

Pavilion REIT prices private placement at RM1.40 apiece to raise some RM360m

theedgemalaysia.com/node/758094

June 6, 2025

Pavilion REIT prices private placement at RM1.40 apiece to raise some RM360m

By [Syafiqah Salim](#) / [theedgemalaysia.com](#)



KUALA LUMPUR (June 6): Pavilion Real Estate Investment Trust (KL:[PAVREIT](#)) raised about RM360 million from a private placement of shares priced at RM1.40 per unit.

The issue price represents a discount of 3.9% to the volume-weighted average price of the units for the five market days up to and including June 4 of RM1.4572 per unit. The private placement involves the sale of 257.14 million new units.

Proceeds from the share have been earmarked to partly finance its RM480 million acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur in a related-party transaction.

The balance of the purchase consideration will be funded via bank borrowings. As at end-March 2025, the trust had total borrowings of RM3.39 billion, comprising RM400 million in short-term debt and RM2.99 billion in long-term debt.

The acquisition, announced last December, was deemed a related-party transaction as the sellers Lumayan Indah Sdn Bhd and Harmoni Perkasa Sdn Bhd are indirectly wholly-owned by tycoon Tan Sri Desmond Lim.

Lim is also an ultimate shareholder and chairman of Pavilion REIT's manager Pavilion REIT Management Sdn Bhd.

Pavilion REIT has said the addition of the two hospitality assets is expected to enhance its portfolio diversification, lowering Pavilion Kuala Lumpur Mall's contribution to its total asset value from 61.4% to 58%.

Apart from Pavilion Kuala Lumpur, the REIT's portfolio comprises Pavilion Bukit Jalil, Intermark Mall, Da Men Mall, Elite Pavilion Mall and the office block Pavilion Tower.

CIMB Investment Bank, Maybank Investment Bank, and UBS acted as joint global coordinators and joint bookrunners for the placement.

AmInvestment Bank served as joint bookrunner, while Affin Hwang Investment Bank, Kenanga Investment Bank and RHB Investment Bank are joint co-bookrunners.

Edited By Jason Ng