

Pavilion REIT posts 20% profit growth in 3Q25

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PETALING JAYA: [Pavilion Real Estate Investment Trust](#) (REIT) believes Malaysia's economic outlook remains positive supported by resilient consumer demand, growing tourism, firm domestic fundamentals and supportive policy measures.

The investment manager said that with Kuala Lumpur being ranked as the world's second top trending travel destination for 2025 by TripAdvisor, Klang Valley's hotel occupancy is expected to maintain its upward trajectory

In a filing to Bursa, Pavilion REIT saw net profit climb by 19.8% year-on-year (y-o-y) to RM94.6mil for the third quarter ended September (3Q25) on the back of a 10% rise in revenue to RM227.9mil.

It said the 3Q25 improvement was primarily due to rental income contribution from Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, acquired in June 2025, as well as higher contribution from Pavilion Bukit Jalil, which in turn was driven by improved occupancy rate and increased income from its exhibition centre and advertising spaces.

For the nine months ended September (9M25), net profit grew 3.2% y-o-y to RM263.7mil, as turnover increased 6.7% to RM669.4mil.

Pavilion REIT said: "The increase was mainly contributed by Pavilion Bukit Jalil, driven by higher occupancy rate and increased income generated from its exhibition centre and advertising spaces with improved advertising revenue generated from the upgraded light-emitting diode screen at Elite Pavilion Mall, as well as income from the two newly acquired properties."

The investment manager reported that total property operating expenses in 9M25 incurred was higher by RM12.2mil or 5% y-o-y, was mainly due to the setup costs related to advertising income, higher provision for doubtful debts, and the chiller upgrade at Pavilion Kuala Lumpur Mall.

It said these have resulted in higher net property income by RM30.2mil or 8% y-o-y for 9M25, as borrowing cost decreased by RM6.4mil mainly due to lower interest rates on latest borrowings.

Compared to the preceding quarter ended June 30, net profit escalated 20.2% from RM78.7mil, as revenue rose 6.8% from RM213.3mil, primarily due to higher revenue rent and advertising income, net contribution from the two newly acquired properties, and lower borrowing costs.

Dividend declared remained at 4.97 sen from 2Q25.

Pavilion REIT said cost management will continuously be adopted to optimise efficiency with spending as required to ensure needs, comfort and safety of its stakeholders are balanced and not compromised.

"Pavilion REIT malls will be collaborating with the tourism ministry and associations to provide more dynamic and engaging experiences for its visitors to boost tourism arrivals and spending," it added.