CONDENSED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2026 (Unaudited) **RM'000**	As at 31 December 2025 (Audited) **RM'000**
ASSETS		
Plant and equipment	3,574	3,835
Investment properties	9,103,244	9,095,000
Total non-current assets	9,106,818	9,098,835
Inventories	5,789	6,512
Trade and other receivables	65,430	57,658
Pledged deposits with licensed banks	101,533	100,252
Cash and cash equivalents	584,882	565,296
Total current assets	757,634	729,718
TOTAL ASSETS	**9,864,452**	**9,828,553**
LIABILITIES		
Borrowings	3,264,743	2,863,456
Payables and accruals	109,898	95,151
Total non-current liabilities	3,374,641	2,958,607
Borrowings	673,072	1,073,072
Payables and accruals	321,883	305,439
Total current liabilities	994,955	1,378,511
TOTAL LIABILITIES	**4,369,596**	**4,337,118**
NET ASSET VALUE	**5,494,856**	**5,491,435**
FINANCED BY		
UNITHOLDERS' FUND		
Unitholders' capital	4,044,207	4,038,209
Accumulated income	1,450,649	1,453,226
TOTAL UNITHOLDERS' FUND	**5,494,856**	**5,491,435**
Number of units in circulation ('000 units)	3,927,958	3,924,840
Net asset value per unit (RM)		
- Before income distribution	1.3989	1.3991
- After income distribution*	1.3472	1.3488

*after distributable income of 5.17 sen per unit (2025: after final income distribution of 5.03 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 2025 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Current Quarter 30 June		Year to Date 30 June	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Rental income	199,939	194,590	420,519	402,217
Revenue from contract customers	12,184	9,979	29,505	22,516
Other income	8,896	8,772	16,890	16,784
GROSS REVENUE	**221,019**	**213,341**	**466,914**	**441,517**
Utilities	(14,430)	(24,378)	(35,190)	(49,141)
Maintenance	(33,846)	(29,177)	(66,872)	(58,085)
Property taxes	(6,123)	(6,044)	(12,180)	(12,022)
Other operating expenses	(24,344)	(23,917)	(51,464)	(49,690)
PROPERTY OPERATING EXPENSES	(78,743)	(83,516)	(165,706)	(168,938)
NET PROPERTY INCOME	**142,276**	**129,825**	**301,208**	**272,579**
Net fair value changes on investment properties	-	-	-	-
NET PROPERTY INCOME AND FAIR VALUE CHANGES ON INVESTMENT PROPERTIES	**142,276**	**129,825**	**301,208**	**272,579**
Manager's management fee	(11,750)	(10,869)	(23,711)	(21,844)
Trustee's fee	(157)	(140)	(311)	(278)
Other trust expenses	(1,795)	(590)	(3,356)	(1,047)
NET OPERATING INCOME	**128,574**	**118,226**	**273,830**	**249,410**
Interest income	3,732	3,707	8,020	7,989
NET INCOME BEFORE FINANCING AND INCOME TAX	**132,306**	**121,933**	**281,850**	**257,399**
Borrowings cost	(43,269)	(43,270)	(87,008)	(88,315)
NET INCOME BEFORE TAXATION	**89,037**	**78,663**	**194,842**	**169,084**
Tax expense	-	-	-	-
NET INCOME AFTER TAXATION / TOTAL COMPREHENSIVE INCOME	**89,037**	**78,663**	**194,842**	**169,084**
Income after taxation comprises the followings:-				
Realised	89,037	78,663	194,842	169,084
Unrealised	-	-	-	-
	89,037	78,663	194,842	169,084
Earnings per unit – basic (sen) #	2.27	2.13	4.96	4.60
Earnings per unit – diluted (sen) #	2.27	2.13	4.96	4.60

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 2025 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.

	Current Quarter 30 June		Year to Date 30 June	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Net income after taxation / Total comprehensive income for the period [1]	**89,037**	**78,663**	**194,842**	**169,084**
Distribution adjustments [2]	3,624	6,261	8,150	14,003
Distributable income	**92,661**	**84,924**	**202,992**	**183,087**

[1] Net income after taxation / Total comprehensive income is derived after charging:-

	Current Quarter 30 June		Year to Date 30 June	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Depreciation	217	173	437	359
Impairment loss on trade receivables	1,737	2,608	2,337	5,280

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 30 June		Year to Date 30 June	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Amortisation of borrowing transaction costs	719	400	2,281	785
Depreciation	217	173	437	359
Accounting adjustment on interest - Present Value	-	3,000	-	7,428
Accounting adjustment on deferred income	(250)	(30)	(496)	(30)
Manager's management fee payable in units	2,938	2,718	5,928	5,461
	3,624	6,261	8,150	14,003

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital	Income / (Deficit)	Total Funds
	RM'000	**RM'000**	**RM'000**
As at 1 January 2025	3,673,129	1,345,335	5,018,464
Net income after tax / Total comprehensive income for the period	-	169,084	169,084
Unitholders' transactions			
- Issue of new units [3]			
- Manager's management fee paid in units	5,492	-	5,492
- Funding for the acquisition of investment property	360,000	-	360,000
- Expenses incurred for placement exercise	(5,481)		(5,481)
- Distribution to unitholders	-	(176,079)	(176,079)
Increase/(Decrease) in net assets resulting from unitholders' transactions	360,011	(176,079)	183,932
As at 30 June 2025 (unaudited)	**4,033,140**	**1,338,340**	**5,371,480**
As at 1 January 2026	4,038,209	1,453,226	5,491,435
Net income after tax / Total comprehensive income for the period	-	194,842	194,842
Unitholders' transactions			
- Issue of new units [3]			
- Manager's management fee paid in units	5,998	-	5,998
- Distribution to unitholders	-	(197,419)	(197,419)
Increase/(Decrease) in net assets resulting from unitholders' transactions	5,998	(197,419)	(191,421)
As at 30 June 2026 (unaudited)	**4,044,207**	**1,450,649**	**5,494,856**

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 2025 and the accompanying explanatory notes attached to the interim financial statements.

[3] Issue of new units consists of the following:-

	30 June 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
Issuance of new units at RM1.4000 per unit to fund the acquisition of new investment properties on 20 June 2025	257,143	360,000
Total	**260,844**	**365,492**

	30 June 2026	
	Units	Amount
	'000	**RM'000**
Issuance of new units pursuant to 25% Manager's management fees paid in units :-		
- at RM1.9236 per unit for entitlement for the 6 months period ended 31 December 2025	3,118	5,998
Total Manager's fees paid	**3,118**	**5,998**

CONDENSED STATEMENT OF CASH FLOWS

	Current Year to Date 30 June 2026 **RM'000**	Preceding Year to Date 30 June 2025 **RM'000**
Cash Flows From Operating Activities		
Net operating income	273,830	249,410
Adjustments for:-		
Depreciation	437	359
Plant and equipment written off	-	86
Impairment loss on trade receivables	2,337	5,280
Operating income before changes in working capital	**276,604**	**255,135**
Inventories	723	(23)
Trade and other receivables	(10,109)	10,337
Trade and other payables	29,260	41,764
Tenants' deposits	7,929	2,460
Net cash from operating activities	**304,407**	**309,673**
Cash Flow from Investing Activities		
Acquisition of investment property	-	(487,810)
Purchase of plant and equipment	(176)	-
Interest received	8,020	7,989
Payment for enhancement of investment properties	(8,244)	-
Pledged deposit	(1,281)	(1,359)
Net cash used in investing activities	**(1,681)**	**(481,180)**
Cash Flow from Financing Activities		
Distribution to unitholders	(197,419)	(176,079)
Interest paid	(84,727)	(80,102)
Payment of financing expenses	(994)	(382)
Payment of placement expenses	-	(5,481)
Proceeds from issuance of units	-	360,000
Proceeds from borrowings	400,000	193,700
Repayment of borrowings	(400,000)	(80,000)
Net cash (used in)/from financing activities	**(283,140)**	**211,656**
Net increase in cash and cash equivalents	19,586	40,149
Cash and cash equivalents as at the beginning of the year	565,296	473,861
Cash and cash equivalents as at the end of the period	584,882	514,010

The unaudited condensed statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

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 30 June 2026 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 2026. 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 2025 and the accompanying explanatory notes attached to the interim financial statements. Pavilion REIT has presented additional subtotals and classifications to align with future reporting requirements under MFRS 18.

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 2025, 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 2025.

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 2025, 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 2026, the fair values could be materially different from the current carrying value.

A5 Seasonality or Cyclicality of Operations

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

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
3,118,169	RM1.9236	20 February 2026	Based on the 5-day volume weighted average price of the units up to but excluding 29 January 2026 (as management fee)

A9 Segmental Reporting

Segmental results for the period ended 30 June 2026 was as follows:-

Business Segment	Retail RM'000	Hotel RM'000	Office RM'000	Total RM'000
Gross Revenue	444,391	17,247	5,276	466,914
Net Property Income	283,379	16,018	1,811	301,208
Trust Expenses				(27,378)
Net Operating Income				273,830
Interest Income				8,020
Net Income Before Financing and Income Tax				281,850
Borrowings Cost				(87,008)
Net Income Before Taxation				194,842
Taxation				-
Net Income After Taxation				194,842
Segment assets	9,105,889	526,212	130,818	9,762,919
Other non-allocated assets				101,533
				9,864,452
Segment liabilities	4,190,576	146,451	32,372	4,369,399
Other non-allocated liabilities				197
				4,369,596

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 2026	3,924,840,240
Units issued as payment of Manager’s management fees	3,118,169
Total units issued	3,927,958,409

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	25,362

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 30 Jun		Year to Date 30 Jun	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Gross Revenue				
Retail:				
Pavilion Kuala Lumpur Mall	119,464	123,035	257,638	256,329
Pavilion Bukit Jalil	61,074	58,224	123,701	117,835
Intermark Mall	7,761	7,521	15,490	15,097
DA MEN Mall	3,034	2,265	3,656	5,354
Elite Pavilion Mall	18,575	18,784	43,906	40,948
	209,908	209,829	444,391	435,563
Hotel:				
Banyan Tree Kuala Lumpur	2,493	301	4,959	301
Pavilion Hotel Kuala Lumpur	5,765	738	12,288	738
	8,258	1,039	17,247	1,039
Office:				
Pavilion Tower	2,853	2,473	5,276	4,915
Total Gross Revenue	221,019	213,341	466,914	441,517
Property Operating Expenses				
Retail:				
Pavilion Kuala Lumpur Mall	34,127	38,724	79,657	80,249
Pavilion Bukit Jalil	25,655	27,168	49,867	50,665
Intermark Mall	4,869	3,940	9,473	9,048
DA MEN Mall	3,153	2,590	3,716	8,151
Elite Pavilion Mall	8,248	8,969	18,299	17,455
	76,052	81,391	161,012	165,568
Hotel:				
Banyan Tree Kuala Lumpur	233	19	465	19
Pavilion Hotel Kuala Lumpur	383	48	764	48
	616	67	1,229	67
Office:				
Pavilion Tower	2,075	2,058	3,465	3,303
Total Property Operating Expenses	78,743	83,516	165,706	168,938

	Current Quarter 30 Jun		Year to Date 30 Jun	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Net Property Income				
Retail:				
Pavilion Kuala Lumpur Mall	85,337	84,311	177,981	176,080
Pavilion Bukit Jalil	35,419	31,056	73,834	67,170
Intermark Mall	2,892	3,581	6,017	6,049
DA MEN Mall	(119)	(325)	(60)	(2,797)
Elite Pavilion Mall	10,327	9,815	25,607	23,493
	133,856	128,438	283,379	269,995
Hotel:				
Banyan Tree Kuala Lumpur	2,260	282	4,494	282
Pavilion Hotel Kuala Lumpur	5,382	690	11,524	690
	7,642	972	16,018	972
Office:				
Pavilion Tower	778	415	1,811	1,612
Total Net Property Income	142,276	129,825	301,208	272,579
Manager's Management Fee	11,750	10,869	23,711	21,844
Other Trust Expenses	1,952	730	3,667	1,325
Net Operating Income	128,574	118,226	273,830	249,410
Interest Income	3,732	3,707	8,020	7,989
Net Income Before Financing and Income Tax	132,306	121,933	281,850	257,399
Borrowings Cost	43,269	43,270	87,008	88,315
Net Income Before Taxation	89,037	78,663	194,842	169,084
Taxation	-	-	-	-
Net Income After Taxation	89,037	78,663	194,842	169,084
Distribution Adjustments	3,624	6,261	8,150	14,003
Distributable Income	92,661	84,924	202,992	183,087

Quarterly Results:

Pavilion REIT recognised total gross revenue of RM221.0 million in Q2 2026, an increase of RM7.7 million or 4% as compared to Q2 2025 of RM213.3 million. The increase was mainly contributed by rental income from Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, which were acquired on 20 June 2025, as well as Pavilion Bukit Jalil, driven by sustained occupancy levels. Rental income from Pavilion Kuala Lumpur Mall declined marginally due to the ongoing retail space reconfiguration at Level 3.

Total property operating expenses decreased by RM4.8 million or 6% as compared to Q2 2025. This was mainly due to lower electricity expenses following the approval of the new electricity tariff structure effective 1 July 2025 from Tenaga Nasional Berhad ("TNB"). This was offset by higher maintenance costs mainly due to scheduled upgrades of security systems, as well as roof and lighting improvements.

These have resulted in higher net property income by RM12.5 million or 10% in Q2 2026 as compared to Q2 2025.

Higher manager's management fee by RM0.9 million was in line with the increased in total assets value and net property income. Other trust expenses increased mainly due to higher costs arising from the expanded scope of service tax on financial services imposed by the tax authority.

These have resulted in income before taxation being higher by RM10.4 million or 13% as compared to Q2 2025.

Distributable income for the quarter under review was RM92.6 million or 2.37 sen per unit, consisting of income after tax of RM89.0 million and non-cash adjustments for depreciation of RM0.2 million, amortisation of borrowing transaction cost of RM0.7 million, Manager's management fee payable in units amounting to RM2.9 million and accounting adjustment on deferred income of RM0.2 million.

Year-to-Date Results:

Total revenue for year-to-date 30 June 2026 was RM466.9 million. It was higher by RM25.4 million or 6% as compared to preceding year-to-date 30 June 2025's performance. The increase was mainly contributed by rental income from the two newly acquired hotels on 20 June 2025 as well as Pavilion Bukit Jalil, driven by sustained occupancy levels.

Total property operating expenses incurred was lower by RM3.2 million or 2% as compared to year-to-date 30 June 2025. The decrease was mainly attributable to lower electricity expenses following the approval of the new electricity tariff structure from TNB. This was partially offset by higher maintenance costs arising from scheduled security system upgrades and roof and lighting improvements.

These have resulted in higher net property income by RM28.6 million or 11% for year-to-date 30 June 2026 as compared to preceding year-to-date 30 June 2025.

Higher manager's management fee by RM1.9 million was in line with the increased in total asset value and net property income. Other trust expenses increased mainly due to higher costs arising from the expanded scope of service tax on financial services imposed by the tax authority. Borrowing cost decreased by RM1.3 million mainly due to lower interest rate on latest borrowings.

These resulted in income before taxation being higher by RM25.8 million or 15% as compared to preceding year-to-date 30 June 2025.

Distributable income for year-to-date 30 June 2026 was RM203.0 million or 5.17 sen per unit, consisting of income after tax of RM194.8 million and non-cash adjustments for depreciation of RM0.4 million, amortisation of borrowings transaction cost of RM2.3 million, Manager's management fee payable in units amounting to RM5.9 million and accounting adjustment on deferred income of RM0.4 million.

Pavilion REIT incurred capital expenditure of approximately RM8.2 million mainly for the reconfiguration of space at part of Level 3 of Pavilion Kuala Lumpur Mall.

B2 Material Changes in Quarterly Results

	Quarter Ended 30 Jun 2026 (unaudited) **RM'000**	Quarter Ended 31 Mar 2026 (unaudited) **RM'000**	Change **%**
Gross revenue	221,019	245,895	(10.1)
Property operating expenses	(78,743)	(86,963)	9.5
Net property income	142,276	158,932	(10.5)
Change in fair value of investment properties	-	-	-
Net property income and fair value changes on investment properties	142,276	158,932	(10.5)
Total trust expenses	(13,702)	(13,676)	(0.2)
Net operating income	128,574	145,256	(11.5)
Interest income	3,732	4,288	(13.0)
Net income before financing and income tax	132,306	149,544	(11.5)
Borrowing cost	(43,269)	(43,739)	1.1
Net income before taxation	89,037	105,805	(15.8)

The income before taxation for the current quarter under review was lower by RM16.8 million as compared to the last immediate quarter mainly due to lower revenue rent and advertising income, mitigated by electricity cost saving following the approval of the new electricity structure from TNB.

B3 Prospects

As the first quarter retail sales fell short of target and considering the impact of Middle East war on the purchasing power of consumers, Retail Group Malaysia revised its projection of annual growth of retail sales from 4.0% to 3.8%. Despite the global geopolitical challenges, Malaysia recorded 17.5 million international visitor arrivals between January and May this year, an increase of 3.4% as compared with the same period last year. With Kuala Lumpur being named among Asia's best food destinations by the Tripadvisor Travellers' Choice Best of the Best Awards 2026 and domestic tourism activities to remain resilient, visitations and retail sales to malls and hotels occupancy around Kuala Lumpur are expected to pick-up.

Pavilion REIT will continue to build momentum with a diverse line-up of experiential and cultural activations to sustain shoppers' engagement as well as to support Visit Malaysia Year 2026. Management will continue to monitor costs associated with upkeep and improvements to its properties.

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 integrated annual report remain unchanged, ie to increase the income and consequently, the value of its investment properties and continue Pavilion REIT's growth through the following strategies:-

a) proactively managing its investment properties and implementing asset enhancement strategies;

b) actively pursuing acquisition opportunities in accordance with the authorised investments of Pavilion REIT stated in the Trust Deed; and

c) pursuing an efficient capital management strategy.

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

B6 Income Distribution

Following the expiration of the withholding tax concession under Section 109D of the Income Tax Act 1967 ("ITA") on 31 December 2025, the tax treatment applicable to recipients of income distributions from REITs under Section 61A of the ITA will be as follows :-

Category of Unitholder	**Tax Treatment (up to YA 2025)**	**Tax Treatment (from YA 2026 onwards)**
Resident company	Tax flow through, thus no withholding tax	Tax flow through, thus no withholding tax
Resident, other than company	Withholding tax at 10%	No withholding tax. Subject to individual scaled rates. Unit holders are required to report the income distribution from REIT in their respective Income Tax Return Forms.
Non-resident company	Withholding tax at 24%	Withholding tax at 24%
Non-resident, other than company	Withholding tax at 10%	No withholding tax. Subject to corporate rate/non-resident individual rate at 30% of chargeable income. Unit holders are required to report the income distribution from REIT in their respective Income Tax Return Forms.

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 2026, Pavilion REIT proposes to distribute 100% of its distributable income.

Distribution of 5.03 sen per unit or RM197.4 million earned for second half of 2025 was distributed on 27 February 2026. The proposed interim income distribution for the six months ended 30 June 2026 is 5.17 sen per unit or RM203.0 million will be payable on 28 August 2026.

Statement of Income Distribution

	Current Quarter 30 June		Year to Date 30 June	
	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**	2026 (Unaudited) **RM'000**	2025 (Unaudited) **RM'000**
Rental income	199,939	194,590	420,519	402,217
Revenue from contract customers	12,184	9,979	29,505	22,516
Interest income	3,732	3,707	8,020	7,989
Other income	8,896	8,772	16,890	16,784
	224,751	217,048	474,934	449,506
Less: Expenses	(135,714)	(138,385)	(280,092)	(280,422)
Total comprehensive income for the period/year	89,037	78,663	194,842	169,084
Distribution adjustment	3,624	6,261	8,150	14,003
Realised income for the period/year	92,661	84,924	202,992	183,087
Previous period/year's undistributed realised income	912	544	564	587
Total realised income available for distribution	93,573	85,468	203,556	183,674
Less: Proposed/declared income distribution	(93,092)	(84,737)	(203,075)	(182,943)
Balance undistributed realised income	481	731	481	731
Distribution per unit (sen)	2.37	2.29	5.17	4.97

B7 Portfolio Composition

As at 30 June 2026, the properties under Pavilion REIT's portfolio comprises Pavilion Kuala Lumpur Mall, Pavilion Tower, DA MEN Mall, Intermark Mall, Elite Pavilion Mall, Pavilion Bukit Jalil, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

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 2026, no provision for taxation has been made for the current year.

B9 Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the latest practicable date from the issuance of this report.

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 30 June 2026	Total
	RM'000
Secured Revolving Term Loans	673,072
Medium Term Notes	3,268,900
Unamortised Borrowings Transaction Costs	(4,157)
Borrowings	3,937,815
Gearing	39.9%
Average interest cost	4.3%
Composition of borrowings:	
Fixed Rate	23.5%
Floating Rate	76.5%

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.

B15 Summary of DPU, EPU, NAV and Market Price

	Current quarter ended 30 June 2026	Immediate preceding quarter ended 31 March 2026
Number of units in issue (units)	3,927,958,409	3,927,958,409
Net Asset Value ("NAV") (RM'000)	5,494,856	5,405,819
NAV per unit (RM)	1.3989	1.3762
Total comprehensive income (RM'000)	89,037	105,805
Weighted average number of units in issue – year to date (units)	3,927,097,036	3,926,226,093
Earnings per Unit after Manager's management fee (sen)	2.27	2.69
Proposes / Declared Distribution per Unit ("DPU") (sen)	2.37	2.80
Market Price (RM)	1.71	1.73
Distribution Yield (%) [4]	6.10	6.56

[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 30 June 2026	Year to Date 30 June 2026	Basis
Base Fee	7,482	14,675	0.3% per annum on total asset value
Performance Fee	4,268	9,036	3.0% per annum on net property income
Total	11,750	23,711	

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.

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 30 June 2026 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)

Teh Peng Peng
Joint Secretary (MAICSA 7021299)
(SSM Practising Certificate : 202008000736)

Lim Mei Yoong
Joint Secretary (LS0002201)
(SSM Practising Certificate : 201908003397)

Kuala Lumpur
23 July 2026