

# Pavilion REIT's unitholders gives go ahead to buy Pavilion Bukit Jalil for RM2.2b

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Pavilion Real Estate Investment Trust (Pavilion REIT)'s non-interested unitholders have given the nod for the country's largest retail concentrated real estate investment trusts to acquire Pavilion Bukit Jalil Mall (PBJ Mall).

The acquisition, initially announced on November 22, 2022 will see MTrustee Bhd, as the trustee of Pavilion REIT, acquiring PBJ Mall and all related assets and rights from Regal Path Sdn Bhd, a wholly-owned subsidiary of Malton Bhd, for RM2.2 billion.

The acquisition is expected to increase the portfolio base of Pavilion REIT to RM8.3 billion from RM6 billion and provide future growth opportunities for the trust

According to the REIT's filing with Bursa Malaysia today, this endorsement by unitholders also saw the approval of two private placement exercises to partly fund the acquisition, spread between the first tranche of RM720 million, scheduled to be completed in second quarter of this year and a second tranche of RM550 million, to be completed latest by the second quarter of 2025.

The issue price for new units will also be determined later by way of a book-building exercise whilst the remainder of the acquisition consideration will be funded by bank borrowings.

Gearing for Pavilion REIT will increase from 33.8% as at December 31, 2022 to 36.8% upon completion of both tranches of the placements.

In addition, post-private placement of both tranches, unitholders will see a dilution in the unitholdings of its major unitholders which will improve trading liquidity and benefit retail investors.

Pavilion Bukit Jalil is a five-storey shopping mall that spans over 1.8 million square feet.

Units of Pavilion REIT closed RM1.32 today, valuing the REIT at RM4.04 billion. – **TMR**