

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

CONDENSED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2025 (Unaudited) RM'000	As at 31 December 2024 (Audited) RM'000
ASSETS		
Plant and equipment	2,014	2,200
Investment properties	8,490,000	8,490,000
Total non-current assets	8,492,014	8,492,200
Inventories	5,709	5,731
Trade and other receivables	70,462	61,667
Pledged deposits with licensed banks	98,069	97,395
Cash and cash equivalents	381,253	473,861
Total current assets	555,493	638,654
TOTAL ASSETS	9,047,507	9,130,854
LIABILITIES		
Borrowings	2,992,844	3,312,659
Payables and accruals	82,872	85,308
Total non-current liabilities	3,075,716	3,397,967
Borrowings	400,000	80,000
Payables and accruals	633,493	634,423
Total current liabilities	1,033,493	714,423
TOTAL LIABILITIES	4,109,209	4,112,390
NET ASSET VALUE	4,938,298	5,018,464
FINANCED BY		
UNITHOLDERS' FUND		
Unitholders' capital	3,678,621	3,673,129
Accumulated income	1,259,677	1,345,335
TOTAL UNITHOLDERS' FUND	4,938,298	5,018,464
Number of units in circulation ('000 units)	3,664,390	3,660,689
Net asset value per unit (RM)		
- Before income distribution	1.3476	1.3709
- After income distribution*	1.3208	1.3228

*after distributable income of 2.68 sen per unit (2024: after final income distribution of 4.81 sen per unit).

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Current Quarter 31 March		Year to Date 31 March	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
Rental income	207,627	199,320	207,627	199,320
Revenue from contract customers	12,537	11,621	12,537	11,621
Other income	8,012	7,579	8,012	7,579
GROSS REVENUE	228,176	218,520	228,176	218,520
Utilities	(24,763)	(24,378)	(24,763)	(24,378)
Maintenance	(28,908)	(29,778)	(28,908)	(29,778)
Property taxes	(5,978)	(5,858)	(5,978)	(5,858)
Other operating expenses	(25,773)	(22,487)	(25,773)	(22,487)
PROPERTY OPERATING EXPENSES	(85,422)	(82,501)	(85,422)	(82,501)
NET PROPERTY INCOME	142,754	136,019	142,754	136,019
Interest income	4,282	3,924	4,282	3,924
Net fair value changes on investment properties	-	-	-	-
NET INVESTMENT INCOME	147,036	139,943	147,036	139,943
Manager's management fee	(10,975)	(10,734)	(10,975)	(10,734)
Trustee's fee	(138)	(139)	(138)	(139)
Other trust expenses	(457)	(403)	(457)	(403)
Borrowings cost	(45,045)	(45,500)	(45,045)	(45,500)
TOTAL TRUST EXPENDITURE	(56,615)	(56,776)	(56,615)	(56,776)
INCOME BEFORE TAXATION	90,421	83,167	90,421	83,167
Taxation	-	-	-	-
INCOME AFTER TAXATION / TOTAL COMPREHENSIVE INCOME	90,421	83,167	90,421	83,167
Income after taxation comprises the followings:-				
Realised	90,421	83,167	90,421	83,167
Unrealised	-	-	-	-
	<u>90,421</u>	<u>83,167</u>	<u>90,421</u>	<u>83,167</u>
Earnings per unit – basic (sen) #	2.47	2.28	2.47	2.28
Earnings per unit – diluted (sen) #	2.47	2.28	2.47	2.28

The unaudited condensed statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

Earnings per unit is derived based on income after taxation divided by the weighted average number of units in issue.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

	Current Quarter 31 March		Year to Date 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income for the period ¹	90,421	83,167	90,421	83,167
Distribution adjustments ²	7,742	7,725	7,742	7,725
Distributable income	98,163	90,892	98,163	90,892

¹ Total comprehensive income is derived after charging:-

	Current Quarter 31 March		Year to Date 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Depreciation	186	199	186	199
Impairment loss on trade receivables	2,672	1,366	2,672	1,366

Other than the above, items listed under Appendix 9B Note 16 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

² Included in the distribution adjustments are the followings:-

	Current Quarter 31 March		Year to Date 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Amortisation of borrowing transaction costs	385	613	385	613
Depreciation	186	199	186	199
Accounting adjustment on interest - Present Value	4,428	4,229	4,428	4,229
Manager's management fee payable in units	2,743	2,684	2,743	2,684
	7,742	7,725	7,742	7,725

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital	Income / (Deficit)	Total Funds
	RM'000	RM'000	RM'000
As at 1 January 2024	3,662,387	1,269,079	4,931,466
Total comprehensive income for the period	-	83,167	83,167
Unitholders' transactions			
- Issue of new units ³			
- Manager's management fee paid in units	5,428	-	5,428
- Over accrual of expenses incurred for placement exercise in prior year	37	-	37
- Distribution to unitholders	-	(168,007)	(168,007)
Increase/(Decrease) in net assets resulting from unitholders' transactions	5,465	(168,007)	(162,542)
As at 31 March 2024 (unaudited)	3,667,852	1,184,239	4,852,091
As at 1 January 2025	3,673,129	1,345,335	5,018,464
Total comprehensive income for the period	-	90,421	90,421
Unitholders' transactions			
- Issue of new units ³			
- Manager's management fee paid in units	5,492	-	5,492
- Distribution to unitholders	-	(176,079)	(176,079)
Increase/(Decrease) in net assets resulting from unitholders' transactions	5,492	(176,079)	(170,587)
As at 31 March 2025 (unaudited)	3,678,621	1,259,677	4,938,298

The unaudited condensed statement of changes in net asset value should be read in conjunction with the Audited Financial Report for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

³ Issue of new units consists of the following:-

	31 March 2024	
	Units '000	Amount RM'000
Issuance of new units pursuant to 25% Manager's management fees paid in units :-		
- at RM1.2035 per unit for entitlement for the 6 months period ended 31 December 2023	4,510	5,428
Total Manager's fees paid	4,510	5,428

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

	31 March 2025	
	Units	Amount
	'000	RM'000
Issuance of new units pursuant to 25% Manager's management fees paid in units :-		
- at RM1.4838 per unit for entitlement for the 6 months period ended 31 December 2024	3,701	5,492
Total Manager's fees paid	<u>3,701</u>	<u>5,492</u>

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

CONDENSED STATEMENT OF CASH FLOWS

	Current Year to Date 31 March 2025 RM'000	Preceding Year to Date 31 March 2024 RM'000
Cash Flows From Operating Activities		
Income before taxation	90,421	83,167
<i>Adjustments for:-</i>		
Borrowing cost	45,045	45,500
Interest income	(4,282)	(3,924)
Depreciation	186	199
Impairment loss on trade receivables	2,672	1,366
Operating income before changes in working capital	134,042	126,308
Inventories	22	(234)
Trade and other receivables	(11,467)	(17,094)
Trade and other payables	(2,751)	(2,081)
Tenants' deposits	449	3,775
Net cash from operating activities	120,295	110,674
Cash Flow from Investing Activities		
Interest received	4,282	3,924
Payment for enhancement of investment properties	-	(227)
Pledged deposit	(674)	(632)
Purchase of plant and equipment	-	(10)
Net cash from investing activities	3,608	3,055
Cash Flow from Financing Activities		
Distribution to unitholders	(176,079)	(168,007)
Interest paid	(40,132)	(40,658)
Payment of financing expenses	(100)	(400)
Write back of placement expenses	-	37
Proceeds from borrowings	79,800	100,000
Repayment of borrowings	(80,000)	(100,000)
Net cash used in financing activities	(216,511)	(209,028)
Net decrease in cash and cash equivalents	(92,608)	(95,299)
Cash and cash equivalents as at the beginning of the year	473,861	455,501
Cash and cash equivalents as at the end of the period	381,253	360,202

The unaudited condensed statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

Part A – Disclosure Requirement Pursuant to Malaysian Financial Reporting Standard (MFRS) 134 and International Accounting Standard (IAS) 34

A1 Basis of Preparation

The condensed interim financial statements as at and for the period ended 31 March 2025 comprise Pavilion REIT and its subsidiaries. The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*, and Paragraph 9.44 of the Listing Requirements of Bursa Securities, provision of the First Amended and Restated Trust Deed dated 18 February 2019 (“the Trust Deed”), the Securities Commission’s Guidelines on Real Estate Investment Trusts (“the REITs Guidelines”) and the accounting standards, amendments and interpretations where applicable to Pavilion REIT that are effective for annual periods beginning on or after 1 January 2025. They do not include all of the information required for a full set of annual financial statements, and should be read in conjunction with the Audited Financial Report for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

A2 Audit Report of Preceding Financial Year

There was no qualification to the Pavilion REIT’s audit report for the preceding financial year ended 31 December 2024, which was prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

A3 Significant accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in its consolidated annual financial statements as at and for the year ended 31 December 2024.

A4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by the Manager in applying the accounting policies and the key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2024, except as disclosed below.

The accounting policy of investment properties as adopted by Pavilion REIT requires investments properties to be stated at fair value. In estimating the fair value of the investment properties, the Manager will rely on professionally qualified valuers at annual reporting dates. However, for interim financial reporting, the fair values of the investment properties are not updated. Asset improvement initiatives undertaken by the management, the economic environment and other factors may change the fair values of the investment properties. When the fair values are updated as at 31 December 2025, the fair values could be materially different from the current carrying value.

A5 Seasonality or Cyclicity of Operations

The business operations of Pavilion REIT are not affected by material seasonal or cyclical factors.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

A6 Exceptional or Unusual Item

There were no exceptional or unusual items to be disclosed for the quarter under review.

A7 Changes in Estimates

There were no changes in estimates that have had material effect in the current quarter.

A8 Debt and Equity Securities

There were no issuance, cancellation, repurchase, sale and payment of debt and equity securities for the current quarter and year to date except for payment of 25% Manager's management fee paid in Pavilion REIT units, with details as disclosed below.

Units issued	Price per Unit	Listed on Main Market of Bursa Securities on	Remark
3,701,142	RM1.4838	03 March 2025	Based on the 5-day volume weighted average price of the units up to but excluding 12 February 2025 (as management fee)

A9 Segmental Reporting

Segmental results for the period ended 31 March 2025 was as follows:-

Business Segment	Retail RM'000	Office RM'000	Total RM'000
Gross Revenue	225,734	2,442	228,176
Net Property Income	141,557	1,197	142,754
Interest Income			4,282
Net Fair Value Changes on Investment Properties			-
Net Investment Income			147,036
Trust Expenses			(11,570)
Borrowings Cost			(45,045)
Income Before Taxation			90,421
Taxation			-
Income After Taxation			90,421
Segment assets	8,817,405	132,033	8,949,438
Other non-allocated assets			98,069
			9,047,507
Segment liabilities	4,077,410	30,782	4,108,192
Other non-allocated liabilities			1,017
			4,109,209

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

A10 Valuation of Investment Properties

The investment properties are to be valued annually based on valuation by independent registered valuer. Any differences between the valuation and the book value of the respective investment properties are charged or credited to the profit or loss for the period in which they arise. For investment properties acquired under equity-settled share-based payment transactions, the investment properties are initially measured at fair value, with corresponding increase in equity.

A11 Material Events Subsequent to Period End

There were no material events subsequent to the end of the reporting quarter that require disclosure or adjustments to the unaudited interim financial statement.

A12 Changes in the Composition of Pavilion REIT

The movement to the composition of Pavilion REIT during the period is as follows:-

	Units
Balance as at 1 January 2025	3,660,689,013
Units issued as payment of Manager's management fees	3,701,142
Total units issued	<u>3,664,390,155</u>

A13 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets to be disclosed during the quarter under review.

A14 Capital Commitments

	RM'000
Authorised and contract for:	
- Within one year	480,393

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

Part B – Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad

B1 Review of Performance

	Current Quarter 31 Mar		Year to Date 31 Mar	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
Gross Revenue				
Retail:				
Pavilion Kuala Lumpur Mall	133,294	135,908	133,294	135,908
Pavilion Bukit Jalil	59,611	50,981	59,611	50,981
Intermark Mall	7,576	6,934	7,576	6,934
DA MEN Mall	3,089	3,351	3,089	3,351
Elite Pavilion Mall	22,164	18,990	22,164	18,990
	<u>225,734</u>	<u>216,164</u>	<u>225,734</u>	<u>216,164</u>
Office:				
Pavilion Tower	2,442	2,356	2,442	2,356
	<u>228,176</u>	<u>218,520</u>	<u>228,176</u>	<u>218,520</u>
Total Gross Revenue				
	<u>228,176</u>	<u>218,520</u>	<u>228,176</u>	<u>218,520</u>
Property Operating Expenses				
Retail:				
Pavilion Kuala Lumpur Mall	41,525	39,328	41,525	39,328
Pavilion Bukit Jalil	23,497	24,225	23,497	24,225
Intermark Mall	5,108	4,175	5,108	4,175
DA MEN Mall	5,561	5,326	5,561	5,326
Elite Pavilion Mall	8,486	7,416	8,486	7,416
	<u>84,177</u>	<u>80,470</u>	<u>84,177</u>	<u>80,470</u>
Office:				
Pavilion Tower	1,245	2,031	1,245	2,031
	<u>85,422</u>	<u>82,501</u>	<u>85,422</u>	<u>82,501</u>
Total Property Operating Expenses				
	<u>85,422</u>	<u>82,501</u>	<u>85,422</u>	<u>82,501</u>
Net Property Income				
Retail:				
Pavilion Kuala Lumpur Mall	91,769	96,580	91,769	96,580
Pavilion Bukit Jalil	36,114	26,756	36,114	26,756
Intermark Mall	2,468	2,759	2,468	2,759
DA MEN Mall	(2,472)	(1,975)	(2,472)	(1,975)
Elite Pavilion Mall	13,678	11,574	13,678	11,574
	<u>141,557</u>	<u>135,694</u>	<u>141,557</u>	<u>135,694</u>
Office:				
Pavilion Tower	1,197	325	1,197	325
	<u>142,754</u>	<u>136,019</u>	<u>142,754</u>	<u>136,019</u>
Total Net Property Income				
	<u>142,754</u>	<u>136,019</u>	<u>142,754</u>	<u>136,019</u>

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

	Current Quarter 31 Mar		Year to Date 31 Mar	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
Total Net Property Income	142,754	136,019	142,754	136,019
Interest Income	4,282	3,924	4,282	3,924
Net Investment Income	147,036	139,943	147,036	139,943
Manager's Management Fee	10,975	10,734	10,975	10,734
Other Trust Expenses	595	542	595	542
Borrowings Cost	45,045	45,500	45,045	45,500
Total Trust Expenses	56,615	56,776	56,615	56,776
Income Before Taxation	90,421	83,167	90,421	83,167
Taxation	-	-	-	-
Income After Taxation	90,421	83,167	90,421	83,167
Distribution Adjustments	7,742	7,725	7,742	7,725
Distributable Income	98,163	90,892	98,163	90,892

Quarterly/Year to Date Results:

Pavilion REIT recognised total gross revenue of RM228.2 million in Q1 2025, an increase of RM9.6 million or 4% as compared to Q1 2024 of RM218.5 million. The increase was mainly contributed by Pavilion Bukit Jalil, driven by higher occupancy rate and income generated from the Pavilion Bukit Jalil exhibition centre, and improved advertising revenue generated from the upgraded LED screen at Elite Pavilion Mall.

Total property operating expenses were higher by RM2.9 million or 4% as compared to Q1 2024 mainly due to higher doubtful debts provision and increased marketing and promotion expenses for expenses related to festivals.

These resulted in higher net property income of RM6.7 million or 5% in Q1 2025 as compared to Q1 2024.

Higher manager's management fee of RM0.2 million was in line with the increase in total asset value and net property income. Income before taxation was higher by RM7.3 million or 9% as compared to Q1 2024.

Distributable income for the quarter under review was RM98.2 million or 2.68 sen per unit, consisting of income after tax of RM90.4 million and non-cash adjustments for depreciation of RM0.1 million, amortisation of borrowing transaction cost 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 RM4.4 million.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

B2 Material Changes in Quarterly Results

	Quarter Ended 31 Mar 2025 (unaudited) RM'000	Quarter Ended 31 Dec 2024 (unaudited) RM'000	Change %
Gross revenue	228,176	218,790	4.3
Property operating expenses	(85,422)	(83,934)	(1.8)
Net property income	142,754	134,856	5.9
Interest income	4,282	3,527	21.4
Change in fair value of investment properties	-	99,938	(>100)
Net investment income	147,036	238,321	(38.3)
Total trust expenses	(11,570)	(12,076)	4.2
Borrowing cost	(45,045)	(45,551)	1.1
Income before taxation	90,421	180,694	(50.0)

Excluding the fair value gain of RM99.9 million, the income before taxation for the current quarter under review was higher by RM9.7 million as compared to the last immediate quarter. The was mainly due to higher revenue rent and lower doubtful debts provision but partially offset by higher maintenance cost.

B3 Prospects

Malaysian retail industry reported growth rate of 3.8% for 2024. Retail Group Malaysia estimated 2025 retail sales growth of 4.3% due to encouraging growth during the first quarter, slower second quarter with moderate growth for the remaining quarters. Despite concern on rising cost of living, analysts and economists are optimistic about the sustainability of domestic consumption due to stable employment conditions, rising wages and support from government policies.

Besides continuing to curate targeted events to attract shoppers and build strong brand partnership, Pavilion REIT will continue to optimise its cost management.

B4 Investment Objectives

The Manager's key objective is to provide unitholders with regular and stable distributions and achieve long term growth in net asset value per unit, while maintaining an appropriate capital structure.

B5 Strategies and Policies

The Manager's strategies and policies as reported in the latest annual report remain unchanged, ie to increase the income, the value of its investment properties and continue Pavilion REIT's growth through the following strategies:-

- proactively managing its investment properties and implementing asset enhancement strategies;
- actively pursuing acquisition opportunities in accordance with the authorised investments of Pavilion REIT stated in the Trust Deed; and
- pursuing an efficient capital management strategy.

whilst balancing other stakeholder needs with commitment to sustainability and community engagement.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

B6 Income Distribution

Pursuant to Section 61A of the Income Tax Act 1967, the withholding tax rate applicable on the recipients of income distribution is as follows :-

Resident Unitholder

- | | |
|--|---|
| a) Resident company: | Tax flow through, thus no withholding tax |
| b) Unitholder other than resident company: | Withholding tax at 10% |

Non-Resident Unitholder

- | | |
|--|------------------------|
| a) Non-resident company: | Withholding tax at 24% |
| b) Non-resident institutional investor: | Withholding tax at 10% |
| c) Non-resident, other than company and institutional investors: | Withholding tax at 10% |

As per the distribution policy stated in the Trust Deed, the Manager intends to distribute at least 90% of Pavilion REIT distributable income on a half yearly basis. For the financial year ending 31 December 2025, Pavilion REIT proposes to distribute 100% of its distributable income.

Distribution of 4.81 sen per unit or RM176.1 million earned for second half of 2024 was distributed on 28 February 2025. Distribution for the quarter ended 31 March 2025 would be payable together with the distribution for the quarter ending 30 June 2025.

Statement of Income Distribution

	Current Quarter 31 March		Year to Date 31 March	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
Rental income	207,627	199,320	207,627	199,320
Revenue from contract customers	12,537	11,621	12,537	11,621
Interest income	4,282	3,924	4,282	3,924
Other income	8,012	7,579	8,012	7,579
	<u>232,458</u>	<u>222,444</u>	<u>232,458</u>	<u>222,444</u>
Less: Expenses	<u>(142,037)</u>	<u>(139,277)</u>	<u>(142,037)</u>	<u>(139,277)</u>
Total comprehensive income for the period/year	90,421	83,167	90,421	83,167
Distribution adjustment	<u>7,742</u>	<u>7,725</u>	<u>7,742</u>	<u>7,725</u>
Realised income for the period/year	98,163	90,892	98,163	90,892
Previous period/year's undistributed realised income	<u>587</u>	<u>636</u>	<u>587</u>	<u>636</u>
Total realised income available for distribution	98,750	91,528	98,750	91,528
Less: Proposed/declared income distribution	<u>(98,206)</u>	<u>(90,690)</u>	<u>(98,206)</u>	<u>(90,690)</u>
Balance undistributed realised income	<u>544</u>	<u>838</u>	<u>544</u>	<u>838</u>
Distribution per unit (sen)	2.68	2.48	2.68	2.48

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

B7 Portfolio Composition

As at 31 March 2025, the properties under Pavilion REIT's portfolio comprises Pavilion Kuala Lumpur Mall, Pavilion Tower, DA MEN Mall, Intermark Mall, Elite Pavilion Mall and Pavilion Bukit Jalil.

B8 Taxation

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of Pavilion REIT will be exempted from tax provided that at least 90% of its total income (as defined in the Act) is distributed to the investors in the basis period of Pavilion REIT for that year of assessment within two months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of Pavilion REIT financial year which forms the basis period for a year of assessment, Pavilion REIT will be subject to income tax at the prevailing tax rate on its total income. Income which has been taxed at the Pavilion REIT level will have tax credits attached when subsequently distributed to unitholders.

As Pavilion REIT proposes to declare 100% of its distributable income to its unitholders for the financial year ending 31 December 2025, no provision for taxation has been made for the current year.

B9 Status of Corporate Proposal

The acquisition of Pavilion Bukit Jalil was completed on 1 June 2023. An amount of RM4 million defects rectification payment and balance consideration of RM400 million is payable upon meeting the requirements for defects rectification and a targeted annualised Net Property Income of RM146 million for Pavilion Bukit Jalil on or before June 2025.

Corporate proposals announced but not completed as at the latest practicable date from the issuance of this report are as follows:-

On 5 December 2024, the Board of Directors of Pavilion REIT Management Sdn Bhd ("Board"), the management company of Pavilion REIT ("Manager"), CIMB Investment Bank Berhad ("CIMB") and Maybank Investment Bank Berhad ("Maybank IB") announced that MTrustee Berhad ("Trustee"), acting as the trustee for and on behalf of Pavilion REIT, had on 5 December 2024 entered into conditional sale and purchase agreements ("SPAs") for the acquisition of Banyan Tree Kuala Lumpur ("BTKL") from Lumayan Indah Sdn Bhd ("LISB") and Pavilion Hotel Kuala Lumpur ("PHKL") from Harmoni Perkasa Sdn Bhd ("HPSB") for a total purchase consideration of RM480 million ("Proposed Acquisitions"). LISB and HPSB are related parties of Pavilion REIT due to common directorship in the Manager.

In conjunction with the Proposed Acquisitions, the Board proposed to undertake proposed placement of new units in Pavilion REIT ("Units") to raise gross proceeds of a minimum of RM264 million and a maximum of RM552 million at an issue price to be determined by way of bookbuilding ("Proposed Placement"). The Board also proposed issuance of new Units at an issue price to be determined later to part settle RM246.5 million of the purchase consideration ("Consideration Units"), to LISB and HPSB pursuant to the terms and conditions of the Proposed Acquisitions ("Proposed Issuance of Consideration Units").

The Board also proposed leases of BTKL and PHKL to HPSB ("Proposed Leases").

Bursa Malaysia Securities Berhad had, vide its letter dated 27 March 2025, resolved to approve the listing of and quotation for new Units to be issued pursuant to the Proposed Placement and Proposed Issuance of Consideration Units.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

The Proposed Acquisitions, the Proposed Placement, the Proposed Issuance of Consideration Units, the Proposed Placement to EPF and the Proposed Leases were approved by the unitholders of Pavilion REIT at the Unitholders' Meeting held on 7 May 2025. All the conditions precedent as set out in the SPAs have been fulfilled. Accordingly, the SPAs have become unconditional as of 7 May 2025.

B10 Utilisation of Proceeds Raised from Issuance of New Units

There was no issuance of new units for the current quarter or year to date.

B11 Borrowings and Debt Securities

As at 31 March 2025	Total
	RM'000
Secured Revolving Term Loans	773,067
Unrated Medium Term Notes	2,625,000
Unamortised Borrowings Transaction Costs	(5,223)
Borrowings	3,392,844
Deferred Payment for Acquisition	396,999
Total Debt	3,789,843
Gearing	37.5%
Gearing on Total Debt	41.9%
Average interest cost	4.8%
Composition of borrowings:	
Fixed Rate	12.5%
Floating Rate	87.5%

B12 Off Balance Sheet Financial Instruments

Pavilion REIT does not have any financial instruments with off balance sheet risk as at the latest practicable date from the issuance of this report.

B13 Material Litigation

There is no pending material litigation as at the latest practicable date from the date of issuance of this report.

B14 Soft Commission Received

There was no soft commission received by the Manager and/or its delegates during the period under review.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

B15 Summary of DPU, EPU, NAV and Market Price

	Current quarter ended 31 March 2025	Immediate preceding quarter ended 31 December 2024
Number of units in issue (units)	3,664,390,155	3,660,689,013
Net Asset Value ("NAV") (RM'000)	4,938,298	5,018,464
NAV per unit (RM)	1.3476	1.3709
Total comprehensive income (RM'000)	90,421	180,694
Weighted average number of units in issue – year to date (units)	3,661,881,603	3,657,857,342
Earnings per Unit after Manager's management fee (sen)	2.47	4.94
Proposes / Declared Distribution per Unit ("DPU") (sen) - Proposed	2.68	2.43
Market Price (RM)	1.46	1.55
Distribution Yield (%) ⁴	7.44	6.03

⁴ Distribution yield of year-to-date DPU divided by the Market Price (as at the end of the period) has been annualised.

B16 Manager's Management Fee

The Manager's fee for the current quarter and year to date is as follows:-

Type RM'000	Current Quarter 31 March 2025	Year to Date 31 March 2025	Basis
Base Fee	6,692	6,692	0.3% per annum on total asset value
Performance Fee	4,283	4,283	3.0% per annum on net property income
Total	10,975	10,975	

25% of the base fee and performance fee would be payable in units.

B17 Trustee's Fees

In accordance to the Trust Deed, an annual trusteeship fee of up to 0.05% per annum of NAV is to be paid to the Trustee.

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2025 (UNAUDITED)

B18 Responsibility Statement

In the opinion of the Directors of the Manager, this quarterly financial report has been prepared in accordance with MFRS 134: *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*, and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Pavilion REIT as at 31 March 2025 and of its financial performance and cash flows for the period ended on that date and duly authorised for release by the Board of the Manager.

BY ORDER OF THE BOARD

Pavilion REIT Management Sdn Bhd (939490-H)
(as the Manager of Pavilion Real Estate Investment Trust)

Lim Mei Yoong
Company Secretary (Licensed Secretary Number: LS0002201)

Kuala Lumpur
8 May 2025