

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

|   | As at<br>31 December 2024<br>(Unaudited)<br>RM'000 | As at<br>31 December 2023<br>(Audited)<br>RM'000 |
|---|--|--|
| <b>ASSETS</b>                               |  |  |
| Plant and equipment                         | 2,200  | 2,973  |
| Investment properties                       | 8,490,000  | 8,390,000  |
| Total non-current assets                    | <u>8,492,200</u>                                   | <u>8,392,973</u>                                 |
| Inventories                                 | 5,731  | 3,907  |
| Trade and other receivables                 | 61,667   | 55,186   |
| Pledged deposits with licensed banks        | 97,395   | 90,922   |
| Cash and cash equivalents                   | 473,861  | 455,501  |
| Total current assets                        | <u>638,654</u>                                     | <u>605,516</u>                                   |
| <b>TOTAL ASSETS</b>                         | <b>9,130,854</b>                                   | <b>8,998,489</b>                                 |
| <b>LIABILITIES</b>                          |  |  |
| Borrowings                                  | 3,312,659  | 3,290,949  |
| Payables and accruals                       | 85,308   | 84,448   |
| Total non-current liabilities               | <u>3,397,967</u>                                   | <u>3,375,397</u>                                 |
| Borrowings                                  | 80,000   | 100,000  |
| Payables and accruals                       | 634,423  | 591,626  |
| Total current liabilities                   | <u>714,423</u>                                     | <u>691,626</u>                                   |
| <b>TOTAL LIABILITIES</b>                    | <b>4,112,390</b>                                   | <b>4,067,023</b>                                 |
| <b>NET ASSET VALUE</b>                      | <b>5,018,464</b>                                   | <b>4,931,466</b>                                 |
| <b>FINANCED BY</b>                          |  |  |
| <b>UNITHOLDERS' FUND</b>                    |  |  |
| Unitholders' capital                        | 3,673,129  | 3,662,387  |
| Accumulated income                          | 1,345,335  | 1,269,079  |
| <b>TOTAL UNITHOLDERS' FUND</b>              | <b>5,018,464</b>                                   | <b>4,931,466</b>                                 |
| Number of units in circulation ('000 units) | 3,660,689  | 3,652,338  |
| Net asset value per unit (RM)               |  |  |
| - Before income distribution                | 1.3709   | 1.3502   |
| - After income distribution*                | 1.3228   | 1.3042   |

\*after proposed final income distribution of 4.81 sen per unit (2023: 4.60 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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|   | Current Quarter<br>31 December |                               | Year to Date<br>31 December   |                             |
|---|--------------------------------|-------------------------------|-------------------------------|-----------------------------|
|   | 2024<br>(Unaudited)<br>RM'000  | 2023<br>(Unaudited)<br>RM'000 | 2024<br>(Unaudited)<br>RM'000 | 2023<br>(Audited)<br>RM'000 |
|   | Rental income                  | 195,083                       | 182,585                       | 766,945                     |
| Revenue from contract customers                           | 13,682                         | 15,720                        | 43,925                        | 46,610                      |
| Other income  | 10,025                         | 9,917                         | 34,996                        | 25,777                      |
| <b>GROSS REVENUE</b>                                      | <b>218,790</b>                 | <b>208,222</b>                | <b>845,866</b>                | <b>723,811</b>              |
| Utilities   | (23,910)                       | (23,942)                      | (100,632)                     | (81,611)                    |
| Maintenance   | (24,843)                       | (23,240)                      | (110,234)                     | (83,102)                    |
| Property taxes  | (5,879)                        | (5,754)                       | (23,473)                      | (20,223)                    |
| Other operating expenses                                  | (29,302)                       | (20,642)                      | (88,762)                      | (79,764)                    |
| <b>PROPERTY OPERATING EXPENSES</b>                        | <b>(83,934)</b>                | <b>(73,578)</b>               | <b>(323,101)</b>              | <b>(264,700)</b>            |
| <b>NET PROPERTY INCOME</b>                                | <b>134,856</b>                 | <b>134,644</b>                | <b>522,765</b>                | <b>459,111</b>              |
| Interest income   | 3,527                          | 3,196                         | 14,796                        | 11,405                      |
| Net fair value changes on investment properties           | 99,938                         | 146,534                       | 99,938                        | 146,534                     |
| <b>NET INVESTMENT INCOME</b>                              | <b>238,321</b>                 | <b>284,374</b>                | <b>637,499</b>                | <b>617,050</b>              |
| Manager's management fee                                  | (11,361)                       | (11,415)                      | (43,076)                      | (37,925)                    |
| Trustee's fee   | (141)                          | (141)                         | (560)                         | (529)                       |
| Other trust expenses                                      | (574)                          | (720)                         | (1,805)                       | (2,218)                     |
| Borrowings cost   | (45,551)                       | (43,832)                      | (182,140)                     | (144,583)                   |
| <b>TOTAL TRUST EXPENDITURE</b>                            | <b>(57,627)</b>                | <b>(56,108)</b>               | <b>(227,581)</b>              | <b>(185,255)</b>            |
| <b>INCOME BEFORE TAXATION</b>                             | <b>180,694</b>                 | <b>228,266</b>                | <b>409,918</b>                | <b>431,795</b>              |
| Taxation  | -                              | -                             | -                             | -                           |
| <b>INCOME AFTER TAXATION / TOTAL COMPREHENSIVE INCOME</b> | <b>180,694</b>                 | <b>228,266</b>                | <b>409,918</b>                | <b>431,795</b>              |
| Income after taxation comprises the followings:-          |                                |                               |                               |                             |
| Realised  | 80,756                         | 81,732                        | 309,980                       | 285,261                     |
| Unrealised  | 99,938                         | 146,534                       | 99,938                        | 146,534                     |
|   | <u>180,694</u>                 | <u>228,266</u>                | <u>409,918</u>                | <u>431,795</u>              |
| Earnings per unit – basic (sen) #                         | 4.94                           | 6.55                          | 11.21                         | 12.68                       |
| Earnings per unit – diluted (sen) #                       | 4.94                           | 6.55                          | 11.21                         | 12.68                       |

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 2023 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 DECEMBER 2024 (UNAUDITED)**

|   | Current Quarter<br>31 December |                       | Year to Date<br>31 December |                     |
|---|--------------------------------|-----------------------|-----------------------------|---------------------|
|   | 2024                           | 2023                  | 2024                        | 2023                |
|   | (Unaudited)<br>RM'000          | (Unaudited)<br>RM'000 | (Unaudited)<br>RM'000       | (Audited)<br>RM'000 |
| <b>Total comprehensive income for the period <sup>1</sup></b> | <b>180,694</b>                 | <b>228,266</b>        | <b>409,918</b>              | <b>431,795</b>      |
| Distribution adjustments <sup>2</sup>                         | (91,734)                       | (138,573)             | (68,233)                    | (124,392)           |
| <b>Distributable income</b>                                   | <b>88,960</b>                  | <b>89,693</b>         | <b>341,685</b>              | <b>307,403</b>      |

<sup>1</sup> Total comprehensive income is derived after charging:-

|  | Current Quarter<br>31 December |                       | Year to Date<br>31 December |                     |
|--|--------------------------------|-----------------------|-----------------------------|---------------------|
|  | 2024                           | 2023                  | 2024                        | 2023                |
|  | (Unaudited)<br>RM'000          | (Unaudited)<br>RM'000 | (Unaudited)<br>RM'000       | (Audited)<br>RM'000 |
| Depreciation   | 194                            | 213                   | 784                         | 633                 |
| Impairment loss on/(write back of) trade receivables | 4,969                          | (685)                 | 5,134                       | 7,801               |

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.

<sup>2</sup> Included in the distribution adjustments are the followings:-

|   | Current Quarter<br>31 December |                       | Year to Date<br>31 December |                     |
|---|--------------------------------|-----------------------|-----------------------------|---------------------|
|   | 2024                           | 2023                  | 2024                        | 2023                |
|   | (Unaudited)<br>RM'000          | (Unaudited)<br>RM'000 | (Unaudited)<br>RM'000       | (Audited)<br>RM'000 |
| Amortisation of borrowing transaction costs       | 644                            | 572                   | 2,529                       | 1,973               |
| Depreciation                                      | 194                            | 213                   | 784                         | 633                 |
| Accounting adjustment on interest - Present Value | 4,526                          | 4,323                 | 17,623                      | 10,055              |
| Net fair value changes on investment properties   | (99,938)                       | (146,534)             | (99,938)                    | (146,534)           |
| Manager's management fee payable in units         | 2,840                          | 2,853                 | 10,769                      | 9,481               |
|   | (91,734)                       | (138,573)             | (68,233)                    | (124,392)           |

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

|  | Unitholders'<br>Capital | Income /<br>(Deficit) | Total Funds      |
|--|-------------------------|-----------------------|------------------|
|  | RM'000                  | RM'000                | RM'000           |
| <b>As at 1 January 2023</b>  | 2,952,256               | 1,107,751             | 4,060,007        |
| Total comprehensive income for the year                                    | -                       | 431,795               | 431,795          |
| <b>Unitholders' transactions</b>   |                         |                       |                  |
| - Issue of new units <sup>3</sup>  |                         |                       |                  |
| - Manager's management fee paid in units                                   | 7,978                   | -                     | 7,978            |
| - Funding for the acquisition of investment property                       | 720,000                 | -                     | 720,000          |
| - Expenses incurred for placement exercise                                 | (17,847)                | -                     | (17,847)         |
| - Distribution to unitholders  | -                       | (270,467)             | (270,467)        |
| Increase/(Decrease) in net assets resulting from unitholders' transactions | 710,131                 | (270,467)             | 439,664          |
| <b>As at 31 December 2023 (audited)</b>                                    | <b>3,662,387</b>        | <b>1,269,079</b>      | <b>4,931,466</b> |
| <b>As at 1 January 2024</b>  | 3,662,387               | 1,269,079             | 4,931,466        |
| Total comprehensive income for the year                                    | -                       | 409,918               | 409,918          |
| <b>Unitholders' transactions</b>   |                         |                       |                  |
| - Issue of new units <sup>3</sup>  |                         |                       |                  |
| - Manager's management fee paid in units                                   | 10,705                  | -                     | 10,705           |
| - Over accrual of expenses incurred for placement exercise in prior year   | 37                      | -                     | 37               |
| - Distribution to unitholders  | -                       | (333,662)             | (333,662)        |
| Increase/(Decrease) in net assets resulting from unitholders' transactions | 10,742                  | (333,662)             | (322,920)        |
| <b>As at 31 December 2024 (unaudited)</b>                                  | <b>3,673,129</b>        | <b>1,345,335</b>      | <b>5,018,464</b> |

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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<sup>3</sup> Issue of new units consists of the following:-

|  | 31 December 2023 |                  |
|--|------------------|------------------|
|  | Units<br>'000    | Amount<br>RM'000 |
| Issuance of new units pursuant to 25% Manager's management fees paid in units :-                             |                  |                  |
| - at RM1.2934 per unit for entitlement for the 6 months period ended 31 December 2022                        | 3,034            | 3,925            |
| - at RM1.1859 per unit for entitlement for the 6 months period ended 30 June 2023                            | 3,418            | 4,053            |
| Total Manager's fees paid  | <b>6,452</b>     | <b>7,978</b>     |
| Issuance of new units at RM1.2200 per unit to fund the acquisition of new investment property on 1 June 2023 | 590,164          | 720,000          |
|  | <b>596,616</b>   | <b>727,978</b>   |

|   | 31 December 2024 |                  |
|---|------------------|------------------|
|   | Units<br>'000    | Amount<br>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            |
| - at RM1.3740 per unit for entitlement for the 6 months period ended 30 June 2024     | 3,841            | 5,277            |
| Total Manager's fees paid   | <b>8,351</b>     | <b>10,705</b>    |

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

**CONDENSED STATEMENT OF CASH FLOWS**

|  | Current Year Ended<br>31 December 2024<br><b>RM'000</b> | Preceding Year Ended<br>31 December 2023<br><b>RM'000</b> |
|--|---|---|
| <b>Cash Flows From Operating Activities</b>                    |   |   |
| Income before taxation   | 409,918   | 431,795   |
| <i>Adjustments for :-</i>                                      |   |   |
| Borrowing cost   | 182,140   | 144,583   |
| Interest income  | (14,796)  | (11,405)  |
| Depreciation   | 784   | 633   |
| Gain on disposal of plant and equipment                        | -   | (1)   |
| Impairment loss on trade receivables                           | 5,134   | 7,801   |
| Net fair value changes on investment properties                | (99,938)  | (146,534)   |
| <b>Operating income before changes in working capital</b>      | <b>483,242</b>  | <b>426,872</b>  |
| Inventories  | (1,824)   | (1,034)   |
| Trade and other receivables                                    | (11,615)  | (20,577)  |
| Trade and other payables                                       | 21,688  | 27,501  |
| Tenants' deposits  | 15,088  | 42,472  |
| <b>Net cash from operating activities</b>                      | <b>506,579</b>  | <b>475,234</b>  |
| <b>Cash Flow from Investing Activities</b>                     |   |   |
| Acquisition of investment property                             | -   | (1,817,805)   |
| Interest received  | 14,796  | 11,405  |
| Payment for enhancement of investment properties               | (62)  | (5,767)   |
| Pledged deposit  | (6,473)   | (31,497)  |
| Purchase of plant and equipment                                | (11)  | (3,053)   |
| Proceed from disposal of plant and equipment                   | -   | 1   |
| <b>Net cash from/(used in) investing activities</b>            | <b>8,250</b>  | <b>(1,846,716)</b>  |
| <b>Cash Flow from Financing Activities</b>                     |   |   |
| Distribution to unitholders                                    | (333,662)   | (270,467)   |
| Interest paid  | (161,988)   | (132,555)   |
| Payment of financing expenses                                  | (819)   | (5,063)   |
| Payment of placement expenses                                  | -   | (17,847)  |
| Proceeds from issue of units                                   | -   | 720,000   |
| Proceeds from borrowings                                       | 100,000   | 2,095,000   |
| Repayment of borrowings  | (100,000)   | (895,000)   |
| <b>Net cash (used in)/from financing activities</b>            | <b>(496,469)</b>  | <b>1,494,068</b>  |
| Net increase in cash and cash equivalents                      | 18,360  | 122,586   |
| Cash and cash equivalents as at the beginning of the year      | 455,501   | 332,915   |
| Cash and cash equivalents as at the end of the end of the year | 473,861   | 455,501   |

The unaudited condensed statement of cash flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (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 year ended 31 December 2024 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 2024. 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 2023 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 2023, 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 2023.

**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 2023.

**A5 Seasonality or Cyclicity 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.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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A8 Debt and Equity Securities

There were no issuance, cancellation, repurchase, sale and payment of debt and equity securities for the current quarter and financial year 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  |
|--------------|----------------|--|---|
| 4,510,211    | RM1.2035       | 15 February 2024                             | Based on the 5-day volume weighted average price of the units up to but excluding 24 January 2024 (as management fee) |
| 3,840,701    | RM1.3740       | 5 August 2024                                | Based on the 5-day volume weighted average price of the units up to but excluding 17 July 2024 (as management fee)    |

A9 Segmental Reporting

Segmental results for the year ended 31 December 2024 was as follows:-

| Business Segment                                   | Retail<br>RM'000 | Office<br>RM'000 | Total<br>RM'000 |
|--|------------------|------------------|-----------------|
| Gross Revenue                                      | 836,358          | 9,508            | 845,866         |
| Net Property Income                                | 520,743          | 2,022            | 522,765         |
| Interest Income                                    |                  |                  | 14,796          |
| Net Fair Value Changes on<br>Investment Properties |                  |                  | 99,938          |
| Net Investment Income                              |                  |                  | 637,499         |
| Trust Expenses                                     |                  |                  | (45,441)        |
| Borrowings Cost                                    |                  |                  | (182,140)       |
| Income Before Taxation                             |                  |                  | 409,918         |
| Taxation   |                  |                  | -               |
| Income After Taxation                              |                  |                  | 409,918         |
| Segment assets                                     | 8,902,250        | 131,209          | 9,033,459       |
| Other non-allocated assets                         |                  |                  | 97,395          |
|  |                  |                  | 9,130,854       |
| Segment liabilities                                | 4,071,947        | 31,948           | 4,103,895       |
| Other non-allocated liabilities                    |                  |                  | 8,495           |
|  |                  |                  | 4,112,390       |



**PAVILION REAL ESTATE INVESTMENT TRUST**  
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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.

| Property                   | Market Value<br>@ 31 Dec 2024<br>RM'000 | Market Value<br>@ 31 Dec 2023<br>RM'000 | Change in<br>Value<br>RM'000 |
|----------------------------|---|---|------------------------------|
| <b>Retail</b>              |   |   |                              |
| Pavilion Kuala Lumpur Mall | 5,250,000                               | 5,150,000                               | 100,000                      |
| Intermark Mall             | 190,000                                 | 190,000                                 | -                            |
| DA MEN Mall                | 160,000                                 | 160,000                                 | -                            |
| Elite Pavilion Mall        | 550,000                                 | 550,000                                 | -                            |
| Pavilion Bukit Jalil       | 2,210,000                               | 2,210,000                               | -                            |
|                            | 8,360,000                               | 8,260,000                               | 100,000                      |
| <b>Office</b>              |   |   |                              |
| Pavilion Tower             | 130,000                                 | 130,000                                 | -                            |
| Total Portfolio            | 8,490,000                               | 8,390,000                               | 100,000                      |
| Less: Capital Expenditure  |   |   | (62)                         |
| Net Fair Value Changes     |   |   | 99,938                       |

For DA MEN Mall valuation, a master tenancy agreement signed with Easyhome International (M) Sdn Bhd has been taken into account. The master tenancy is only for the mall for an initial period of 3 years (1<sup>st</sup> term), renewable for up to 15 years from 1 April 2025. Easyhome is to operate a lifestyle home furnishing centre.

A11 Material Events Subsequent to Period End

On 7 January 2025, Pavilion REIT through its wholly owned subsidiary, Pavilion REIT Venture Capital Sdn. Bhd. has drawn down an amount of RM40 million from the secured syndicated revolving term loan for working capital purposes. The additional borrowing has an impact of increasing the gearing ratio on total debts to 41.9%.

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 2024                         | 3,652,338,101        |
| Units issued as payment of Manager's management fees | 8,350,912            |
| Total units issued                                   | <u>3,660,689,013</u> |

A13 Contingent Liabilities or Contingent Assets

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

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A14 Capital Commitments

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

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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**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               |                               | Year to Date                  |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 31 Dec                        |                               | 31 Dec                        |                               |
|  | 2024<br>(Unaudited)<br>RM'000 | 2023<br>(Unaudited)<br>RM'000 | 2024<br>(Unaudited)<br>RM'000 | 2023<br>(Unaudited)<br>RM'000 |
| <b>Gross Revenue</b>                     |                               |                               |                               |                               |
| Retail:                                  |                               |                               |                               |                               |
| Pavilion Kuala Lumpur Mall               | 127,251                       | 129,127                       | 510,045                       | 495,895                       |
| Pavilion Bukit Jalil                     | 56,254                        | 45,706                        | 211,028                       | 104,975                       |
| Intermark Mall                           | 7,492                         | 6,297                         | 28,641                        | 25,218                        |
| DA MEN Mall                              | 3,910                         | 2,810                         | 13,184                        | 13,212                        |
| Elite Pavilion Mall                      | 21,504                        | 21,613                        | 73,460                        | 75,276                        |
|  | <u>216,411</u>                | <u>205,553</u>                | <u>836,358</u>                | <u>714,576</u>                |
| Office:                                  |                               |                               |                               |                               |
| Pavilion Tower                           | 2,379                         | 2,669                         | 9,508                         | 9,235                         |
|  | <u>218,790</u>                | <u>208,222</u>                | <u>845,866</u>                | <u>723,811</u>                |
| <b>Total Gross Revenue</b>               |                               |                               |                               |                               |
|  | <u>218,790</u>                | <u>208,222</u>                | <u>845,866</u>                | <u>723,811</u>                |
| <b>Property Operating Expenses</b>       |                               |                               |                               |                               |
| Retail:                                  |                               |                               |                               |                               |
| Pavilion Kuala Lumpur Mall               | 39,165                        | 34,706                        | 147,683                       | 142,155                       |
| Pavilion Bukit Jalil                     | 23,922                        | 22,627                        | 100,927                       | 52,462                        |
| Intermark Mall                           | 5,141                         | 3,501                         | 17,344                        | 14,396                        |
| DA MEN Mall                              | 3,994                         | 4,405                         | 18,954                        | 21,534                        |
| Elite Pavilion Mall                      | 9,824                         | 6,698                         | 30,707                        | 27,877                        |
|  | <u>82,046</u>                 | <u>71,937</u>                 | <u>315,615</u>                | <u>258,424</u>                |
| Office:                                  |                               |                               |                               |                               |
| Pavilion Tower                           | 1,888                         | 1,641                         | 7,486                         | 6,276                         |
|  | <u>83,934</u>                 | <u>73,578</u>                 | <u>323,101</u>                | <u>264,700</u>                |
| <b>Total Property Operating Expenses</b> |                               |                               |                               |                               |
|  | <u>83,934</u>                 | <u>73,578</u>                 | <u>323,101</u>                | <u>264,700</u>                |
| <b>Net Property Income</b>               |                               |                               |                               |                               |
| Retail:                                  |                               |                               |                               |                               |
| Pavilion Kuala Lumpur Mall               | 88,086                        | 94,421                        | 362,362                       | 353,740                       |
| Pavilion Bukit Jalil                     | 32,332                        | 23,079                        | 110,101                       | 52,513                        |
| Intermark Mall                           | 2,351                         | 2,796                         | 11,297                        | 10,822                        |
| DA MEN Mall                              | (84)                          | (1,595)                       | (5,770)                       | (8,322)                       |
| Elite Pavilion Mall                      | 11,680                        | 14,915                        | 42,753                        | 47,399                        |
|  | <u>134,365</u>                | <u>133,616</u>                | <u>520,743</u>                | <u>456,152</u>                |
| Office:                                  |                               |                               |                               |                               |
| Pavilion Tower                           | 491                           | 1,028                         | 2,022                         | 2,959                         |
|  | <u>134,856</u>                | <u>134,644</u>                | <u>522,765</u>                | <u>459,111</u>                |
| <b>Total Net Property Income</b>         |                               |                               |                               |                               |
|  | <u>134,856</u>                | <u>134,644</u>                | <u>522,765</u>                | <u>459,111</u>                |

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

|  | Current Quarter<br>31 Dec            |                                      | Year to Date<br>31 Dec               |                                      |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  | 2024<br>(Unaudited)<br><b>RM'000</b> | 2023<br>(Unaudited)<br><b>RM'000</b> | 2024<br>(Unaudited)<br><b>RM'000</b> | 2023<br>(Unaudited)<br><b>RM'000</b> |
| <b>Total Net Property Income</b>                 | 134,856                              | 134,644                              | 522,765                              | 459,111                              |
| Interest Income                                  | 3,527                                | 3,196                                | 14,796                               | 11,405                               |
| Change in fair value of<br>investment properties | 99,938                               | 146,534                              | 99,938                               | 146,534                              |
| <b>Net Investment Income</b>                     | <u>238,321</u>                       | <u>284,374</u>                       | <u>637,499</u>                       | <u>617,050</u>                       |
| Manager's Management Fee                         | 11,361                               | 11,415                               | 43,076                               | 37,925                               |
| Other Trust Expenses                             | 715                                  | 861                                  | 2,365                                | 2,747                                |
| Borrowings Cost                                  | 45,551                               | 43,832                               | 182,140                              | 144,583                              |
| Total Trust Expenses                             | <u>57,627</u>                        | <u>56,108</u>                        | <u>227,581</u>                       | <u>185,255</u>                       |
| <b>Income Before Taxation</b>                    | 180,694                              | 228,266                              | 409,918                              | 431,795                              |
| Taxation   | -                                    | -                                    | -                                    | -                                    |
| <b>Income After Taxation</b>                     | <u>180,694</u>                       | <u>228,266</u>                       | <u>409,918</u>                       | <u>431,795</u>                       |
| Distribution Adjustments                         | <u>(91,734)</u>                      | <u>(138,573)</u>                     | <u>(68,233)</u>                      | <u>(124,392)</u>                     |
| <b>Distributable Income</b>                      | <u><u>88,960</u></u>                 | <u><u>89,693</u></u>                 | <u><u>341,685</u></u>                | <u><u>307,403</u></u>                |

Quarterly Results:

Pavilion REIT recognised total gross revenue of RM218.8 million in Q4 2024, an increase of RM10.6 million or 5% as compared to Q4 2023 of RM208.2 million. The increase was mainly contributed by higher rental income and revenue from exhibition centre at Pavilion Bukit Jalil.

Total property operating expenses were higher by RM10.4 million or 14% as compared to Q4 2023 mainly due to higher doubtful debts provision and increased maintenance cost.

These have resulted in higher net property income by RM0.2 million or 0.2% in Q4 2024 as compared to Q4 2023.

Fair value gain of RM99.9 million arising from the valuation of investment properties as at 31 December 2024 was recognised in the current quarter. The fair value gain for 2023 recognised in Q4 2023 was RM146.5 million.

The manager's management fee was comparable to that of Q4 2023. Borrowing cost increased by RM1.7 million due to the drawdown of additional borrowings for acquisition of investment property.

These have resulted in income before taxation being lower by RM47.6 million or 21% as compared to Q4 2023.

Distributable income for the quarter under review was RM88.9 million or 2.43 sen per unit, consisting of income after tax of RM180.7 million and non-cash adjustments for fair value gain of investment properties of RM99.9 million, depreciation of RM0.2 million, amortisation of borrowings transaction cost of RM0.6 million, Manager's management fee payable in units amounting to RM2.8 million and present value adjustment on deferred acquisition payments of RM4.5 million.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

Full Year Results

Total revenue for year ended 31 December 2024 was RM845.9 million. It was higher by RM122.1 million or 17% as compared to preceding year ended 31 December 2023's performance. The increase was mainly contributed by income from the new property, Pavilion Bukit Jalil that was acquired on the 1 June 2023 and higher rental income from Pavilion Kuala Lumpur Mall.

Total property operating expenses incurred was higher by RM58.4 million or 22% as compared to preceding year ended 31 December 2023. This 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 have 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.

These resulted in income before taxation being lower by RM21.9 million or 5% as compared to preceding year ended 31 December 2023.

Distributable income for the year ended 31 December 2024 was RM341.7 million, consisting of income after tax of RM409.9 million and non-cash adjustments for fair value gain of investment property of RM99.9 million, depreciation of RM0.8 million, amortisation of borrowings transaction cost of RM2.5 million, Manager's management fee payable in units amounting to RM10.8 million and present value adjustment on deferred acquisition payments of RM17.6 million.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

**B2 Material Changes in Quarterly Results**

|  | Quarter Ended<br>31 Dec 2024<br>(unaudited)<br><b>RM'000</b> | Quarter Ended<br>30 Sep 2024<br>(unaudited)<br><b>RM'000</b> | Change<br>% |
|--|--|--|-------------|
| Gross revenue                                    | 218,790  | 207,259  | 5.6         |
| Property operating expenses                      | (83,934)   | (75,403)   | (11.3)      |
| Net property income                              | 134,856  | 131,856  | 2.3         |
| Interest income                                  | 3,527  | 3,911  | (9.8)       |
| Change in fair value of<br>investment properties | 99,938   | -  | >100        |
| Net investment income                            | 238,321  | 135,767  | 75.5        |
| Total trust expenses                             | (12,076)   | (11,103)   | (8.8)       |
| Borrowing cost                                   | (45,551)   | (45,723)   | 0.4         |
| Income before taxation                           | 180,694  | 78,941   | 128.9       |

The income before taxation for the current quarter under review increased by RM101.8 million as compared to the last immediate quarter. A fair value gain of RM99.9 million from the valuation of investment properties was recognised in Q4 2024. The increase in net property income was mainly due to higher rental income from Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil, increased advertising revenue following the re-commissioning of the upgraded LED screen at Elite Pavilion Mall, and income generated from the Pavilion Bukit Jalil exhibition centre. However, this was partially offset by higher doubtful provisions and marketing expenses for festive decorations and promotions.

**B3 Prospects**

Malaysia's economy expanded 5.2% for the first nine months of 2024. It is expected to sustain consistent growth of above 5% in 2025 supported by strategic investment, robust fiscal management and economic resilient. According to Retail Group Malaysia, the retail industry is expected achieve growth rate of 3.9% for 2024. With positive retail environment, tourist spendings and strong domestic economy, 4.0% growth is expected for 2025 despite rising cost of living challenges.

Retail sales is expected to stay resilient despite inflationary concerns. Cost management will be closely monitored to ensure efficiency whilst ensuring good maintenance and upkeep as required. Partnerships and community engagement remains integral to maintaining the momentum to bolster consumer spending to tap into the resurgence of tourist arrivals.

**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.

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**B5 Strategies and Policies**

The Manager's strategies and policies as reported in the latest 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**

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 ended 31 December 2024, Pavilion REIT proposes to distribute 100% of its distributable income.

Distribution of 4.53 sen per unit or RM165.6 million earned for 1st half of 2024 was distributed on 21 August 2024. The distributable income for the second half of 2024 is proposed to be 4.81 sen per unit or RM176.1 million payable on 28 February 2025.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

Statement of Income Distribution

|  | Current Quarter<br>31 December |                               | Year to Date<br>31 December   |                             |
|--|--------------------------------|-------------------------------|-------------------------------|-----------------------------|
|  | 2024<br>(Unaudited)<br>RM'000  | 2023<br>(Unaudited)<br>RM'000 | 2024<br>(Unaudited)<br>RM'000 | 2023<br>(Audited)<br>RM'000 |
| Rental income  | 195,083                        | 182,585                       | 766,945                       | 651,424                     |
| Revenue from contract customers                      | 13,682                         | 15,720                        | 43,925                        | 46,610                      |
| Interest income                                      | 3,527                          | 3,196                         | 14,796                        | 11,405                      |
| Net fair value changes on investment properties      | 99,938                         | 146,534                       | 99,938                        | 146,534                     |
| Other income   | 10,025                         | 9,917                         | 34,996                        | 25,777                      |
|  | <u>322,255</u>                 | <u>357,952</u>                | <u>960,600</u>                | <u>881,750</u>              |
| Less: Expenses                                       | <u>(141,561)</u>               | <u>(129,686)</u>              | <u>(550,682)</u>              | <u>(449,955)</u>            |
| Total comprehensive income for the period/year       | 180,694                        | 228,266                       | 409,918                       | 431,795                     |
| Distribution adjustment                              | <u>(91,734)</u>                | <u>(138,573)</u>              | <u>(68,233)</u>               | <u>(124,392)</u>            |
| Realised income for the period/year                  | 88,960                         | 89,693                        | 341,685                       | 307,403                     |
| Previous period/year's undistributed realised income | 582                            | 425                           | 636                           | 617                         |
| Total realised income available for distribution     | 89,542                         | 90,118                        | 342,321                       | 308,020                     |
| Less: Proposed/declared income distribution          | <u>(88,955)</u>                | <u>(89,482)</u>               | <u>(341,734)</u>              | <u>(307,384)</u>            |
| Balance undistributed realised income                | <u>587</u>                     | <u>636</u>                    | <u>587</u>                    | <u>636</u>                  |
| Distribution per unit (sen)                          | 2.43                           | 2.45                          | 9.34                          | 9.01                        |

B7 Portfolio Composition

As at 31 December 2024, 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 ended 31 December 2024, no provision for taxation has been made for the current year.



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**B9 Status of Corporate Proposal**

The acquisition of Pavilion Bukit Jalil was completed on 1 June 2023. An amount of RM6 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 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 placements 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”).

**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.

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**FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2024 (UNAUDITED)**

B11 Borrowings and Debt Securities

| As at 31 December 2024                   | Total            |
|--|------------------|
|  | RM'000           |
| Secured Revolving Term Loans             | 693,267          |
| Unrated Medium Term Notes                | 2,705,000        |
| Unamortised Borrowings Transaction Costs | (5,608)          |
| <b>Borrowings</b>                        | <b>3,392,659</b> |
| Deferred Payment for Acquisition         | 392,572          |
| <b>Total Debt</b>                        | <b>3,785,231</b> |
| Gearing                                  | 37.2%            |
| Gearing on Total Debt                    | 41.5%            |
| 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 DECEMBER 2024 (UNAUDITED)**

**B15 Summary of DPU, EPU, NAV and Market Price**

|   | Current quarter ended<br>31 December 2024 | Immediate preceding quarter ended<br>30 September 2024 |
|---|---|--|
| Number of units in issue (units)                                      | 3,660,689,013                             | 3,660,689,013  |
| Net Asset Value (“NAV”) (RM’000)                                      | 5,018,464                                 | 4,837,770  |
| NAV per unit (RM)   | 1.3709                                    | 1.3215   |
| Total comprehensive income (RM’000)                                   | 180,694                                   | 78,941   |
| Weighted average number of units in issue – year to date (units)      | 3,657,857,342                             | 3,656,906,562  |
| Earnings per Unit after Manager’s management fee (sen)                | 4.94                                      | 2.16   |
| Proposes / Declared Distribution per Unit (“DPU”) (sen)<br>- Proposed | 2.43                                      | 2.38   |
| Market Price (RM)   | 1.55                                      | 1.44   |
| Distribution Yield (%) <sup>4</sup>                                   | 6.03                                      | 6.41   |

<sup>4</sup> 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<br>RM’000  | Current Quarter<br>31 December 2024 | Year to Date<br>31 December 2024 | Basis                                 |
|-----------------|-------------------------------------|----------------------------------|---------------------------------------|
| Base Fee        | 7,316                               | 27,393                           | 0.3% per annum on total asset value   |
| Performance Fee | 4,045                               | 15,683                           | 3.0% per annum on net property income |
| Total           | 11,361                              | 43,076                           |                                       |

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**  
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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 December 2024 and of its financial performance and cash flows for the year 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  
12 February 2025