

# Pavilion REIT to raise RM720 million, the largest private placement in M-REITs history

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17-05- 2023 07:50 PM

# PAVILION

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## REAL ESTATE INVESTMENT TRUST

**PETALING JAYA:** Pavilion Real Estate Investment Trust (Pavilion REIT) has fixed the issue price of the first tranche of its private placement exercise (Tranche 1 Placement) at RM1.22 per unit (Issue Price) to raise RM720 million, making it the largest private placement in M-REITs history.

The funds raised will be utilised to partially finance Pavilion REIT's RM2.2 billion acquisition of Pavilion Bukit Jalil (PBJ Mall) from Malton Bhd.

Pavilion REIT said that all the conditions precedent as set out in the sale and purchase agreement in relation to the acquisition of Pavilion Bukit Jalil together with the related assets and rights (SPA) have been fulfilled, rendering the SPA unconditional.

A condition of the SPA was that at least 80.0% of the total net lettable area (NLA) 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% is reflective of the mall's position as a premier retail destination in the growing suburb of Bukit Jalil.

Pavilion REIT Management Sdn Bhd CEO Datuk Philip Ho said that following the fulfilment of all the condition precedents as set out in the SPA, the placement is expected to complete on June 1, 2023.

"This is the largest private placement ever recorded for Malaysian REITs (M-REITs). This significant achievement paves the way for an exciting new chapter for Pavilion REIT and the M-REITs industry," he said in a statement.

The end of April 2023 saw the opening of TGV Cinemas, with state-of-the-art halls, establishing Pavilion Bukit Jalil as an attractive mall for movie-goers. The recent opening of several stores by other renowned brands, including Calvin Klein, Paris Baguette, Baby Shark Adventure Ville by Toy World, Mo-Mo Paradise and TARE Lingerie, further underscores confidence in Malaysia's domestic economy and the appeal of Pavilion Bukit Jalil as a retail hub.

There are line-up events to be hosted in Pavilion Bukit Jalil. These include Pokanime Planet, Home Fair, iFood Expo, The World of Nickelodeon Malaysia, NCT Dream Pop-Up Store and The World of Tim Burton Pop-Up Museum, which will enhance the mall's vibrancy and appeal and are anticipated to draw a significant influx of visitors to Pavilion Bukit Jalil.

Given the current occupancy rate, the line-up of events and the addition of new brands, it said that Pavilion Bukit Jalil is expected to witness a substantial increase in footfall. The mall's strategic positioning and diverse offerings also make it a prime destination for shopping, dining, and entertainment.

Reflecting on the potential growth of Pavilion Bukit Jalil, Ho added, "Pavilion Bukit Jalil continues its upward growth trajectory with recent new store openings by both local and international brands and upcoming events, some of which are unique to Pavilion Bukit Jalil. We are confident that these developments will contribute to the value proposition we offer to both our unitholders and shoppers."