

Pavilion REIT Unitholders Approve RM480 Million Acquisition Of Hospitality Assets

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Pavilion Real Estate Investment Trust has received unitholder approval to acquire two landmark hospitality assets, Banyan Tree Kuala Lumpur (BTKL) and Pavilion Hotel Kuala Lumpur (PHKL), in a RM480 million yield accretive transaction that strengthens the REIT's long-term performance and reinforces its presence within Bukit Bintang.

Dato' Philip Ho, Chief Executive Officer of Pavilion REIT Management Sdn Bhd, said, "We are pleased with the strong support from our unitholders. These hotels are highly synergistic with Pavilion Kuala Lumpur Mall and Elite Pavilion Mall, allowing for an elevated visitor and hotel guest experience."

Ho added that Pavilion REIT remains focused on owning and managing high-performing retail-led assets, especially super-regional and integrated developments, and this acquisition presents a value-aligned opportunity within the REIT's existing footprint in Bukit Bintang, contributing to the overall vibrancy of the area while enhancing the REIT's income resilience and growth prospects.

The two properties are 5-star hotels operated and managed by Banyan Tree Hotels & Resorts Pte Ltd, and have consistently achieved average occupancy rates of 82.1% (BTKL) and 81.5% (PHKL) for the financial year ended 31 December 2024.

BTKL, housed within a 59-storey integrated building, offers 55 well-appointed rooms, the award-winning Banyan Tree Spa and a rooftop bar. PHKL, which sits atop Pavilion Kuala Lumpur Mall, comprises 325 well-appointed rooms with comprehensive meeting and event facilities.

Pavilion REIT said the acquisition will be funded through a combination of debt and or equity, including the issuance of up to 172.4 million new units to the vendors and or their nominees and a private placement of up to 386.0 million new units to raise between RM264 million and RM552 million.