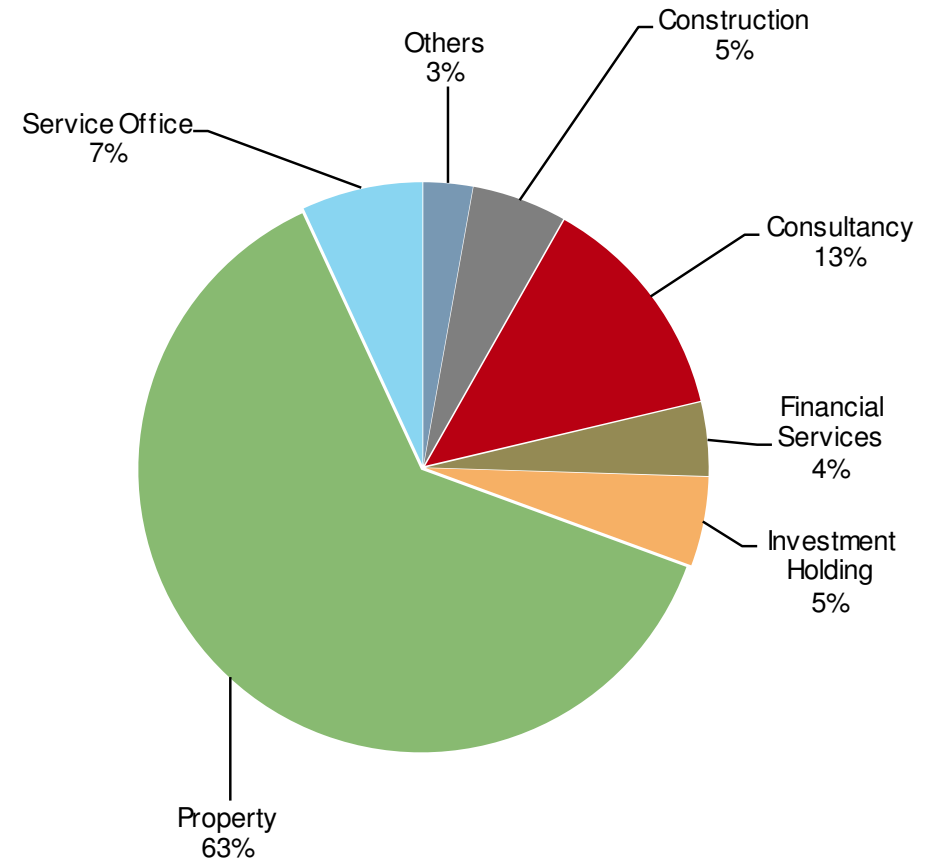
- Connected to Pavilion Kuala Lumpur Mall
- Tenants across multiple trade sectors, including property development, construction, retail, service office and others
- Major tenants include Malton Group, Mrail International, arcc service office, KL Metro, UnionPay

Pavilion Tower Office – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



9. Investment Opportunities / Growth Strategies

Opportunities for future growth

Potential for acquisition growth : Rights of First Refusal



fahrenheit88

The fahrenheit88 ROFR

- Granted by Makna Mujur Sdn Bhd
- Located in Bukit Bintang opposite Pavilion Kuala Lumpur Mall
- Awaiting for intention to sell



General retail development
(artist rendering)

The General ROFR

- Granted by Urusharta Cemerlang Sdn Bhd
- Future retail developments of the Sponsor
- Covers the whole of Malaysia

Pavilion REIT benefits from several ROFRs which place it in a strong position to grow its NLA in the future

Thank You

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