

Pavilion REIT sets first tranche of share placement at RM1.22 each, to raise RM720mil

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KUALA LUMPUR: Pavilion REIT today says it has fixed the issue price of the first tranche of its private placement at RM1.22 per unit to raise about RM720 million.

The issue price represents a discount of 6.6 per cent to the five-day volume weighted average market price of the units up to May 16 2023 of RM1.30.

"Compared to recent bookbuilding exercises, such discount demonstrates a strong value proposition for investors," Pavilion REIT said in a statement.

The first tranche follows the fulfilment of all the condition precedents set out in the sale and purchase agreement (SPA) of the acquisition of Pavilion Bukit Jalil.

A fundamental condition of the SPA was that at least 80 per cent of the total net lettable area of Pavilion Bukit Jalil have commenced rental billing with an average total rental of the tenanted NLA of not less than RM9.50 per square foot per month.

"The current occupancy rate of more than 82.0 per cent is reflective of the mall's position as a premier retail destination in the growing suburb of Bukit Jalil," it said.

"We are incredibly thrilled about the oversubscription of the placement, which is expected to complete on June 1 2023.

"This is the largest private placement ever recorded for Malaysian REITs. This significant achievement paves the way for an exciting new chapter for Pavilion REIT and the M-REITs industry," Pavilion REIT added.