

Pavilion REIT's FY24 Income After Tax Down 5%

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Pavilion REIT saw its total revenue for FY24 coming in at RM845.9 million which is higher by RM122.1 million or 17% as compared to the preceding year ended 31 December 2023's performance. The increase it said was mainly contributed by income from the new property, Pavilion Bukit Jalil and higher rental income from Pavilion Kuala Lumpur Mall.

The group said total property operating expenses incurred were higher by RM58.4 million or 22% as compared to the preceding year ended 31 December 2023. This it added was mainly due to operating expenses incurred for the new property, replacement of obsolete or aging parts/upkeeps in properties as well as lift lobby and toilet refurbishment at Pavilion Tower. Higher utilities cost was also incurred due to additional consumption as a result of the hot weather and subscription of green electricity tariff from Tenaga Nasional Berhad.

These resulted in higher net property income by RM63.7 million or 14% for year ended 31 December 2024 as compared to preceding year ended 31 December 2023. Fair value gain of RM99.9 million arising from the valuation of investment properties as at 31 December 2024 was recognised in current quarter. The fair value gain for 2023 recognised in Q4 2023 was RM146.5 million.

Higher manager's management fee by RM5.2 million was in line with the increased in total asset value and net property income. Borrowing cost increased by RM37.6 million due to drawdown of additional borrowings for acquisition of investment property. RM17.6 million was also recognised in borrowing cost as present value adjustment to deferred acquisition payments.

Pavilion REIT noted that these resulted in income before taxation being lower by RM21.9 million or 5% as compared to the preceding year ended 31 December 2023. Distributable income for the year was RM341.7 million while income after tax was RM409.9 million which was also down compared to RM431 million in 2023.