

# Pavilion REIT sees 17% rise in 4Q net property income, pays 2.21 sen DPU

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KUALA LUMPUR (Jan 31): Pavilion Real Estate Investment Trust (Pavilion REIT) said its net property income in the quarter ended Dec 31, 2022 (4QFY2022) rose 17.17% to RM96.89 million from RM82.69 million, as higher rental income more than offset higher utilities and maintenance costs.

It also recorded a fair value gain on investment properties of RM151.38 million — as compared to a loss of RM627,000 the year before — which helped push net investment income to RM250.41 million, three times the RM83.14 million it recorded previously.

Distributable income rose 19.46% to RM67.56 million or 2.21 sen per unit, from RM56.56 million or 1.85 sen per unit.

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With the latest results, Pavilion REIT's net property income in the financial year ended Dec 31, 2022 (FY2022) rose 53.92% to RM364.2 million, from RM236.62 million.

This is supported by both an 11.4% increase in rental income to RM498.91 million from RM447.86 million, and a 77.5% jump in revenue from contract customers to RM55.87 million from RM31.47 million.

FY2022's distributable income jumped 89.97% to RM255.81 million from RM134.66 million, the REIT said. Distribution per unit rose concurrently to 8.37 sen per unit for the year, from 4.41 sen per unit.

### **Exploring solar energy offtake**

Pavilion REIT, whose utilities expenses rose 71.38% in FY2022 to RM68.47 million from RM48.28 million on the return of businesses, as well as higher electricity tariff in the year, is exploring green energy purchase.

In a separate filing, its manager Pavilion REIT Management Sdn Bhd said the REIT has entered into a memorandum of understanding (MOU) to enable three properties — Pavilion Kuala Lumpur Mall, Intermark Mall and Pavilion Bukit Jalil mall — to do so.

Pavilion REIT inked the MOU with Tanah Hijauan Sdn Bhd for green energy purchase by Pavilion KL and Intermark, while a separate MOU was signed with Hijau Aman for Pavilion Bukit Jalil, which the REIT is in the midst of acquiring.

The MOUs follow the Corporate Green Power Programme (CGPP) framework announced by the government last year, which allows solar power plant developers to look for commercial offtakers of solar energy from new solar plants.

Pavilion REIT's units settled unchanged at RM1.35 on Tuesday (Jan 31), giving the group a market capitalisation of RM4.13 billion.