

Pavilion REIT's Q2 Profit Up 17% To RM78 Million Driven By Bukit Jalil

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July 22, 2025



Pavilion Real Estate Investment Trust released its financial performance for the second quarter ended June 30, 2025 (Q2 2025), with total gross revenue increasing by 6% to RM213.3 million, up from RM201.3 million in Q2 2024. Net profit rose to RM78.7 million, which was 17% higher than Q2 the previous year of RM67 million.

For the quarter under review, Pavilion REIT's distributable income stood at RM84.9 million. This figure comprises an income after tax of RM78.7 million, alongside non-cash adjustments including depreciation of RM0.1 million, amortisation of borrowing transaction costs of RM0.4 million, Manager's management fee payable in units amounting to RM2.7 million, and present value adjustment on deferred acquisition payments of RM3.0 million.

The improved performance was primarily attributed to stronger contributions from Pavilion Bukit Jalil. The mall witnessed a higher occupancy rate, coupled with increased income generated from its exhibition centre and advertising spaces. Additionally, advertising revenue saw a significant boost from the recently upgraded LED screen at Elite Pavilion Mall, which contributed to the positive momentum.

Despite the increase in revenue, total property operating expenses for Q2 2025 also rose by RM2.3 million or 3% compared to Q2 2024. This was mainly due to higher marketing expenses associated with various campaigns and setup costs related to advertising income generation.

Nevertheless, the growth in gross revenue outpaced the increase in operating expenses, leading to a higher net property income (NPI) of RM9.8 million, an 8% increase in Q2 2025 compared to the same period last year.

The manager's management fee also saw a slight increase of RM0.5 million, in line with the overall growth in total asset value and net property income.

These positive developments culminated in a notable 17% increase in income before taxation, which rose by RM11.5 million in Q2 2025 compared to Q2 2024.