

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	As at 31 December 2025 (Unaudited) RM'000	As at 31 December 2024 (Audited) RM'000
<b>ASSETS</b>		
Plant and equipment	3,835	2,200
Investment properties	<u>9,095,000</u>	<u>8,490,000</u>
Total non-current assets	<u>9,098,835</u>	<u>8,492,200</u>
 Inventories	6,512	5,731
Trade and other receivables	57,658	61,667
Pledged deposits with licensed banks	100,252	97,395
Cash and cash equivalents	<u>565,296</u>	<u>473,861</u>
Total current assets	<u>729,718</u>	<u>638,654</u>
 <b>TOTAL ASSETS</b>	<b>9,828,553</b>	<b>9,130,854</b>
<b>LIABILITIES</b>		
Borrowings	2,863,456	3,312,659
Payables and accruals	<u>95,151</u>	<u>85,308</u>
Total non-current liabilities	<u>2,958,607</u>	<u>3,397,967</u>
 Borrowings	1,073,072	80,000
Payables and accruals	<u>305,439</u>	<u>634,423</u>
Total current liabilities	<u>1,378,511</u>	<u>714,423</u>
 <b>TOTAL LIABILITIES</b>	<b>4,337,118</b>	<b>4,112,390</b>
 <b>NET ASSET VALUE</b>	<b><u>5,491,435</u></b>	<b><u>5,018,464</u></b>
 <b>FINANCED BY</b>		
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	4,038,209	3,673,129
Accumulated income	<u>1,453,226</u>	<u>1,345,335</u>
<b>TOTAL UNITHOLDERS' FUND</b>	<b><u>5,491,435</u></b>	<b><u>5,018,464</u></b>
 Number of units in circulation ('000 units)	3,924,840	3,660,689
 Net asset value per unit (RM)		
- Before income distribution	1.3991	1.3709
- After income distribution*	1.3488	1.3228

\*after proposed final income distribution of 5.03 sen per unit (2024: 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 DECEMBER 2025 (UNAUDITED)**

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

	Current Quarter 31 December	Year to Date 31 December	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000
Rental income	201,550	195,083	811,271
Revenue from contract customers	20,963	13,682	55,021
Other income	9,574	10,025	35,193
<b>GROSS REVENUE</b>	<b>232,087</b>	<b>218,790</b>	<b>901,485</b>
Utilities	(21,840)	(23,910)	(90,462)
Maintenance	(26,503)	(24,843)	(116,137)
Property taxes	(6,096)	(5,879)	(24,496)
Other operating expenses	(27,824)	(29,302)	(102,499)
<b>PROPERTY OPERATING EXPENSES</b>	<b>(82,263)</b>	<b>(83,934)</b>	<b>(333,594)</b>
<b>NET PROPERTY INCOME</b>	<b>149,824</b>	<b>134,856</b>	<b>567,891</b>
Interest income	3,594	3,527	15,241
Net fair value changes on investment properties	107,402	99,938	107,402
<b>NET INVESTMENT INCOME</b>	<b>260,820</b>	<b>238,321</b>	<b>690,534</b>
Manager's management fee	(12,490)	(11,361)	(45,836)
Trustee's fee	(156)	(141)	(575)
Other trust expenses	(1,524)	(574)	(3,628)
Borrowings cost	(43,405)	(45,551)	(173,582)
<b>TOTAL TRUST EXPENDITURE</b>	<b>(57,575)</b>	<b>(57,627)</b>	<b>(223,621)</b>
<b>INCOME BEFORE TAXATION</b>	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>
Taxation	-	-	-
<b>INCOME AFTER TAXATION/TOTAL COMPREHENSIVE INCOME</b>	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>
<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
Income after taxation comprises the followings:-			
Realised	95,843	80,756	359,511
Unrealised	107,402	99,938	107,402
	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>
Earnings per unit – basic (sen) #	5.27	4.94	12.28
Earnings per unit – diluted (sen) #	5.27	4.94	12.28

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**  
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	Current Quarter		Year to Date	
	31 December		31 December	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Audited) RM'000
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>	<b>409,918</b>
Distribution adjustments <sup>2</sup>	(103,848)	(91,734)	(86,573)	(68,233)
<b>Distributable income</b>	<b>99,397</b>	<b>88,960</b>	<b>380,340</b>	<b>341,685</b>

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

	Current Quarter		Year to Date	
	31 December		31 December	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Audited) RM'000
Depreciation	185	194	713	784
(Write back of)/Impairment loss on trade receivables	(2,623)	4,969	5,428	5,134

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		Year to Date	
	31 December		31 December	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Audited) RM'000
Amortisation of borrowing transaction costs	497	644	1,762	2,529
Depreciation	185	194	713	784
Accounting adjustment on interest - present value	-	4,526	7,428	17,623
Accounting adjustment on deferred income	(251)	-	(533)	-
Net fair value changes on investment properties	(107,402)	(99,938)	(107,402)	(99,938)
Manager's management fees payable in units	3,123	2,840	11,459	10,769
	(103,848)	(91,734)	(86,573)	(68,233)

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

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

	Unitholders' Capital	Income / (Deficit)	Total Funds
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</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>	10,705	-	10,705
- Manager's management fee paid in units	37	-	37
- Over accrual of expenses incurred for placement exercise in prior year	-	(333,662)	(333,662)
- Distribution to unitholders			
Increase/(Decrease) in net assets resulting from unitholders' transactions	10,742	(333,662)	(322,920)
<b>As at 31 December 2024 (audited)</b>	<b>3,673,129</b>	<b>1,345,335</b>	<b>5,018,464</b>
<b>As at 1 January 2025</b>	3,673,129	1,345,335	5,018,464
Total comprehensive income for the year	-	466,913	466,913
<b>Unitholders' transactions</b>			
- Issue of new units <sup>3</sup>	10,953	-	10,953
- Manager's management fee paid in units	360,000	-	360,000
- Funding for the acquisition of investment property	(5,873)	-	(5,873)
- Expenses incurred for placement exercise	-	(359,022)	(359,022)
- Distribution to unitholders			
Increase/(Decrease) in net assets resulting from unitholders' transactions	365,080	(359,022)	6,058
<b>As at 31 December 2025 (unaudited)</b>	<b>4,038,209</b>	<b>1,453,226</b>	<b>5,491,435</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 2024 and the accompanying explanatory notes attached to the interim financial statements.

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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<sup>3</sup> Issue of new units consists of the following:-

	31 December 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
- 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>

	31 December 2025	
	Units '000	Amount 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
- at RM1.6512 per unit for entitlement for the 6 months period ended 30 June 2025	3,307	5,461
Total Manager's fees paid	<b>7,008</b>	<b>10,953</b>
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
	<b>264,151</b>	<b>370,953</b>

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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**CONDENSED STATEMENT OF CASH FLOWS**

	Current Year Ended 31 December 2025 <b>RM'000</b>	Preceding Year Ended 31 December 2024 <b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Income before taxation	466,913	409,918
<i>Adjustments for:-</i>		
Borrowing cost	173,582	182,140
Interest income	(15,241)	(14,796)
Depreciation	713	784
Plant and equipment written off	86	-
Impairment loss on trade receivables	5,428	5,134
Net fair value changes on investment properties	(107,402)	(99,938)
<b>Operating income before changes in working capital</b>	<b>524,079</b>	<b>483,242</b>
Inventories	(781)	(1,824)
Trade and other receivables	(1,419)	(11,615)
Trade and other payables	39,922	21,688
Tenants' deposits	7,015	15,088
<b>Net cash from operating activities</b>	<b>568,816</b>	<b>506,579</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of investment properties	(860,151)	-
Interest received	15,241	14,796
Payment for enhancement of investment properties	-	(62)
Pledged deposit	(2,857)	(6,473)
Purchase of plant and equipment	(2,434)	(11)
<b>Net cash (used in)/from investing activities</b>	<b>(850,201)</b>	<b>8,250</b>
<b>Cash Flow from Financing Activities</b>		
Distribution to unitholders	(359,022)	(333,662)
Interest paid	(164,392)	(161,988)
Payment of financing expenses	(1,598)	(819)
Payment of placement expenses	(5,873)	-
Proceeds from issuance of units	360,000	-
Proceeds from borrowings	724,700	100,000
Repayment of borrowings	(180,995)	(100,000)
<b>Net cash from/(used in) financing activities</b>	<b>372,820</b>	<b>(496,469)</b>
Net increase in cash and cash equivalents	91,435	18,360
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 year	<b>565,296</b>	<b>473,861</b>

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 DECEMBER 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 year ended 31 December 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.

**A5 Seasonality or Cyclicalities 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.

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**A8 Debt and Equity Securities**

There were no 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 and the placement of new units to fund the acquisition of investment properties through bookbuilding exercise, with details as disclosed below.

Units issued	Price per Unit	Listed on Main Market of Bursa Securities on	Remark
3,701,142	RM1.4838	3 March 2025	Based on the 5-day volume weighted average price of the units up to but excluding 12 February 2025 (as management fee)
257,142,800	RM1.4000	20 June 2025	A discount of 3.93% to the 5-day volume weighted average price of the units up to and including 4 June 2025 of RM1.4572
3,307,285	RM1.6512	11 August 2025	Based on the 5-day volume weighted average price of the units up to but excluding 22 July 2025 (as management fee)

**A9 Segmental Reporting**

Segmental results for the year ended 31 December 2025 was as follows:-

Business Segment	Retail RM'000	Hotel RM'000	Office RM'000	Total RM'000
Gross Revenue	873,250	18,431	9,804	901,485
Net Property Income	547,543	17,121	3,227	567,891
Interest Income				15,241
Net Fair Value Changes on Investment Properties				107,402
Net Investment Income				690,534
Trust Expenses				(50,039)
Borrowings Cost				(173,582)
Income Before Taxation				466,913
Taxation				-
Income After Taxation				466,913
Segment assets	9,106,124	490,948	131,229	9,728,301
Other non-allocated assets				100,252
Segment liabilities	4,164,642	127,786	31,964	9,828,553
Other non-allocated liabilities				4,324,392
				12,726
				4,337,118

**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 @ 31 Dec 2025 RM'000	Market Value @ 31 Dec 2024 RM'000	Change in Value RM'000
<b>Retail</b>			
Pavilion Kuala Lumpur Mall	5,300,000	5,250,000	50,000
Intermark Mall	200,000	190,000	10,000
DA MEN Mall	160,000	160,000	-
Elite Pavilion Mall	565,000	550,000	15,000
Pavilion Bukit Jalil	2,250,000	2,210,000	40,000
	8,475,000	8,360,000	115,000
<b>Hotel</b>			
Banyan Tree Kuala Lumpur	140,000	-	140,000
Pavilion Hotel Kuala Lumpur	350,000	-	350,000
	490,000	-	490,000
<b>Office</b>			
Pavilion Tower	130,000	130,000	-
Total Portfolio	9,095,000	8,490,000	605,000
Less: Capital Expenditure			-
Less: Acquisition <sup>4</sup>			(497,598)
Net Fair Value Changes			107,402

<sup>4</sup> Includes RM10 million deferred income arising from discount on purchase consideration.

**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	7,008,427
Units issued to fund the acquisition of investment properties	257,142,800
Total units issued	3,924,840,240

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**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	393

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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	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
<b>Gross Revenue</b>				
Retail:				
Pavilion Kuala Lumpur Mall	128,053	127,251	511,086	510,045
Pavilion Bukit Jalil	60,169	56,254	236,111	211,028
Intermark Mall	7,823	7,492	30,826	28,641
DA MEN Mall	2,308	3,910	9,540	13,184
Elite Pavilion Mall	22,628	21,504	85,687	73,460
	<u>220,981</u>	<u>216,411</u>	<u>873,250</u>	<u>836,358</u>
Hotel:				
Banyan Tree Kuala Lumpur	2,520	-	5,342	-
Pavilion Hotel Kuala Lumpur	6,175	-	13,089	-
	<u>8,695</u>	<u>-</u>	<u>18,431</u>	<u>-</u>
Office:				
Pavilion Tower	2,411	2,379	9,804	9,508
	<u>232,087</u>	<u>218,790</u>	<u>901,485</u>	<u>845,866</u>
<b>Property Operating Expenses</b>				
Retail:				
Pavilion Kuala Lumpur Mall	36,129	39,165	155,001	147,683
Pavilion Bukit Jalil	25,456	23,922	101,655	100,927
Intermark Mall	8,082	5,141	20,841	17,344
DA MEN Mall	2,521	3,994	14,077	18,954
Elite Pavilion Mall	7,756	9,824	34,133	30,707
	<u>79,944</u>	<u>82,046</u>	<u>325,707</u>	<u>315,615</u>
Hotel:				
Banyan Tree Kuala Lumpur	202	-	480	-
Pavilion Hotel Kuala Lumpur	341	-	830	-
	<u>543</u>	<u>-</u>	<u>1,310</u>	<u>-</u>
Office:				
Pavilion Tower	1,776	1,888	6,577	7,486
	<u>82,263</u>	<u>83,934</u>	<u>333,594</u>	<u>323,101</u>

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	Current Quarter		Year to Date	
	31 Dec		31 Dec	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
<b>Net Property Income</b>				
Retail:				
Pavilion Kuala Lumpur Mall	91,924	88,086	356,085	362,362
Pavilion Bukit Jalil	34,713	32,332	134,456	110,101
Intermark Mall	(259)	2,351	9,985	11,297
DA MEN Mall	(213)	(84)	(4,537)	(5,770)
Elite Pavilion Mall	14,872	11,680	51,554	42,753
	<u>141,037</u>	<u>134,365</u>	<u>547,543</u>	<u>520,743</u>
Hotel:				
Banyan Tree Kuala Lumpur	2,318	-	4,862	-
Pavilion Hotel Kuala Lumpur	5,834	-	12,259	-
	<u>8,152</u>	<u>-</u>	<u>17,121</u>	<u>-</u>
Office:				
Pavilion Tower	635	491	3,227	2,022
<b>Total Net Property Income</b>	<b>149,824</b>	<b>134,856</b>	<b>567,891</b>	<b>522,765</b>
Interest Income	3,594	3,527	15,241	14,796
Change in fair value of investment properties	<u>107,402</u>	<u>99,938</u>	<u>107,402</u>	<u>99,938</u>
<b>Net Investment Income</b>	<b>260,820</b>	<b>238,321</b>	<b>690,534</b>	<b>637,499</b>
Manager's Management Fee	12,490	11,361	45,836	43,076
Other Trust Expenses	1,680	715	4,203	2,365
Borrowings Cost	43,405	45,551	173,582	182,140
Total Trust Expenses	57,575	57,627	223,621	227,581
<b>Income Before Taxation</b>	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>	<b>409,918</b>
Taxation	-	-	-	-
<b>Income After Taxation</b>	<b>203,245</b>	<b>180,694</b>	<b>466,913</b>	<b>409,918</b>
Distribution Adjustments	(103,848)	(91,734)	(86,573)	(68,233)
<b>Distributable Income</b>	<b>99,397</b>	<b>88,960</b>	<b>380,340</b>	<b>341,685</b>

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

**Quarterly Results:**

Pavilion REIT recognised total gross revenue of RM232.1 million in Q4 2025, an increase of RM13.3 million or 6% as compared to Q4 2024 of RM218.8 million. The increase was mainly contributed by rental income from Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, acquired on 20 June 2025, as well as higher contribution from Pavilion Bukit Jalil, driven by a higher occupancy rate and increased income from its car park and advertising spaces.

Total property operating expenses decreased by RM1.7 million or 2% as compared to Q4 2024 mainly due to reversal of doubtful debts provision, partially offset by higher maintenance cost arising from a major electrical system upgrade at Intermark Mall.

These have resulted in higher net property income of RM15.0 million or 11% in Q4 2025 as compared to Q4 2024.

Fair value gain of RM107.4 million arising from the valuation of investment properties as at 31 December 2025 was recognised in the current quarter. The fair value gain for 2024 recognised in Q4 2024 was RM99.9 million.

Higher manager's management fee of RM1.1 million was in line with the increase in total asset value and net property income. Other trust expenses increased mainly due to higher costs resulting 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 RM22.6 million or 12% as compared to Q4 2024.

Distributable income for the quarter under review was RM99.4 million, consisting of income after tax of RM203.2 million and non-cash adjustments for fair value gain of investment properties of RM107.4 million, depreciation of RM0.2 million, amortisation of borrowing transaction cost of RM0.5 million, Manager's management fee payable in units amounting to RM3.1 million and accounting adjustment on deferred income of RM0.2 million.

**Full Year Results**

Total revenue for year-to-date 31 December 2025 was RM901.5 million. It was higher by RM55.6 million or 7% as compared to preceding year ended 31 December 2024's performance. The increase was mainly contributed by Pavilion Bukit Jalil, driven by higher occupancy rate and increased income generated from its exhibition centre, car park and advertising spaces, supported by improved advertising revenue from the upgraded LED screen at Elite Pavilion Mall and income from the two newly acquired properties.

Total property operating expenses increased by RM10.5 million, or 3%, compared with the year ended 31 December 2024. The increase was mainly attributable to setup costs related to advertising income, upgrades to the security system and chiller at Pavilion Kuala Lumpur Mall, as well as a major electrical system upgrade at Intermark Mall. These increases were partially mitigated by lower electricity expenses following the imposition of the new electricity tariff structure effective 1 July 2025.

These have resulted in higher net property income by RM45.1 million or 9% for year ended 31 December 2025 as compared to preceding year ended 31 December 2024.

Fair value gain of RM107.4 million arising from the valuation of investment properties as at 31 December 2025 was recognised in the current quarter. The fair value gain for 2024 recognised in Q4 2024 was RM99.9 million.

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Higher manager's management fee by RM2.8 million was in line with the increased in total asset value and net property income. Other trust expenses increased mainly due to higher costs resulting from the expanded scope of service tax on financial services imposed by the tax authority. Borrowing cost decreased by RM8.6 million mainly due to lower interest rate on latest borrowings.

These resulted in income before taxation being higher by RM57.0 million or 14% as compared to preceding year ended 31 December 2024.

Distributable income for year ended 31 December 2025 was RM380.3 million, consisting of income after tax of RM466.9 million and non-cash adjustments for fair value gain of investment properties of RM107.4 million, depreciation of RM0.7 million, amortisation of borrowing transaction cost of RM1.8 million, Manager's management fee payable in units amounting to RM11.4 million and accounting adjustment on interest and deferred income of RM6.9 million.

**B2 Material Changes in Quarterly Results**

	Quarter Ended 31 Dec 2025 (unaudited) <b>RM'000</b>	Quarter Ended 30 Sep 2025 (unaudited) <b>RM'000</b>	Change <b>%</b>
Gross revenue	232,087	227,881	1.8
Property operating expenses	(82,263)	(82,393)	0.2
Net property income	149,824	145,488	3.0
Interest income	3,594	3,658	(1.7)
Change in fair value of investment properties	107,402	-	>100
Net investment income	260,820	149,146	74.9
Total trust expenses	(14,170)	(12,700)	(11.6)
Borrowing cost	(43,405)	(41,862)	(3.7)
Income before taxation	203,245	94,584	114.9

Income before taxation for the current quarter under review was higher by RM108.7 million as compared to the last immediate quarter mainly due to the recognition of a fair value gain of RM107.4 million arising from the revaluation of investment properties in Q4 2025.

**B3 Prospects**

As per Retail Group Malaysia, the country's 2025 retail sales growth has been estimated to increase from 2.7% to 3.6% due to better expected sales in the third quarter with higher consumer spending foreseeable during end of the year and festive seasons. For 2026, Malaysia's retail, hospitality and hotel sectors are poised for positive growth, driven by tourism promotions and activities as well as government support of fiscal and relaxed visa policies. Domestic tourism continues as one of the main pillars of the national economy. Despite concerns on rising cost, growth is expected to be supported by resilient domestic demand due to government cash assistance and scheduled civil servant salary hikes. Visit Malaysia Year 2026 tourism campaign is a major catalyst, boding well for malls and hotels near tourist attractions targeting 47 million foreign visitors and RM329 billion in tourism revenue.

Pavilion REIT malls will be focusing on delivering vibrant and immersive festive experiences while building momentum towards Visit Malaysia Year 2026. Partnership, community engagement, marketing and media engagement initiatives remains integral to bolster consumer spending. Cost management will be monitored with continuous upkeep to its properties.

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**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 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 on 31 December 2025 and in the absence of any provision for extension of such concession being legislated, the tax treatment applicable to recipients of income distributions would be as follows :-

<b>Category of Unitholder</b>	<b>Tax Treatment (up to YA 2025)</b>	<b>Tax Treatment (from YA 2026 onwards)<sup>5</sup></b>
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. May be subject to tax based on respective unitholder's tax profiles and the applicable provision of the Income Tax Act 1967
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 any future clarification or directive issued by the Ministry of Finance and / or the Inland Revenue Board of Malaysia

<sup>5</sup> This tax treatment is for distribution on or after 1 January 2026 in the absence of applicable guidelines as at the date of this report.

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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 2025, Pavilion REIT proposes to distribute 100% of its distributable income.

An advance interim distribution of 4.65 sen per unit or RM170.4 million for period from 1 January 2025 to 19 June 2025 was distributed on 11 July 2025. The balance interim income distribution for the six months ended 30 June 2025 of 0.32 sen per unit or RM12.5 million was distributed on 27 August 2025. The distributable income for the second half of 2025 is proposed to be 5.03 sen per unit or RM197.4 million payable on 27 February 2026.

**Statement of Income Distribution**

	Current Quarter 31 December		Year to Date 31 December	
	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000	2025 (Unaudited) RM'000	2024 (Unaudited) RM'000
Rental income	201,550	195,083	811,271	766,945
Revenue from contract customers	20,963	13,682	55,021	43,925
Interest income	3,594	3,527	15,241	14,796
Net fair value changes on investment properties	107,402	99,938	107,402	99,938
Other income	9,574	10,025	35,193	34,996
	<u>343,083</u>	<u>322,255</u>	<u>1,024,128</u>	<u>960,600</u>
Less: Expenses	(139,838)	(141,561)	(557,215)	(550,682)
Total comprehensive income for the period/year	203,245	180,694	466,913	409,918
Distribution adjustment	(103,848)	(91,734)	(86,573)	(68,233)
Realised income for the period/year	99,397	88,960	380,340	341,685
Previous period/year's undistributed realised income	858	582	587	636
Total realised income available for distribution	100,255	89,542	380,927	342,321
Less: Proposed/declared income distribution	(99,691)	(88,955)	(380,363)	(341,734)
Balance undistributed realised income	<u>564</u>	<u>587</u>	<u>564</u>	<u>587</u>
Distribution per unit (sen)	2.54	2.43	10.00	9.34

**B7 Portfolio Composition**

As at 31 December 2025, 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.

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**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 2025, 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**

Other than part payment of purchase consideration from the placement exercise, utilisation of expenses are as below:-

RM (million)	Estimated	Incurred to Date
Placement fee	10.8	5.6
Manager's fee	4.8	4.8
Professional fees	3.0	3.0
Miscellaneous expense	1.2	0.1

**B11 Borrowings and Debt Securities**

As at 31 December 2025	Total
	RM'000
Secured Revolving Term Loans	673,072
Medium Term Notes	3,268,900
Unamortised Borrowings Transaction Costs	(5,444)
Borrowings	3,936,528
Gearing	40.1%
Average interest cost	4.6%
Composition of borrowings:	
Fixed Rate	23.5%
Floating Rate	76.5%

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**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 31 December 2025	Immediate preceding quarter ended 30 September 2025
Number of units in issue (units)	3,924,840,240	3,924,840,240
Net Asset Value (“NAV”) (RM’000)	5,491,435	5,288,305
NAV per unit (RM)	1.3991	1.3474
Total comprehensive income (RM’000)	203,245	94,584
Weighted average number of units in issue – year to date (units)	3,802,444,999	3,761,198,251
Earnings per Unit after Manager’s management fee (sen)	5.27	2.41
Proposed/Declared Distribution per Unit (“DPU”) (sen)	2.54	2.49
Market Price (RM)	1.81	1.82
Distribution Yield (%) <sup>6</sup>	5.52	5.48

<sup>6</sup> Distribution yield of year-to-date DPU divided by the Market Price (as at the end of the period) has been annualised.

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**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 December 2025	Year to Date 31 December 2025	Basis
Base Fee	7,996	28,800	0.3% per annum on total asset value
Performance Fee	4,494	17,036	3.0% per annum on net property income
Acquisition Fee	12,490	45,836	
	-	4,800	1.0% on the purchase price of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur <sup>7</sup>
Total	12,490	50,636	

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

<sup>7</sup> Acquisition fee was capitalised as part of investment property cost of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

**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 31 December 2025 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)

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

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

Kuala Lumpur  
29 January 2026