

Pavilion REIT unitholders greenlight RM2.2 bil Pavilion Bukit Jalil mall acquisition

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REAL ESTATE INVESTMENT TRUST



According to a bourse filing, the REIT said the resolution was duly passed at its extraordinary general meeting (EGM) on Wednesday (March 22) after 134 unitholders who collectively hold 539.15 million units in Pavilion REIT (representing 99.98% of voting units) voted for the acquisition.

KUALA LUMPUR (March 22): Unitholders of Pavilion Real Estate Investment Trust (Pavilion REIT) have greenlighted the proposal to acquire Pavilion Bukit Jalil Mall (PBJ Mall) from Malton Bhd for RM2.2 billion.

According to a bourse filing, the REIT said the resolution was duly passed at its extraordinary general meeting (EGM) on Wednesday (March 22) after 134 unitholders who collectively hold 539.15 million units in Pavilion REIT (representing 99.98% of voting units) voted for the acquisition.

Consequently, the resolution for the proposed issuance of up to 600 million new units (consideration units) in Pavilion REIT — representing approximately 19.6% of total issued units — to Malton's subsidiary Regal Path Sdn Bhd was also passed with 99.8% of voting units.

“This endorsement [of the acquisition] 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 the second quarter of this year and a second tranche of RM550 million, to be completed by the second quarter of 2025,” Pavilion REIT said in a separate statement.

“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,” it added.

In connection to the private placements, another proposal to issue up to 341 million of the placement shares — representing approximately 11.1% of total issued units — to the Employees Provident Fund (EPF), was also passed.

The EPF is a substantial unitholder of Pavilion REIT with 303.72 million units or a 9.93% stake.

In November last year, Pavilion REIT’s trustee, MTrustee Bhd inked a sale and purchase agreement with Malton’s unit Regal Path to acquire PBJ Mall for RM2.2 billion.

It is worth noting that Malton’s executive chairman and major shareholder Tan Sri Desmond Lim Siew Choon is also the chairman and non-independent executive director of Pavilion REIT Management Sdn Bhd, the manager of Pavilion REIT.

PBJ Mall, located in Bukit Jalil, has a net lettable area of 1.8 million square feet. The mall houses five levels of retail space, two levels of basement parking with 4,800 car park bays and a piazza (centralised green area).

Pavilion REIT currently owns five properties: namely four malls — Pavilion KL and the connected Elite Pavilion Mall, Intermark and DAMEN — and an office building, Pavilion Tower.

Units in Pavilion REIT ended unchanged at RM1.32, giving the trust a market capitalisation of RM4.04 billion.