

Pavilion REIT posts flat net property income in 3Q

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Pavilion Real Estate Investment Trust's distributable income fell 1.4% to RM96.47 million or 2.45 sen per unit, from RM97.86 million or 2.49 sen apiece a year ago.

KUALA LUMPUR (Oct 22): Pavilion Real Estate Investment Trust (KL:[PAVREIT](#)) reported a net property income (NPI) of RM145.58 million for the third quarter ended Sept 30, 2026 (3QFY2026), little changed from RM145.49 million a year ago.

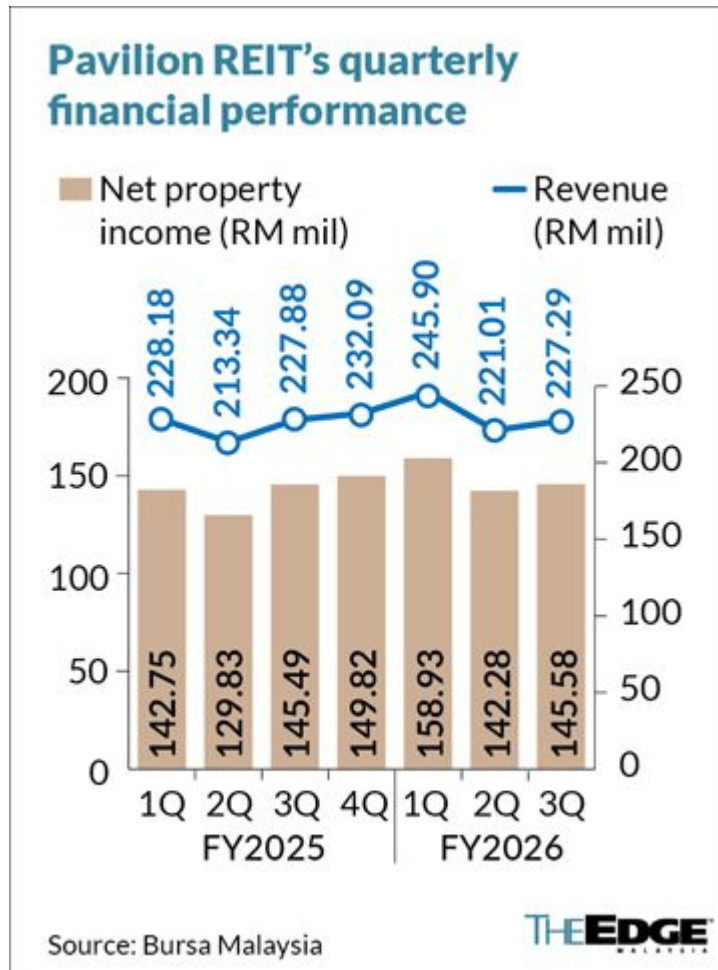
Gross revenue slipped to RM227.29 million from RM227.88 million a year earlier, due to lower advertising income at Elite Pavilion Mall, according to the REIT's bourse filing on Thursday.

Property operating expenses fell 0.8% to RM81.71 million from RM82.39 million, mainly due to lower setup costs related to advertising income. This was partly offset by higher utilities expenses following an increase in the automatic fuel adjustment rate imposed by Tenaga Nasional Bhd (KL:[TENAGA](#)) amid higher global fuel prices.

Distributable income fell 1.4% to RM96.47 million or 2.45 sen per unit, from RM97.86 million or 2.49 sen a year ago, the trust said.

For the nine months ended Sept 30, 2026 (9MFY2026), NPI rose 6.87% to RM446.79 million from RM418.07 million, while gross revenue increased 3.71% to RM694.21 million from RM669.4 million.

The improvement was mainly driven by rental income from two hotels – Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur – which were acquired in June 2025, as well as sustained occupancy at Pavilion Bukit Jalil.



Property operating expenses for the 9MFY2026 fell 1.6% to RM247.42 million from RM251.33 million, mainly due to lower electricity expenses following the approval of a new electricity tariff structure by Tenaga Nasional. The savings were partly offset by higher maintenance costs for security system upgrades, chiller replacements, and escalator, roof and lighting improvement works.

Commenting on its prospects, Pavilion REIT said it would continue collaborating with the tourism ministry and industry associations to support Visit Malaysia 2026, while managing its properties to provide unitholders with steady distributions.

The trust said the consumer sector is expected to remain resilient in the final quarter of 2026, supported by stable labour-market conditions, government assistance to households and seasonal spending.

However, consumption growth is likely to become more measured as higher labour, food and logistics costs weigh on household budgets and corporate margins, it noted.

The trust cited a Department of Statistics Malaysia survey that Malaysian businesses across all major sectors were optimistic, reflecting stronger expectations for domestic and external economic activity.

It also said the Retail Group Malaysia still maintains its annual retail industry growth projection at 3.8% for 2026.

New board appointments

Separately, Pavilion REIT chairman Tan Sri Lim Siew Choon's daughter, Lim Shoo Wenn, was appointed an alternate director effective Thursday.

Shoo Wenn, 32, is a director of the CEO office at Pavilion REIT Management Sdn Bhd, the manager of Pavilion REIT.

She was an intern at Prospere Tokyo, a public relations agency specialising in the fashion, culture and entertainment industries, Crabtree & Evelyn (Malaysia) Sdn Bhd and Malton Bhd before joining Kuala Lumpur Pavilion Sdn Bhd as senior manager of business development.

Siew Choon and spouse Puan Sri Tan Kewi Yong via their private investment vehicle, Khuan Choo Assets Sdn Bhd, hold a 28.699% stake in the REIT.

Both Siew Choon and Tan are also major shareholders of property developer Malton Bhd (KL:[MALTON](#)) via a 33.64% stake held under vehicle Malton Corp Sdn Bhd. Lim also holds a direct 3.95% stake in Malton.

Siew Choon is the non-independent non-executive chairman of Malton, while Tan is the group's executive director.

Siew Choon is also executive chairman of WCT Holdings Bhd (KL:[WCT](#)) and is the largest shareholder of the construction and property firm with a 16.5% stake via private vehicle Dominion Nexus Sdn Bhd and a direct stake of 6.74%.

The trust also appointed Lee Heng Keng, 62, as an independent director. Lee spent nearly 34 years with CIMB Group in various senior leadership positions, including head of corporate banking Malaysia, regional head of corporate banking and adviser of group wholesale banking before retiring in June 2026.

Currently, Lee is a chairman of Affin Pheim Unit Trusts Bhd and independent director of Affin Pheim Asset Management Sdn Bhd. He is also independent directors for both HSBC Bank Malaysia Bhd and Pacific & Orient Insurance Co Bhd.

On Thursday, units of Pavilion REIT closed unchanged at RM1.57, giving the REIT a market capitalisation of RM6.17 billion.

Edited By Syed Azahedi

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