

# Pavilion REIT 2Q net profit climbs to RM79mil

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PETALING JAYA: [Pavilion Real Estate Investment Trust](#) (Pavilion REIT) reported a higher net profit of RM78.66mil for the second quarter ended June 30, 2025 (2Q25), up from RM67.12mil a year ago, driven by stronger contributions from Pavilion Bukit Jalil.

Revenue for the quarter rose to RM213.34mil, compared with RM201.3mil in the same period last year.

In a filing with Bursa Malaysia, Pavilion REIT said the improvement was largely attributable to Pavilion Bukit Jalil, which benefited from a higher occupancy rate and increased income from its exhibition centre and advertising spaces.

The REIT added that enhanced advertising revenue from the upgraded LED screen at Elite Pavilion Mall also supported the improved top line.

“Total property operating expenses were higher by RM2.3mil or 3% as compared to 2Q24, mainly due to the increase in marketing expenses driven by campaigns as well as setup cost for advertising-related income,” it said.

As a result, net property income rose 8% to RM133.3mil in 2QFY25 from RM123.47mil in the previous corresponding quarter.

For the first half of the financial year ending Dec 31, 2025 (1H25), net profit rose to RM169.08mil from RM150.28mil in the same period a year earlier.

Revenue climbed to RM441.52mil from RM419.82mil, while net property income increased to RM272.58mil from RM256.05mil.

The REIT noted that the total property operating expenses incurred were higher by 3% to RM168.94mil in 1H25. This was mainly due to set-up costs for advertising income and higher doubtful debts provision.

Earnings per unit stood at 4.60 sen, up 0.49 sen from 4.11 sen in the previous year's corresponding period.

Pavilion REIT declared an interim income distribution of 0.32 sen per unit for the financial year ending Dec 31, 2025, payable on Aug 27, 2025.

Looking ahead, the group remains mindful of ongoing cost pressures, including the imposition of service tax on commercial rentals, higher minimum wages and the impact of subsidy rationalisation on operating margins.

Nonetheless, it said proactive management of its investment properties remains a priority to ensure steady returns to unitholders.

The REIT added that the return of large-scale business events and international concerts continues to drive demand as the hospitality market continues to gain traction and international arrivals continue to increase.

As at end-June, Pavilion REIT's portfolio comprised Pavilion Kuala Lumpur Mall, Pavilion Tower, DA MEN Mall, Intermark Mall, Elite Pavilion Mall, Pavilion Bukit Jalil, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

In a separate filing, Pavilion REIT said it holds several rights of first refusal, placing it in a strong position to expand its net lettable area going forward.