

# PAVILION

REAL ESTATE INVESTMENT TRUST

## 2020 Q2 Business Overview

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23 July 2020

PRIVATE AND CONFIDENTIAL



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# 1. Overview

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# 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
<b>Total Asset Value as at 30 June 2020</b>	RM6,147m	RM134m
<i>(31 Dec 2019)</i>	<i>(RM6,223m)</i>	<i>(RM134m)</i>
<b>Weightage</b>	97.9%	2.1%

## 2. Financial Results

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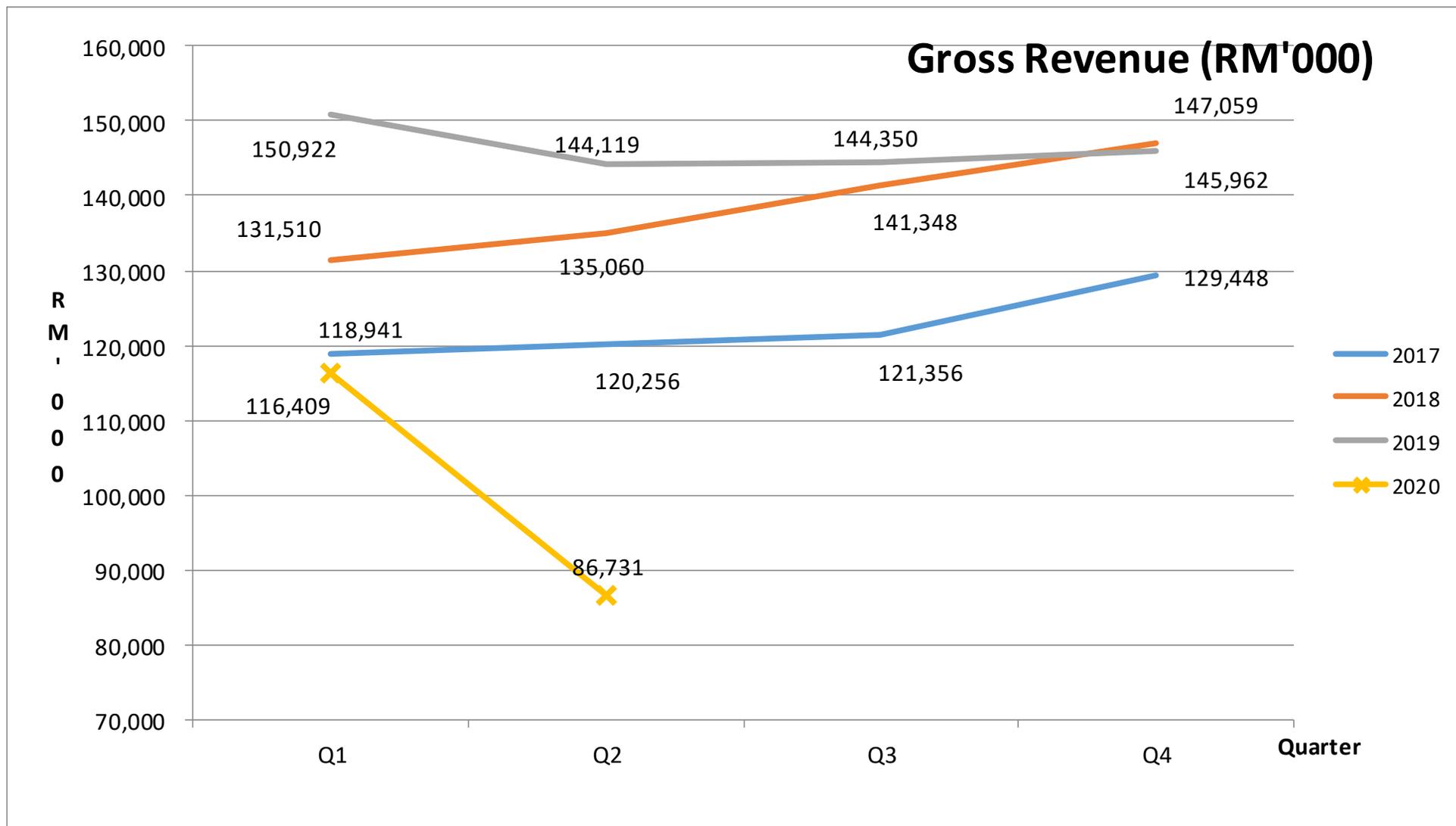
## Highlights from Statement of Comprehensive Income – Current Year Quarter against Same Quarter Last Year

	Current Quarter ended 30 June		
	Current Year (unaudited)	Last Year (unaudited)	Favourable / (Adverse)
	RM'000	RM'000	%
<b>Gross Revenue</b>	86,731	144,119	(39.8)
<b>Property Operating Expenses</b>	47,663	52,767	9.7
<b>Net Property Income</b>	39,068	91,352	(57.2)
<b>Income before Taxation (excl revaluation gain)</b>	9,990	59,229	(83.1)
<b>Distributable Income</b>	12,153	61,797	(80.3)
<b>Earnings per unit (sen) (excl revaluation gain)</b>	0.33	1.95	(83.1)
<b>Proposed / Declared DPU (sen)</b>	0.40	2.30	(82.6)

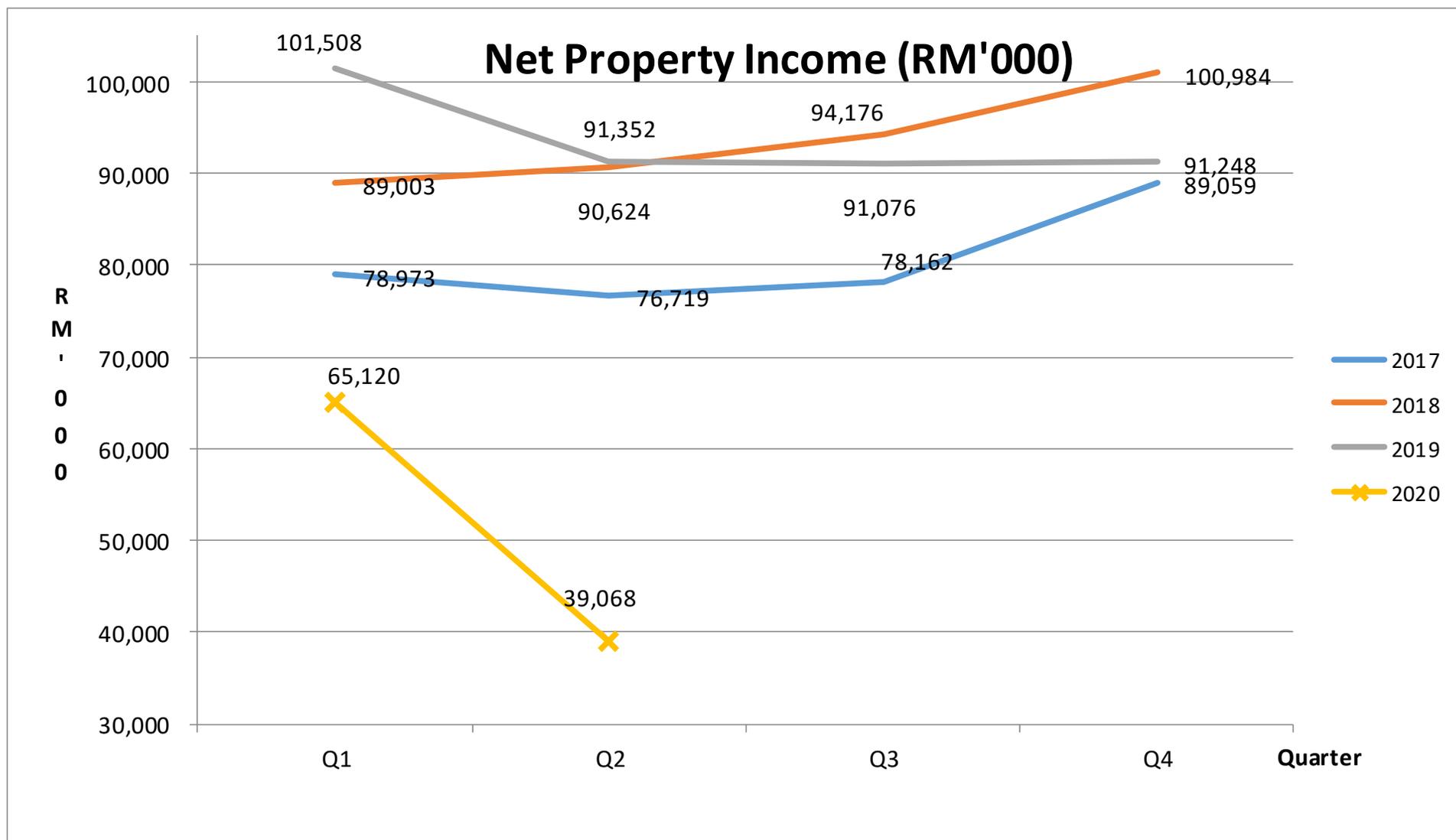
## Highlights from Statement of Comprehensive Income – Current Year Quarter against Last Preceding Quarter

	Quarter ended		
	30 June 2020 (unaudited)	31 Mar 2020 (unaudited)	Favourable / (Adverse)
	RM'000	RM'000	%
<b>Gross Revenue</b>	86,731	116,409	(25.5)
<b>Property Operating Expenses</b>	47,663	51,289	7.1
<b>Net Property Income</b>	39,068	65,120	(40.0)
<b>Income before Taxation (excl revaluation gain)</b>	9,990	34,601	(71.1)
<b>Distributable Income</b>	12,153	36,938	(67.1)
<b>Earnings per unit (sen) (excl revaluation gain)</b>	0.33	1.14	(71.1)
<b>Proposed / Declared DPU (sen)</b>	0.40	1.21	(66.9)

# Pavilion REIT's Gross Revenue (RM'000)

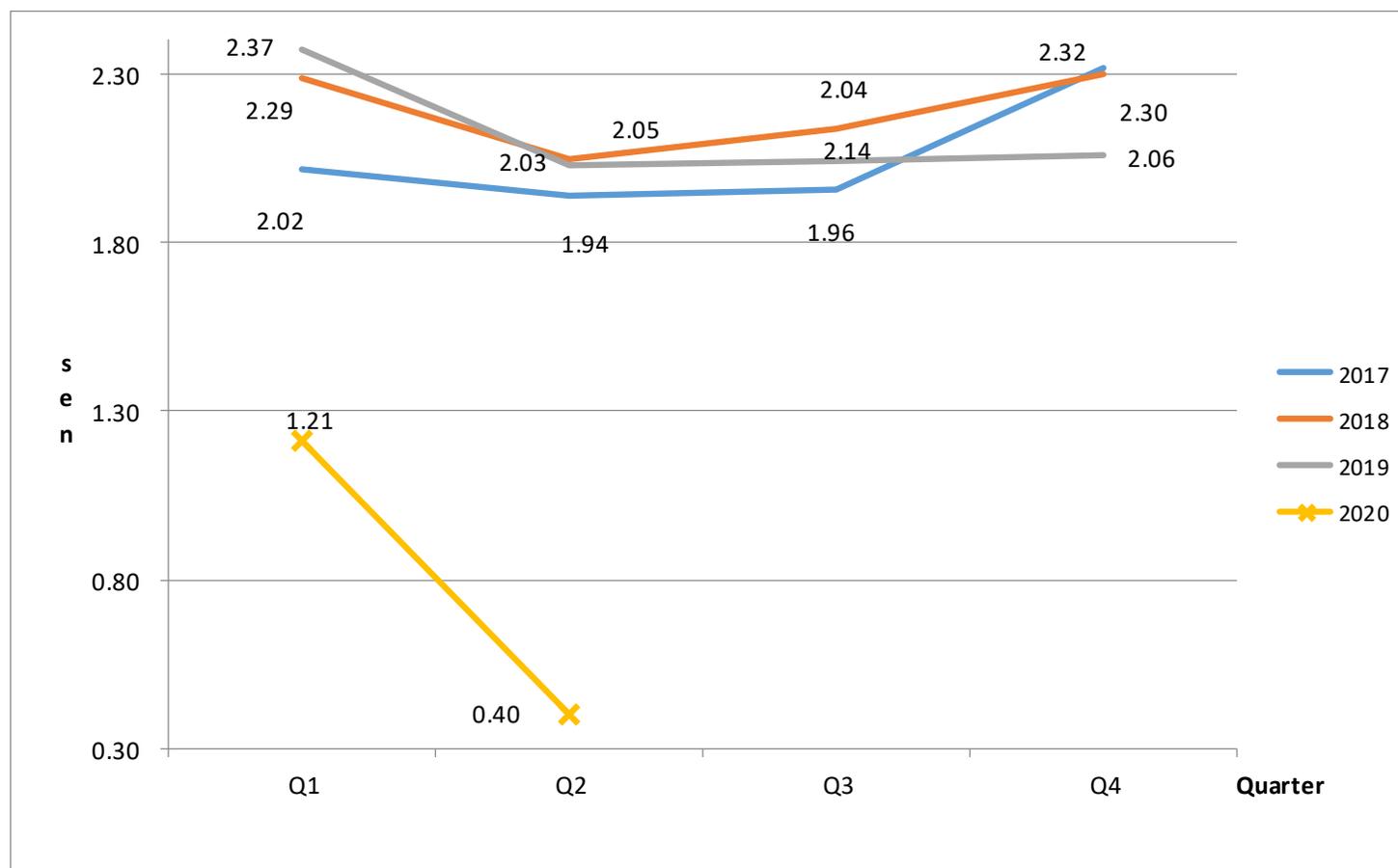


# Pavilion REIT's Net Property Income (RM'000)



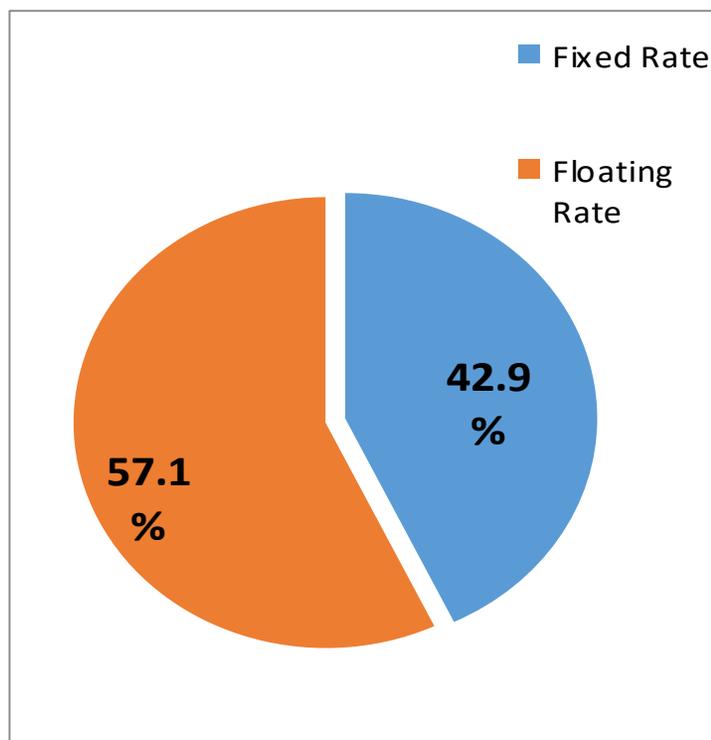
# Pavilion REIT's Distribution (sen)

Year	Jan to June (sen)	July to Dec (sen)	Total (sen)	Change
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%)
2020	1.61			



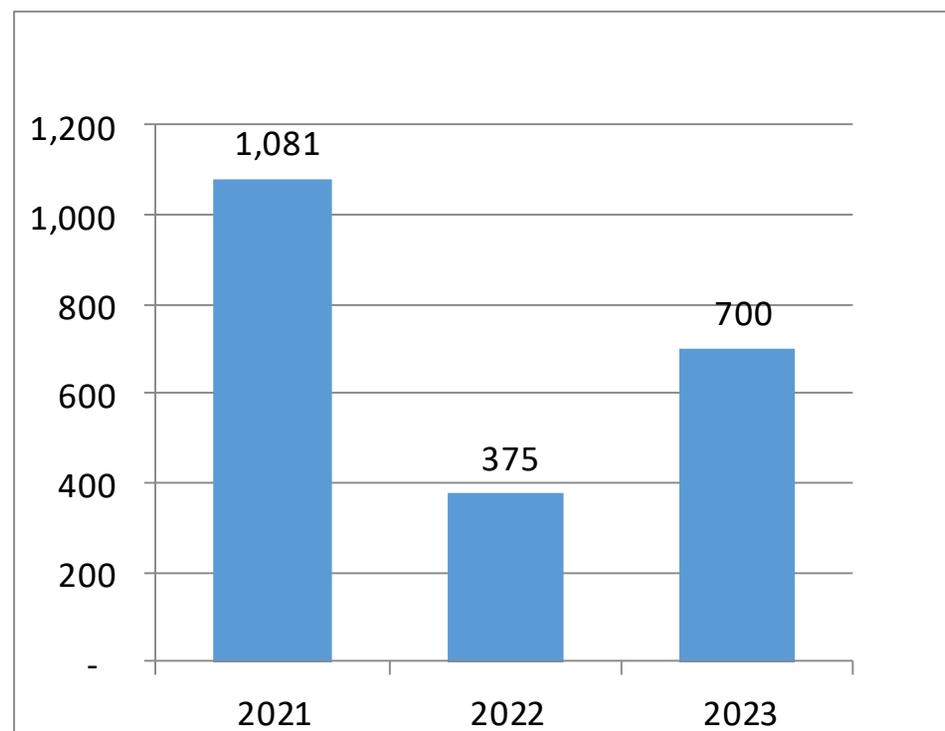
# Pavilion REIT Debt as at 30 June 2020

### Fixed vs Floating Rate



Average Interest Cost : 4.6%

### Debt Maturity Profile (RM million)

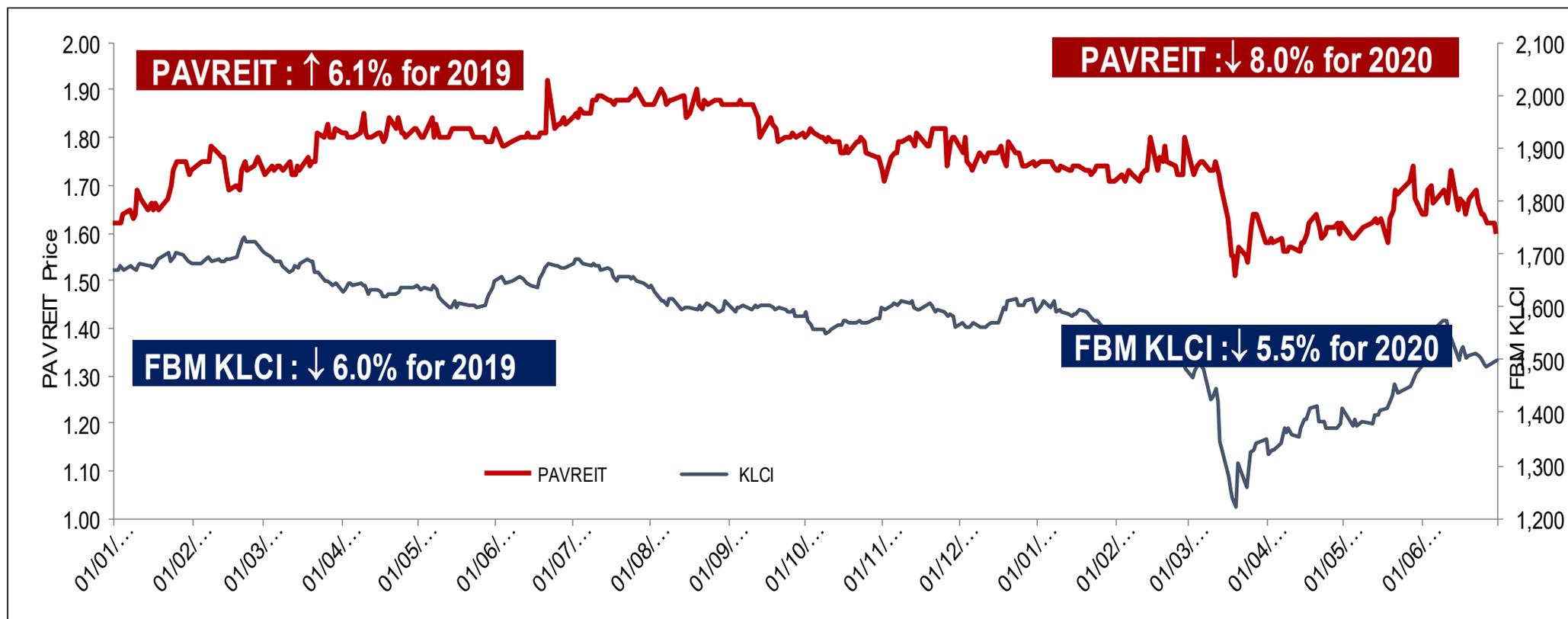


Gearing : 34.0%

## 3. Investors Relation

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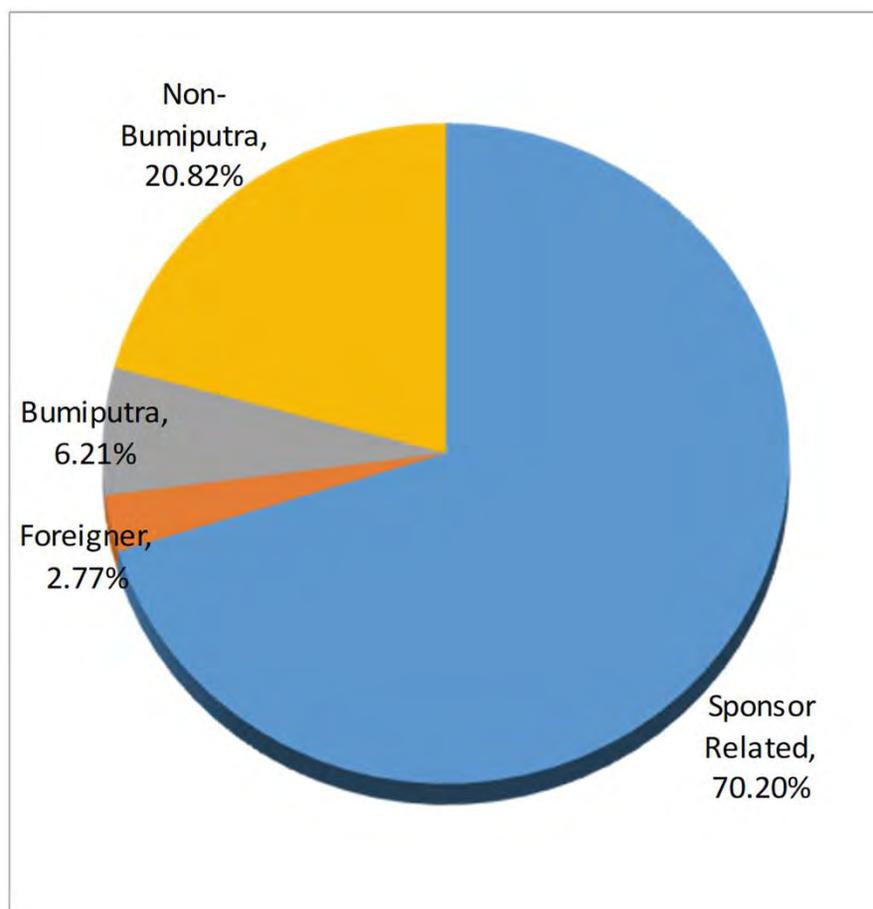
# Capital appreciation of 77.8% since listing, 7 Dec 2011



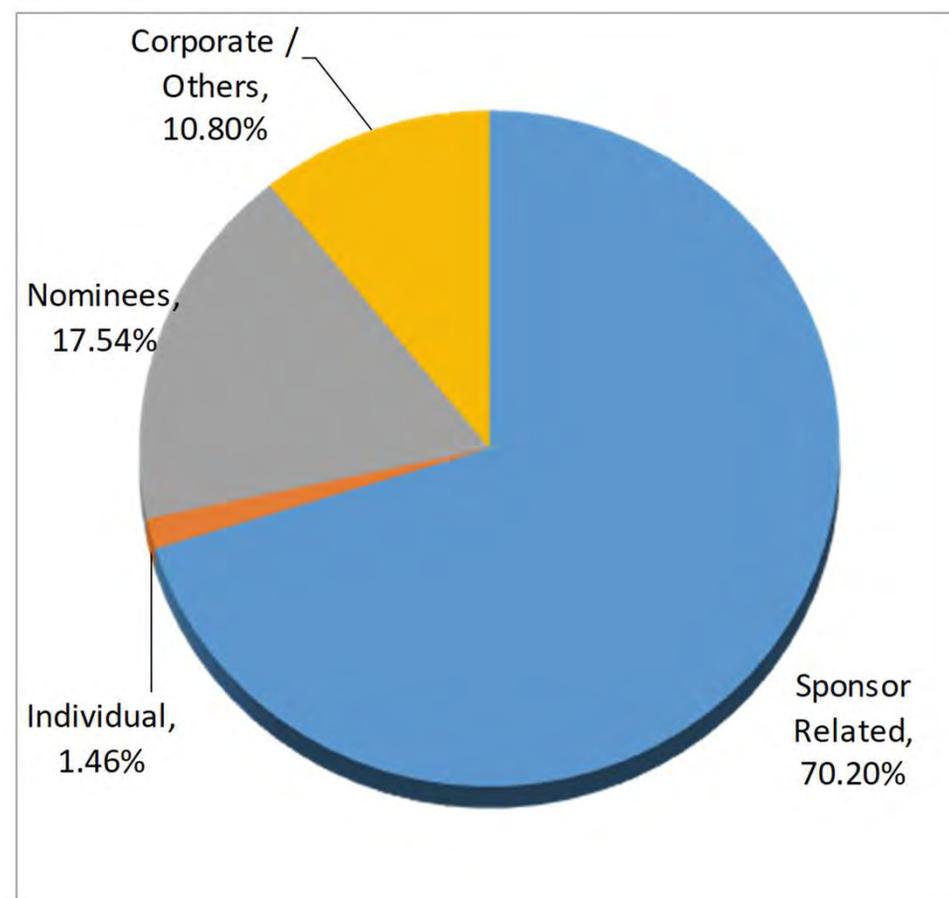
Trading Performance	31 Dec 2019	30 June 2020
Closing unit price as at 31 December 2019 / 30 June 2020	RM1.74	RM1.60
Highest traded price during the year / period	RM1.92	RM1.82
Lowest traded price during the year / period	RM1.61	RM1.35
Capital appreciation (closing price on institutional IPO price of RM0.90)	93.3%	77.8%
Market capitalization (RM'000) as at 31 Dec 2019 / 30 June 2020	5,291,497	4,869,332

# Unitholders' Composition based on Unitholdings as at 30 June 2020

Type of Holders



Category of Holders



Total number of unitholders as at 30 June 2020 : 6,002 (6,068 as at 31 Dec 2019)

# Top 10 Unitholders' as at 30 June 2020

No	Name	%
1	HSBC Nominees (Asing) Sdn Bhd CS (Switz) for Qatar Holding LLC	33.15
2	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account – CIMB Investment Bank Berhad for Lim Siew Choon (UCDSB-SSCA)	22.68
3	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account – CIMB Investment Bank Berhad for Tan Kewi Yong (UCDSB-SSCA)	9.26
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	7.21
5	Kumpulan Wang Persaraan (Diperbadankan)	5.60
6	UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Siew Choon	5.09
7	Amanah Trustees Berhad Amanah Saham Bumiputera	2.17
8	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for AIA Bhd	1.24
9	Permodalan Nasional Berhad	1.14
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	0.84

## 4. Pavilion Kuala Lumpur Mall

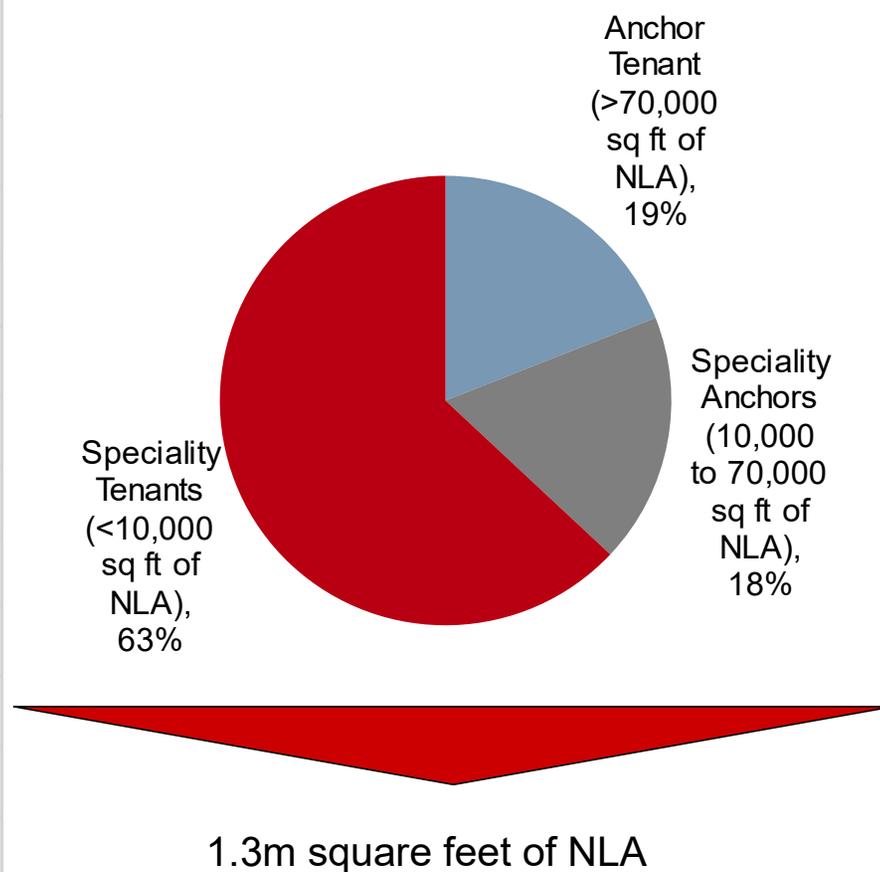
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# Pavilion Kuala Lumpur Mall – Tenancy Status

## Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
Parkson Elite	Departmental Store	18.8%
Forever 21	Fashion	1.8%
Mercato	Supermarket	1.8%
Padini Concept Store	Fashion	1.6%
Zara	Fashion	1.3%
Food Republic	Food & Beverage	0.9%
Cartier	Timepiece	0.5%
Polo Ralph Lauren	Fashion	0.4%
Hermes	Fashion	0.3%
Richard Mille	Timepiece	0.3%
<b>Total</b>		<b>27.7%</b>

## Tenant Mix by NLA

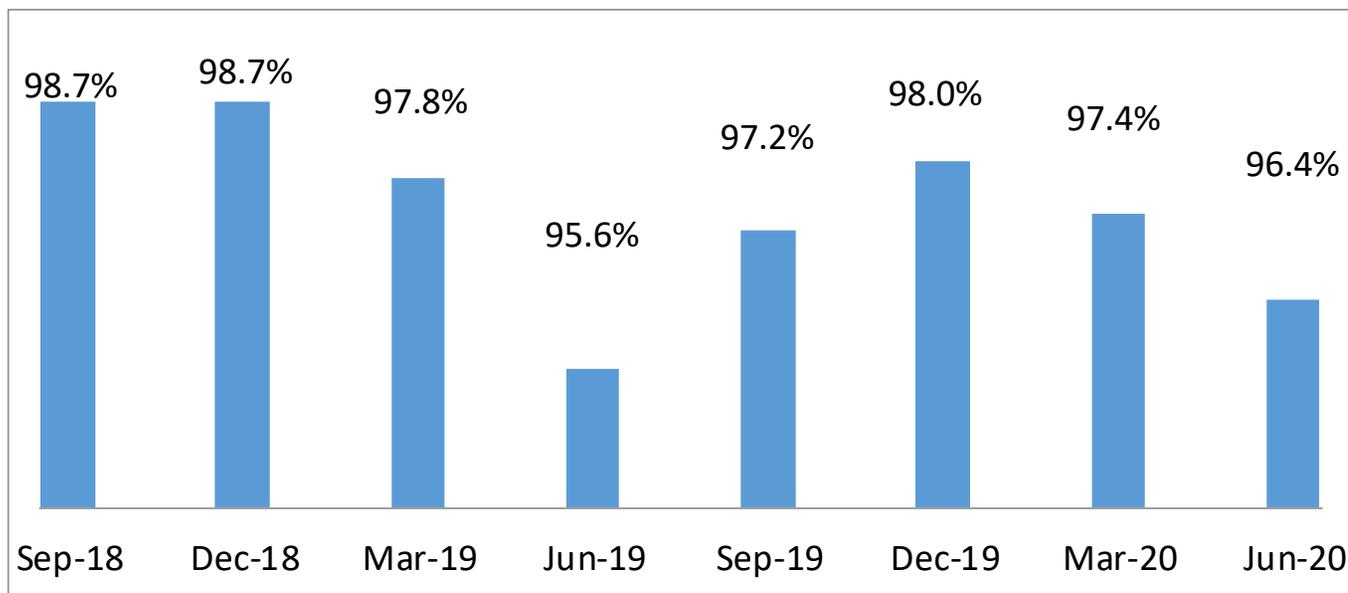


**Top 10 retail tenants contributes 16.8% of Gross Rent    High proportion of speciality tenants**

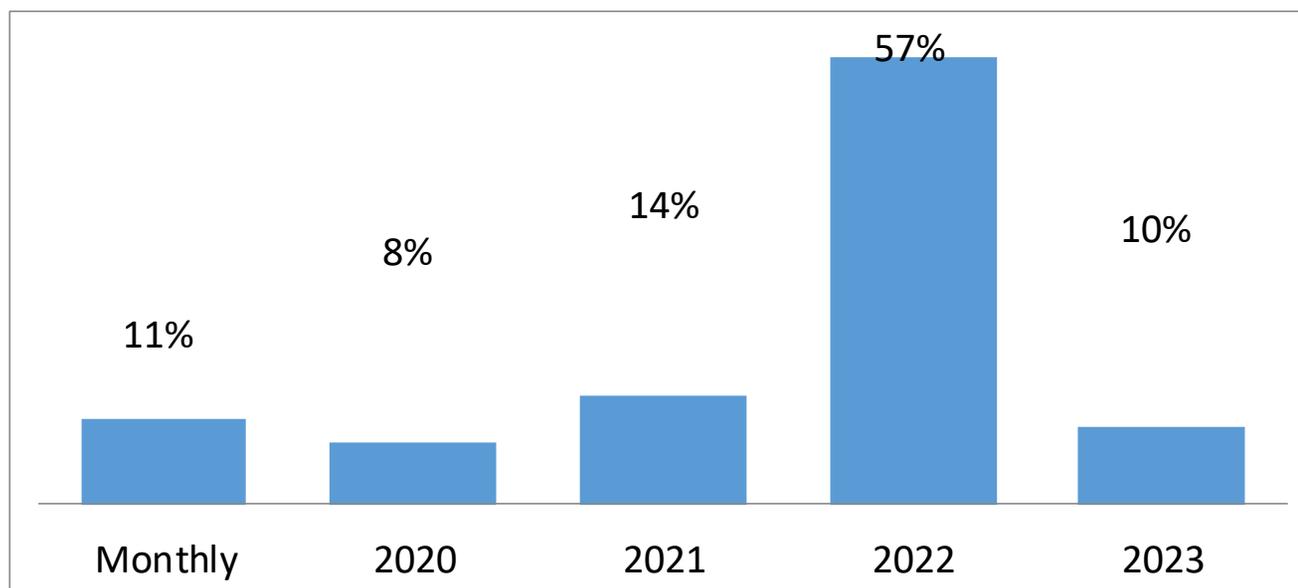
**Pavilion Kuala Lumpur mall enjoys a diverse and unique tenant base along with rising rental rates and consistently high occupancy rates**

# Pavilion Kuala Lumpur Mall – Tenancy Status

Occupancy rate at the end of quarter

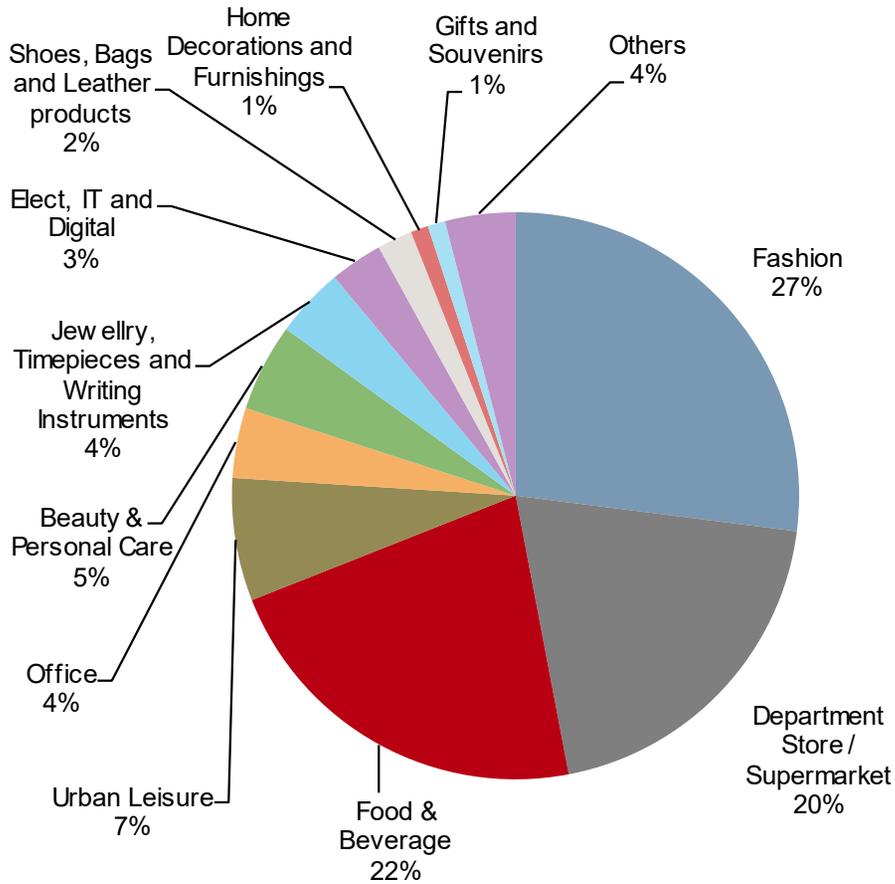


Projected tenancy expiry schedule on NLA

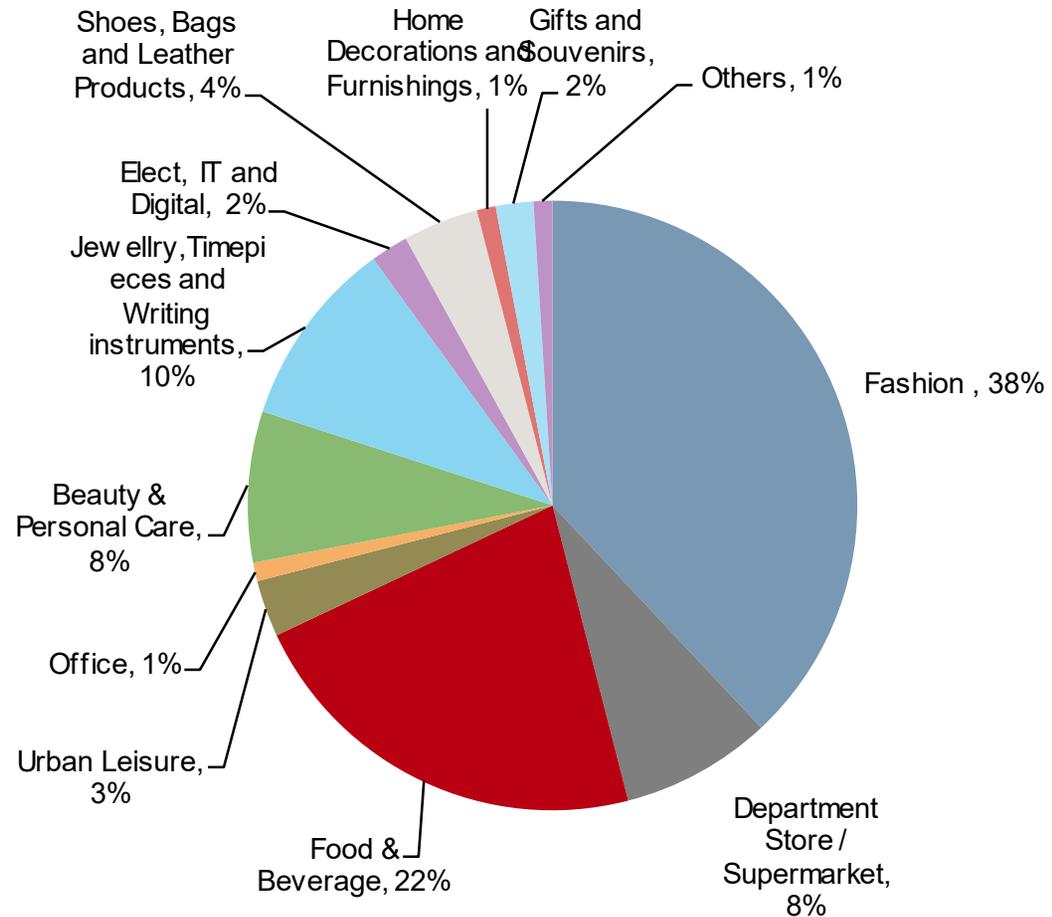


# Pavilion Kuala Lumpur Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



## 5. Intermark Mall

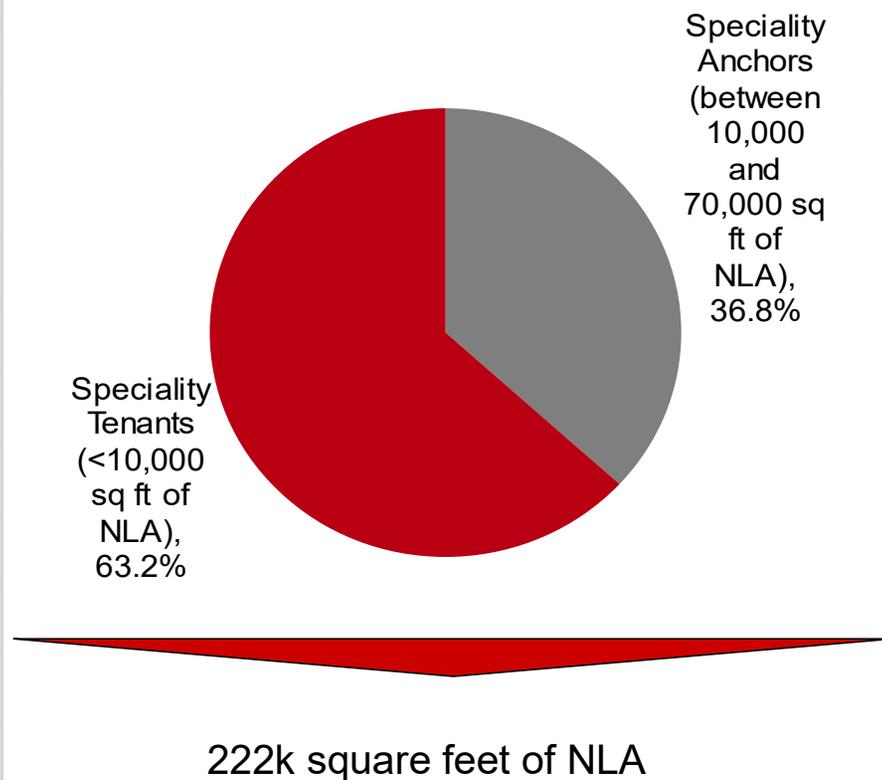
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# Intermark Mall – Tenancy Status

## Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
Jaya Grocer	Supermarket	16.2%
Hua Wei	IT	7.7%
Primrose Hill Active Learnin	Edutainment	7.2%
MST Golf	Sports	5.6%
Sports Direct	Sports	4.8%
Sketchers	Sports	3.3%
Oriental Landmark	Food & Beverage	3.0%
McDonald's	Food & Beverage	2.8%
Hanare	Food & Beverage	2.0%
In-Colonial	Food & Beverage	2.0%
<b>Total</b>		<b>54.6%</b>

## Tenant Mix by NLA

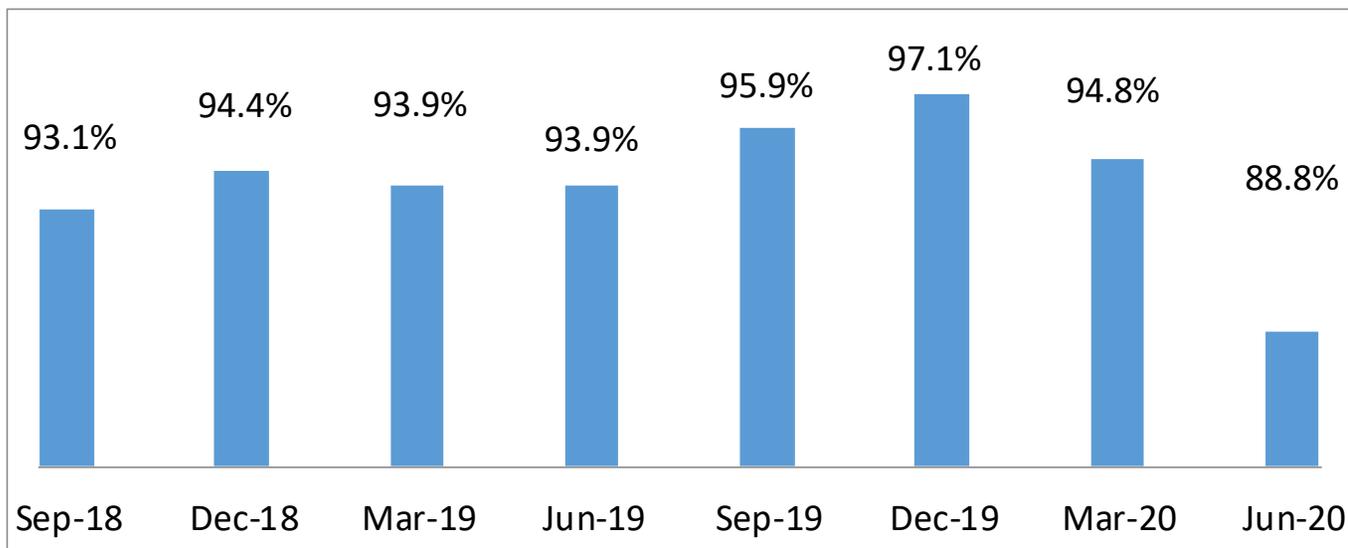


**Top 10 retail tenants contributes 48.1% of Gross Rent**

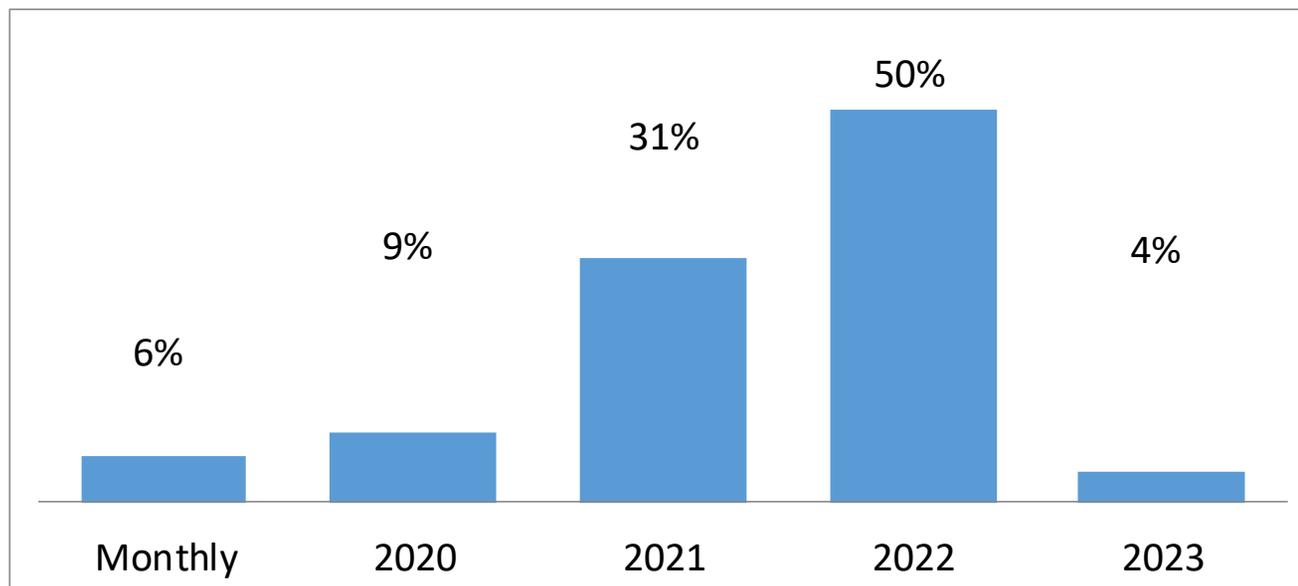
**Intermark Mall being positioned to cater to middle income professionals, expatriate and family conveniences**

# Intermark Mall – Tenancy Status

Occupancy rate at the end of quarter

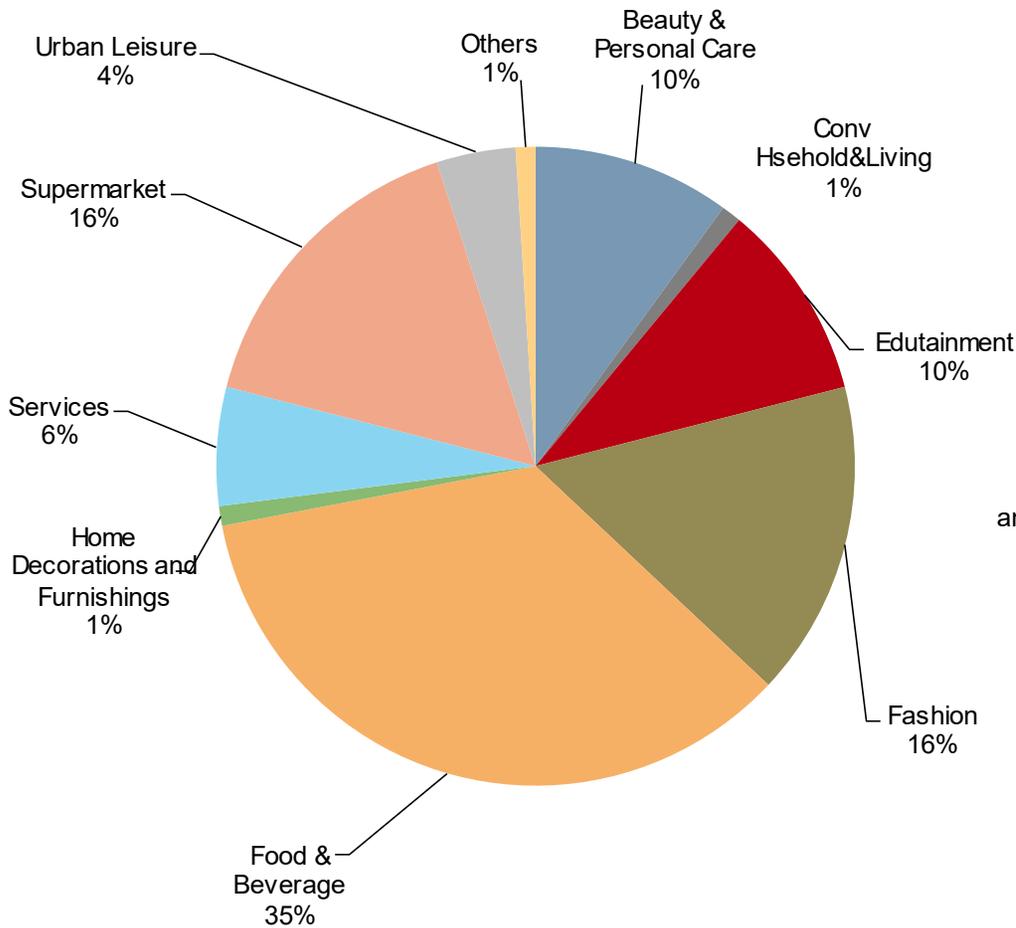


Projected tenancy expiry schedule on NLA

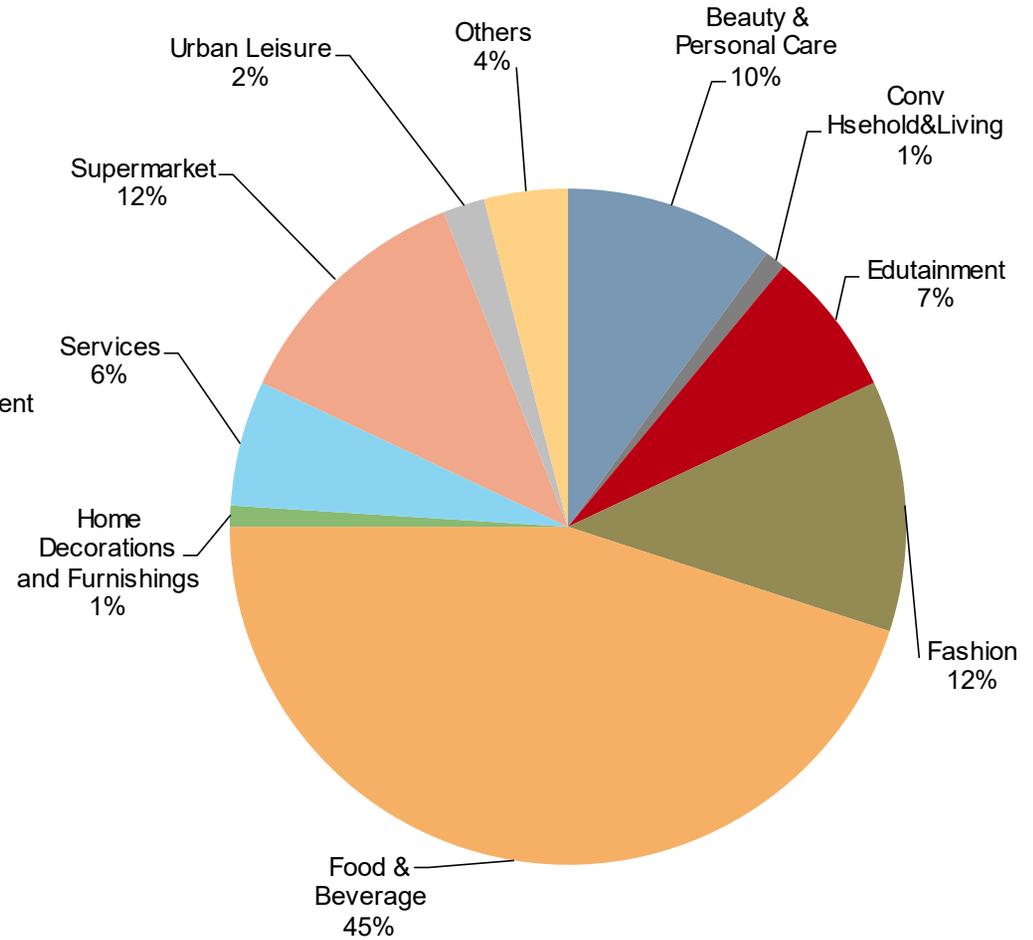


# Intermark Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



## 6. DA MEN Mall

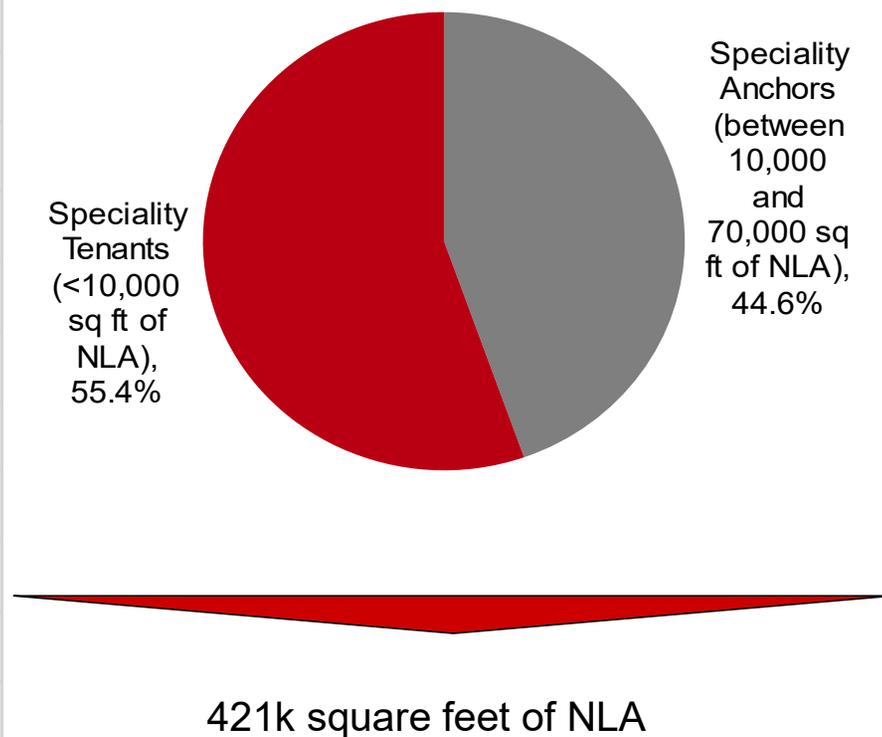
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# DA MEN Mall – Tenancy Status

## 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	3.1%
New Nanyang Food Street	Food & Beverage	2.6%
Home's Harmony	Home Furnishing	2.1%
Nam Heong Ipoh	Food & Beverage	1.5%
Swensen's	Food & Beverage	0.7%
<b>Total</b>		<b>34.2%</b>

## Tenant Mix by NLA

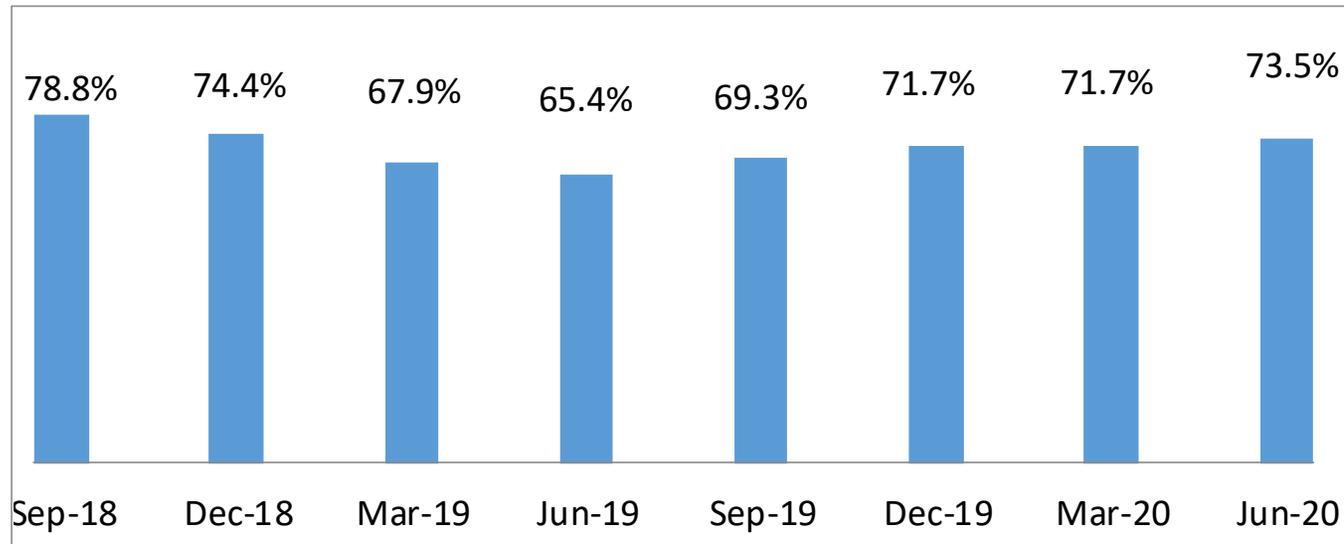


**Top 10 retail tenants contributes 43.8% of Gross Rent**

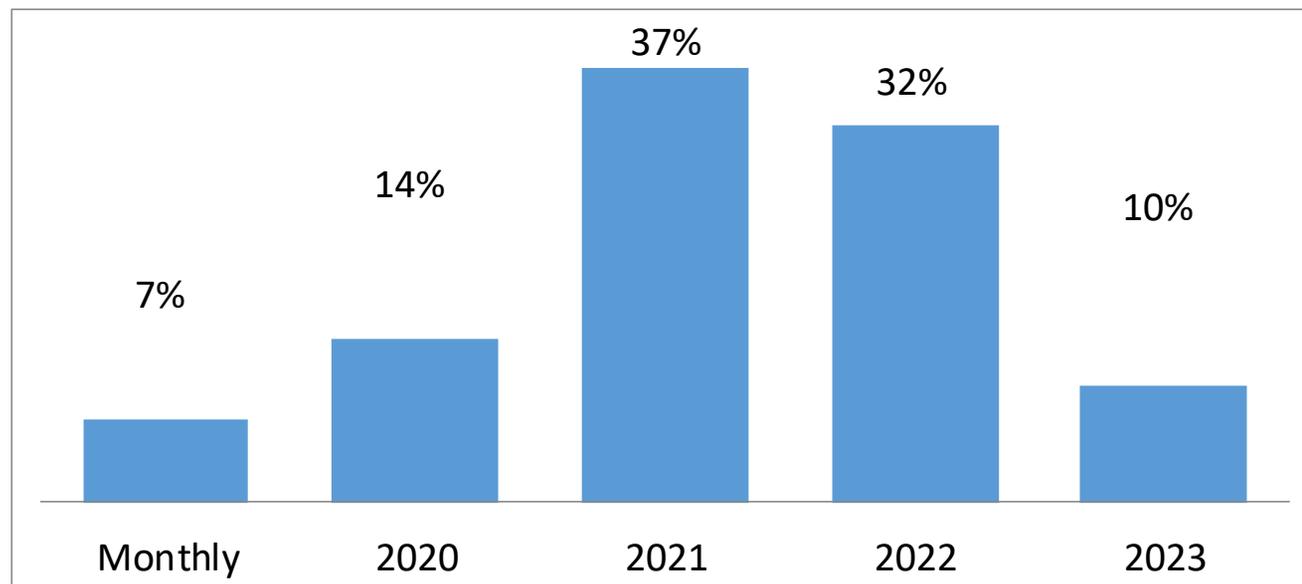
**Da men Mall targeting offerings of F&B and edutainment, catering to middle income suburb residential, commercial and industrial clientele**

# DA MEN Mall – Tenancy Status

Occupancy rate at the end of quarter

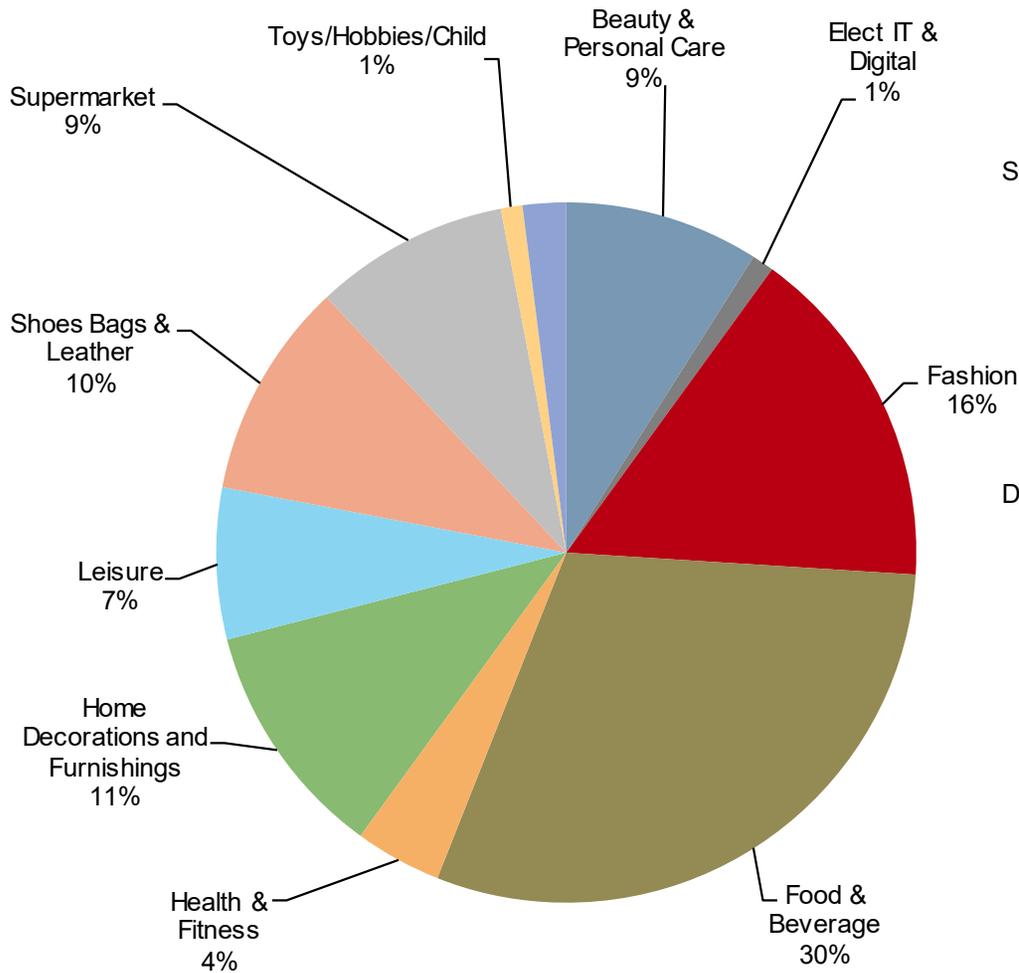


Projected tenancy expiry schedule on NLA

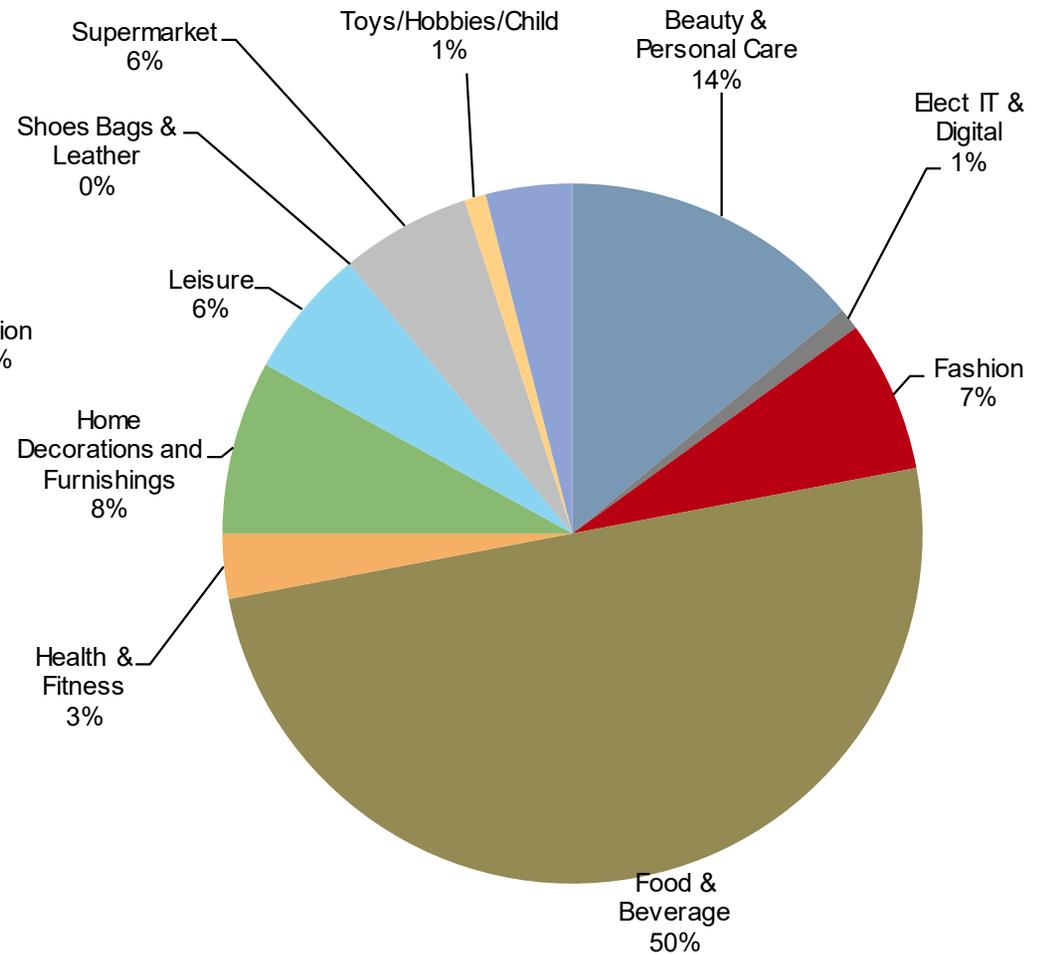


# DA MEN Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



## 7. Elite Pavilion Mall

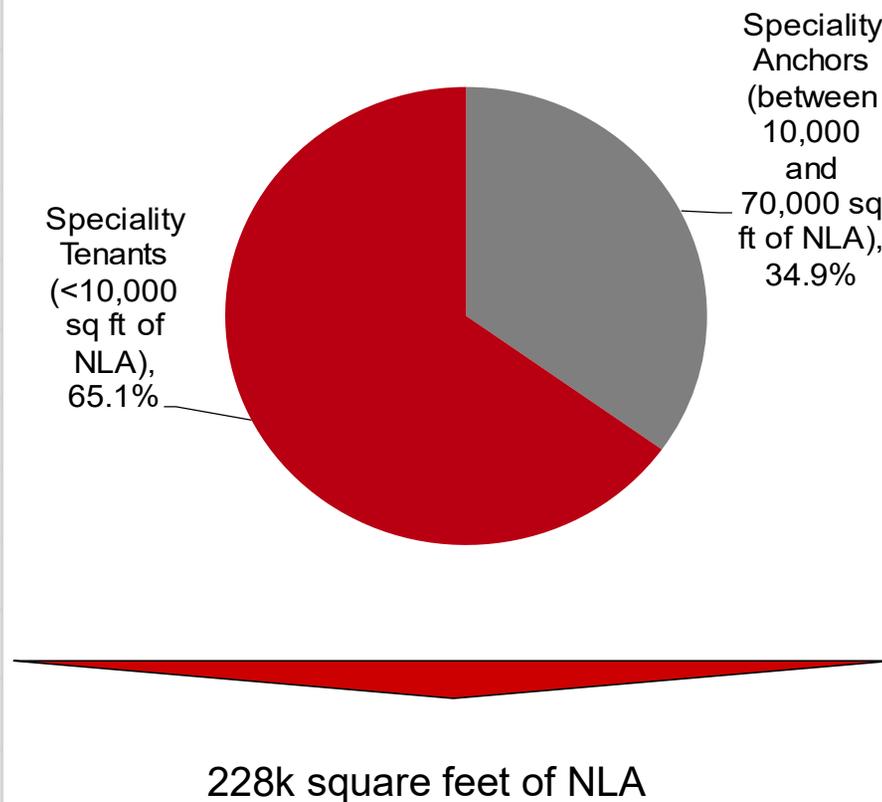
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# Elite Pavilion Mall – Tenancy Status

## Top 10 retail tenants by Gross Rent

Name	Trade sector	% of occupied NLA
JD Sports, King of Trainer	Fashion	6.5%
Muji	Fashion	6.1%
Mango and Mango Man	Fashion	5.8%
Toys R Us	Leisure Hobbies & Toys	5.8%
Haidilao Hot Pot	Food & Beverage	4.9%
COS	Fashion	3.4%
Coach	Fashion	2.8%
Lululemon	Fashion	1.8%
Rimowa	Travel & Luggage	1.0%
LukFook Jewellery	Jewellery Timepiece	0.9%
<b>Total</b>		<b>39.0%</b>

## Tenant Mix by NLA

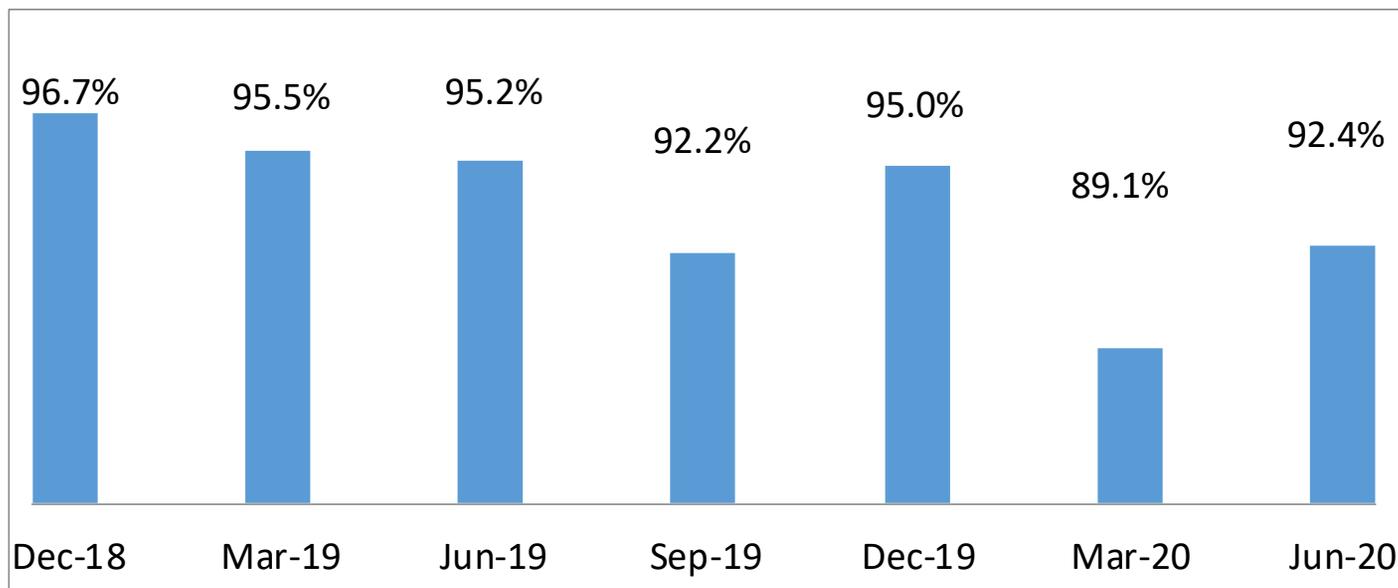


**Top 10 retail tenants contributes 45.4% of Gross Rent**

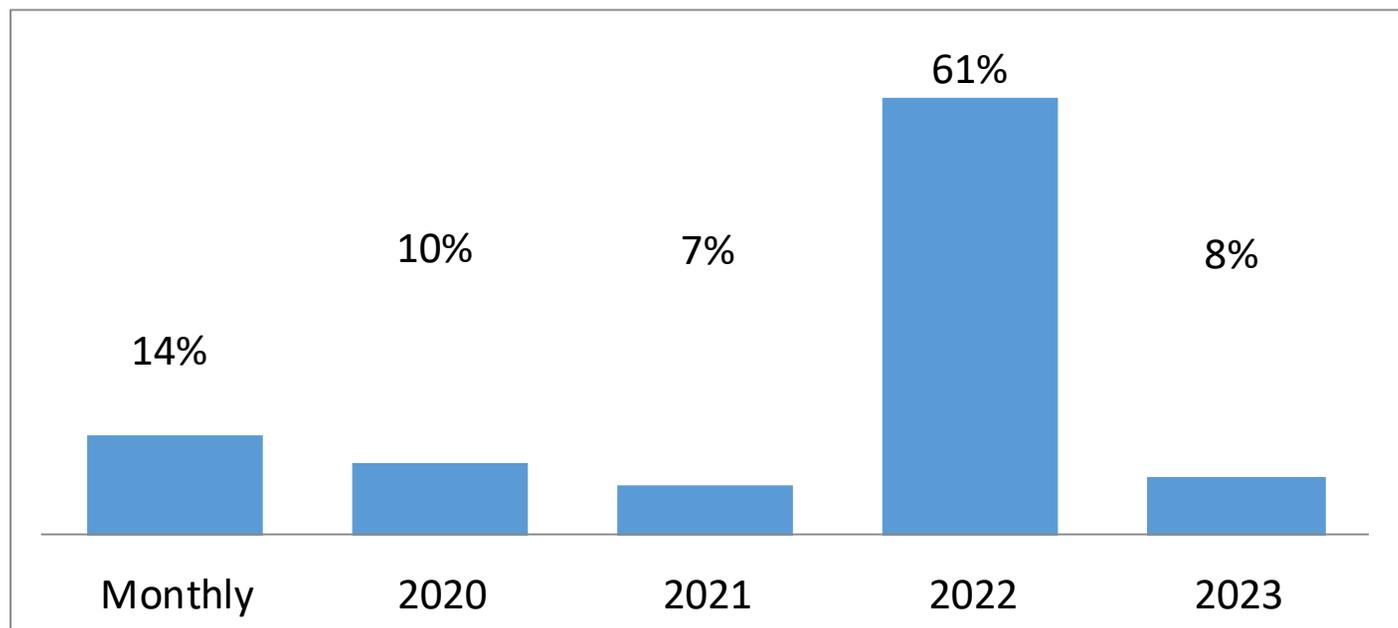
**An extension to Pavilion Kuala Lumpur mall, it offers additional variety of shopping options**

# Elite Pavilion Mall – Tenancy Status

Occupancy rate at the end of quarter

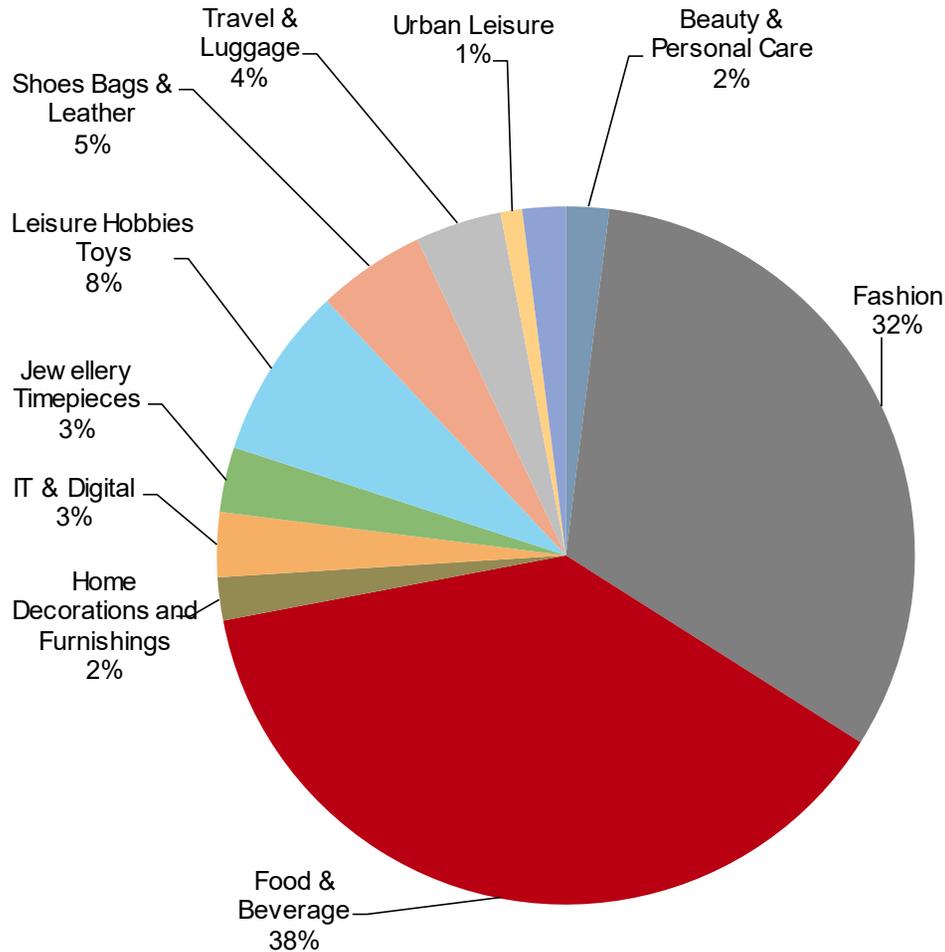


Projected tenancy expiry schedule on NLA

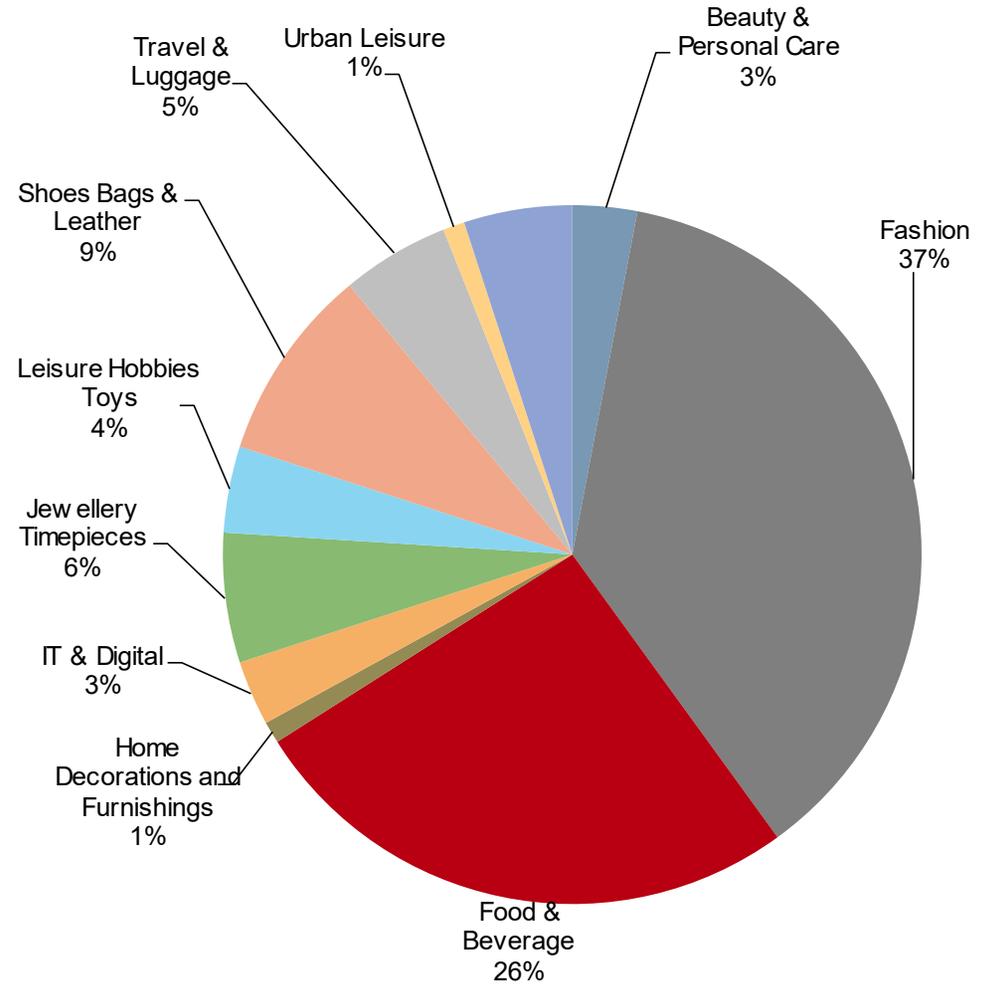


# Elite Pavilion Mall – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



## 8. Pavilion Tower

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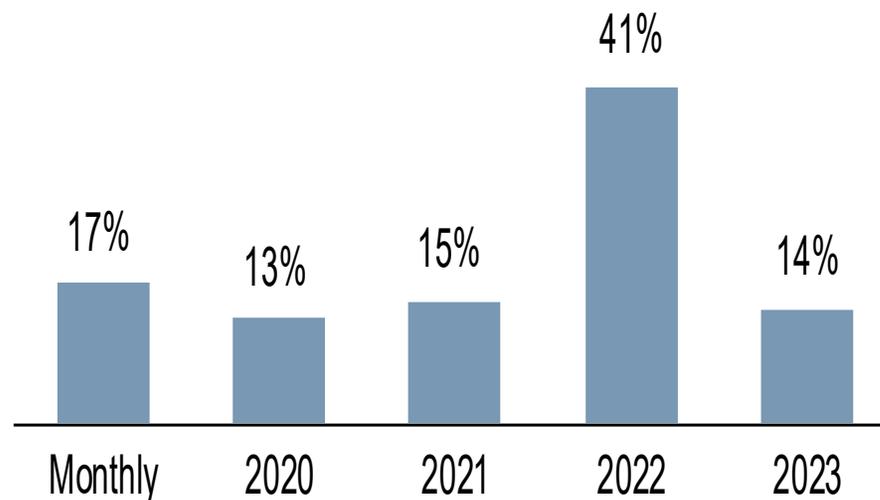
# Pavilion Tower

One of Kuala Lumpur's premier business addresses



86% space occupied

## Projected expiry schedule on NLA

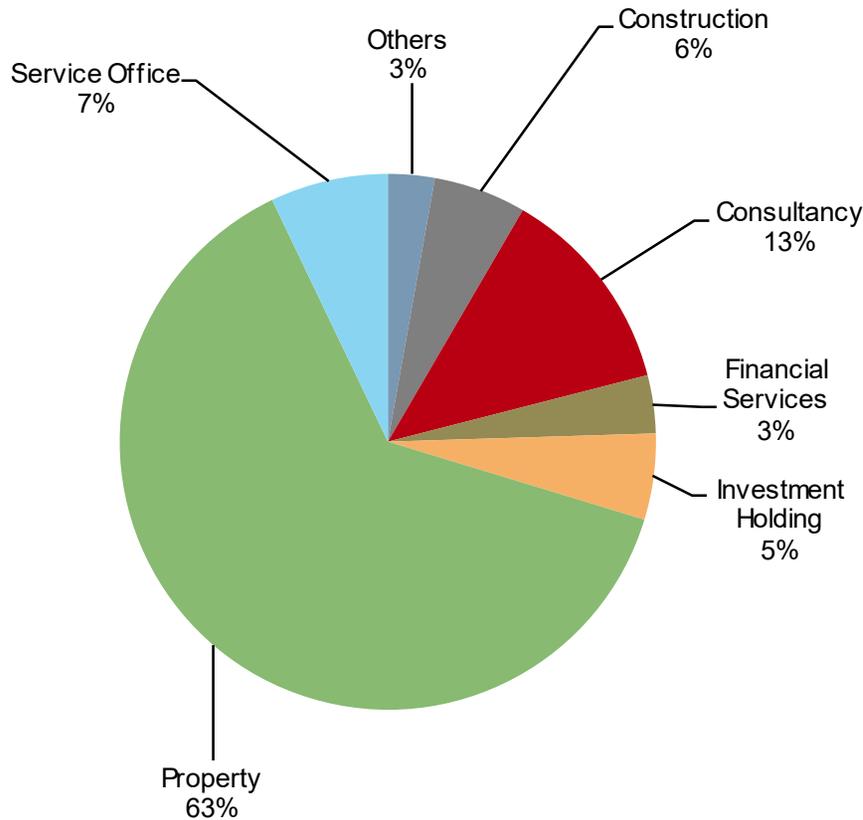


## Benefits of Pavilion Tower

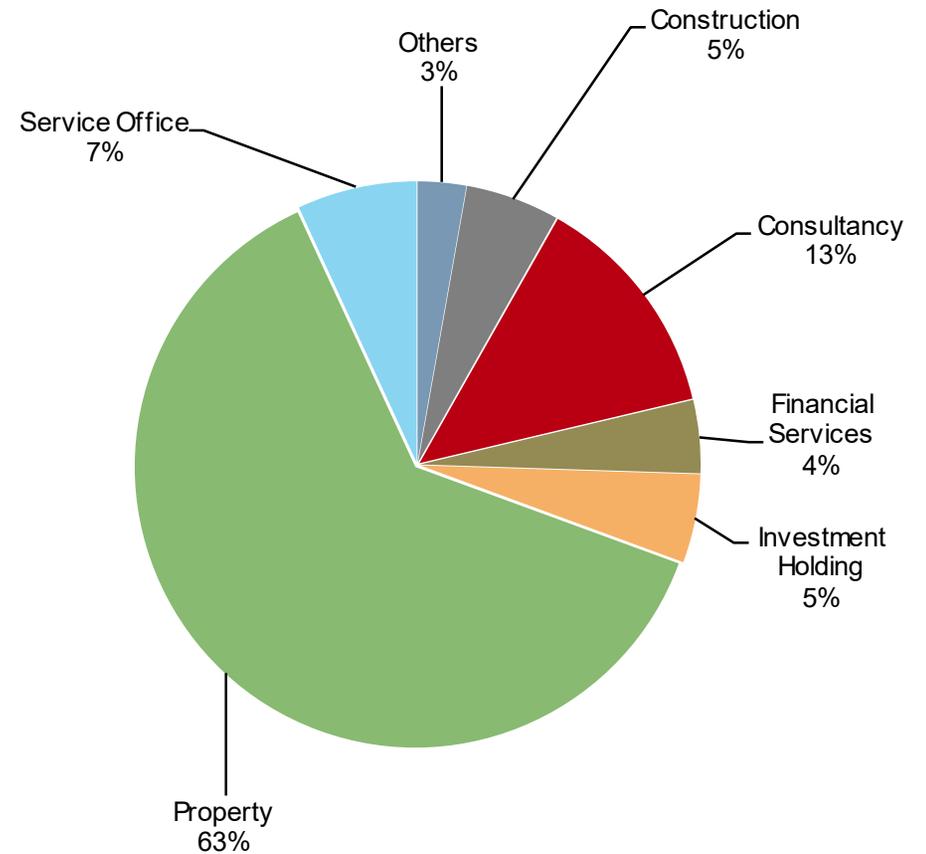
- Connected to Pavilion Kuala Lumpur Mall
- Tenants across multiple trade sectors, including property development, construction, retail, service office and others
- Major tenants include Malton Group, Mrail International, arcc service office and KL Metro

# Pavilion Tower Office – Tenancy Status

Trade sector analysis based on NLA



Trade sector analysis based on Gross Rental



## **9. Investment Opportunities / Growth Strategies**

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# Opportunities for future growth

## Potential for acquisition growth : Rights of First Refusal



### The fahrenheit88 ROFR

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



### 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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