

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026 (UNAUDITED)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	As at 31 March 2026 (Unaudited) <b>RM'000</b>	As at 31 December 2025 (Audited) <b>RM'000</b>
<b>ASSETS</b>		
Plant and equipment	3,757	3,835
Investment properties	9,096,548	9,095,000
Total non-current assets	<u>9,100,305</u>	<u>9,098,835</u>
Inventories	5,908	6,512
Trade and other receivables	78,201	57,658
Pledged deposits with licensed banks	100,889	100,252
Cash and cash equivalents	438,306	565,296
Total current assets	<u>623,304</u>	<u>729,718</u>
<b>TOTAL ASSETS</b>	<b>9,723,609</b>	<b>9,828,553</b>
<b>LIABILITIES</b>		
Borrowings	3,264,263	2,863,456
Payables and accruals	97,622	95,151
Total non-current liabilities	<u>3,361,885</u>	<u>2,958,607</u>
Borrowings	673,072	1,073,072
Payables and accruals	282,833	305,439
Total current liabilities	<u>955,905</u>	<u>1,378,511</u>
<b>TOTAL LIABILITIES</b>	<b>4,317,790</b>	<b>4,337,118</b>
<b>NET ASSET VALUE</b>	<b><u>5,405,819</u></b>	<b><u>5,491,435</u></b>
<b>FINANCED BY</b>		
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	4,044,207	4,038,209
Accumulated income	1,361,612	1,453,226
<b>TOTAL UNITHOLDERS' FUND</b>	<b><u>5,405,819</u></b>	<b><u>5,491,435</u></b>
Number of units in circulation ('000 units)	3,927,958	3,924,840
Net asset value per unit (RM)		
- Before income distribution	1.3762	1.3991
- After income distribution*	1.3482	1.3488

\*after distributable income of 2.80 sen per unit (2025: after final income distribution of 5.03 sen per unit).

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

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026 (UNAUDITED)**

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

	Current Quarter 31 March		Year to Date 31 March	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
Rental income	220,580	207,627	220,580	207,627
Revenue from contract customers	17,321	12,537	17,321	12,537
Other income	7,994	8,012	7,994	8,012
<b>GROSS REVENUE</b>	<b>245,895</b>	<b>228,176</b>	<b>245,895</b>	<b>228,176</b>
Utilities	(20,760)	(24,763)	(20,760)	(24,763)
Maintenance	(33,026)	(28,908)	(33,026)	(28,908)
Property taxes	(6,057)	(5,978)	(6,057)	(5,978)
Other operating expenses	(27,120)	(25,773)	(27,120)	(25,773)
<b>PROPERTY OPERATING EXPENSES</b>	<b>(86,963)</b>	<b>(85,422)</b>	<b>(86,963)</b>	<b>(85,422)</b>
<b>NET PROPERTY INCOME</b>	<b>158,932</b>	<b>142,754</b>	<b>158,932</b>	<b>142,754</b>
Net fair value changes on investment properties	-	-	-	-
<b>NET PROPERTY INCOME AND FAIR VALUE CHANGES ON INVESTMENT PROPERTIES</b>	<b>158,932</b>	<b>142,754</b>	<b>158,932</b>	<b>142,754</b>
Manager's management fee	(11,961)	(10,975)	(11,961)	(10,975)
Trustee's fee	(154)	(138)	(154)	(138)
Other trust expenses	(1,561)	(457)	(1,561)	(457)
<b>NET OPERATING INCOME</b>	<b>145,256</b>	<b>131,184</b>	<b>145,256</b>	<b>131,184</b>
Interest income	4,288	4,282	4,288	4,282
<b>NET INCOME BEFORE FINANCING AND INCOME TAX</b>	<b>149,544</b>	<b>135,466</b>	<b>149,544</b>	<b>135,466</b>
Borrowings cost	(43,739)	(45,045)	(43,739)	(45,045)
<b>NET INCOME BEFORE TAXATION</b>	<b>105,805</b>	<b>90,421</b>	<b>105,805</b>	<b>90,421</b>
Tax expense	-	-	-	-
<b>NET INCOME AFTER TAXATION / TOTAL COMPREHENSIVE INCOME</b>	<b>105,805</b>	<b>90,421</b>	<b>105,805</b>	<b>90,421</b>
Income after taxation comprises the followings:-				
Realised	105,805	90,421	105,805	90,421
Unrealised	-	-	-	-
	<b>105,805</b>	<b>90,421</b>	<b>105,805</b>	<b>90,421</b>
Earnings per unit – basic (sen) #	2.69	2.47	2.69	2.47
Earnings per unit – diluted (sen) #	2.69	2.47	2.69	2.47

The unaudited condensed statement of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

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

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	Current Quarter 31 March		Year to Date 31 March	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
	<b>Net income after taxation / Total comprehensive income for the period <sup>1</sup></b>	<b>105,805</b>	<b>90,421</b>	<b>105,805</b>
Distribution adjustments <sup>2</sup>	4,526	7,742	4,526	7,742
<b>Distributable income</b>	<b>110,331</b>	<b>98,163</b>	<b>110,331</b>	<b>98,163</b>

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

	Current Quarter 31 March		Year to Date 31 March	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
	Depreciation	220	186	220
Impairment loss on trade receivables	600	2,672	600	2,672

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 31 March		Year to Date 31 March	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
	Amortisation of borrowing transaction costs	1,562	385	1,562
Depreciation	220	186	220	186
Accounting adjustment on interest - Present Value	-	4,428	-	4,428
Accounting adjustment on deferred income	(246)	-	(246)	-
Manager's management fee payable in units	2,990	2,743	2,990	2,743
	<b>4,526</b>	<b>7,742</b>	<b>4,526</b>	<b>7,742</b>

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026 (UNAUDITED)**

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

	Unitholders' Capital	Income / (Deficit)	Total Funds
	RM'000	RM'000	RM'000
<b>As at 1 January 2025</b>	3,673,129	1,345,335	5,018,464
Net income after tax / Total comprehensive income for the period	-	90,421	90,421
<b>Unitholders' transactions</b>			
- Issue of new units <sup>3</sup>			
- Manager's management fee paid in units	5,492	-	5,492
- Distribution to unitholders	-	(176,079)	(176,079)
Increase/(Decrease) in net assets resulting from unitholders' transactions	5,492	(176,079)	(170,587)
<b>As at 31 March 2025 (unaudited)</b>	<b>3,678,621</b>	<b>1,259,677</b>	<b>4,938,298</b>
<b>As at 1 January 2026</b>	4,038,209	1,453,226	5,491,435
Net income after tax / Total comprehensive income for the period	-	105,805	105,805
<b>Unitholders' transactions</b>			
- Issue of new units <sup>3</sup>			
- Manager's management fee paid in units	5,998	-	5,998
- Distribution to unitholders	-	(197,419)	(197,419)
Increase/(Decrease) in net assets resulting from unitholders' transactions	5,998	(197,419)	(191,421)
<b>As at 31 March 2026 (unaudited)</b>	<b>4,044,207</b>	<b>1,361,612</b>	<b>5,405,819</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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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

	31 March 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
<b>Total Manager's fees paid</b>	<b>3,701</b>	<b>5,492</b>

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

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**CONDENSED STATEMENT OF CASH FLOWS**

	Current Year to Date 31 March 2026 <b>RM'000</b>	Preceding Year to Date 31 March 2025 <b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Net operating income	145,256	131,184
<i>Adjustments for:-</i>		
Depreciation	220	186
Impairment loss on trade receivables	600	2,672
<b>Operating income before changes in working capital</b>	<b>146,076</b>	<b>134,042</b>
Inventories	604	22
Trade and other receivables	(21,143)	(11,467)
Trade and other payables	(18,169)	(2,751)
Tenants' deposits	4,032	449
<b>Net cash from operating activities</b>	<b>111,400</b>	<b>120,295</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of plant and equipment	(142)	-
Interest received	4,288	4,282
Payment for enhancement of investment properties	(1,548)	-
Pledged deposit	(637)	(674)
<b>Net cash from investing activities</b>	<b>1,961</b>	<b>3,608</b>
<b>Cash Flow from Financing Activities</b>		
Distribution to unitholders	(197,419)	(176,079)
Interest paid	(42,177)	(40,132)
Payment of financing expenses	(755)	(100)
Proceeds from borrowings	400,000	79,800
Repayment of borrowings	(400,000)	(80,000)
<b>Net cash used in financing activities</b>	<b>(240,351)</b>	<b>(216,511)</b>
Net decrease in cash and cash equivalents	(126,990)	(92,608)
Cash and cash equivalents as at the beginning of the year	565,296	473,861
Cash and cash equivalents as at the end of the period	438,306	381,253

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

**PAVILION REAL ESTATE INVESTMENT TRUST**  
**FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026 (UNAUDITED)**

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

**A1 Basis of Preparation**

The condensed interim financial statements as at and for the period ended 31 March 2026 comprise Pavilion REIT and its subsidiaries. The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*, and Paragraph 9.44 of the Listing Requirements of Bursa Securities, provision of the First Amended and Restated Trust Deed dated 18 February 2019 (“the Trust Deed”), the Securities Commission’s Guidelines on Real Estate Investment Trusts (“the REITs Guidelines”) and the accounting standards, amendments and interpretations where applicable to Pavilion REIT that are effective for annual periods beginning on or after 1 January 2026. They do not include all of the information required for a full set of annual financial statements, and should be read in conjunction with the Audited Financial Report for the year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements. Pavilion REIT has presented additional subtotals and classifications to align with future reporting requirements under MFRS 18.

**A2 Audit Report of Preceding Financial Year**

There was no qualification to the Pavilion REIT’s audit report for the preceding financial year ended 31 December 2025, which was prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

**A3 Significant accounting policies**

The accounting policies applied in these condensed interim financial statements are the same as those applied in its consolidated annual financial statements as at and for the year ended 31 December 2025.

**A4 Estimates**

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

In preparing these condensed interim financial statements, the significant judgements made by the Manager in applying the accounting policies and the key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2025, except as disclosed below.

The accounting policy of investment properties as adopted by Pavilion REIT requires investments properties to be stated at fair value. In estimating the fair value of the investment properties, the Manager will rely on professionally qualified valuers at annual reporting dates. However, for interim financial reporting, the fair values of the investment properties are not updated. Asset improvement initiatives undertaken by the management, the economic environment and other factors may change the fair values of the investment properties. When the fair values are updated as at 31 December 2026, the fair values could be materially different from the current carrying value.

**A5 Seasonality or Cyclicity of Operations**

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

**PAVILION REAL ESTATE INVESTMENT TRUST  
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**A6 Exceptional or Unusual Item**

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

**A7 Changes in Estimates**

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

**A8 Debt and Equity Securities**

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

Units issued	Price per Unit	Listed on Main Market of Bursa Securities on	Remark
3,118,169	RM1.9236	20 February 2026	Based on the 5-day volume weighted average price of the units up to but excluding 29 January 2026 (as management fee)

**A9 Segmental Reporting**

Segmental results for the period ended 31 March 2026 was as follows:-

Business Segment	Retail RM'000	Hotel RM'000	Office RM'000	Total RM'000
Gross Revenue	234,483	8,989	2,423	245,895
Net Property Income	149,523	8,376	1,033	158,932
Trust Expenses				(13,676)
Net Operating Income				145,256
Interest Income				4,288
Net Income Before Financing and Income Tax				149,544
Borrowings Cost				(43,739)
Net Income Before Taxation				105,805
Taxation				-
Net Income After Taxation				105,805
Segment assets	8,999,712	491,704	131,304	9,622,720
Other non-allocated assets				100,889
				9,723,609
Segment liabilities	4,165,444	119,372	32,209	4,317,025
Other non-allocated liabilities				765
				4,317,790

**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.

A11 Material Events Subsequent to Period End

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

A12 Changes in the Composition of Pavilion REIT

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

	Units
Balance as at 1 January 2026	3,924,840,240
Units issued as payment of Manager's management fees	3,118,169
Total units issued	<u>3,927,958,409</u>

A13 Contingent Liabilities or Contingent Assets

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

A14 Capital Commitments

	RM'000
Authorised and contract for:	
- Within one year	31,819

**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 Mar		31 Mar	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
<b>Gross Revenue</b>				
Retail:				
Pavilion Kuala Lumpur Mall	138,174	133,294	138,174	133,294
Pavilion Bukit Jalil	62,627	59,611	62,627	59,611
Intermark Mall	7,729	7,576	7,729	7,576
DA MEN Mall	622	3,089	622	3,089
Elite Pavilion Mall	25,331	22,164	25,331	22,164
	<u>234,483</u>	<u>225,734</u>	<u>234,483</u>	<u>225,734</u>
Hotel:				
Banyan Tree Kuala Lumpur	2,466	-	2,466	-
Pavilion Hotel Kuala Lumpur	6,523	-	6,523	-
	<u>8,989</u>	<u>-</u>	<u>8,989</u>	<u>-</u>
Office:				
Pavilion Tower	2,423	2,442	2,423	2,442
	<u>2,423</u>	<u>2,442</u>	<u>2,423</u>	<u>2,442</u>
<b>Total Gross Revenue</b>	<u>245,895</u>	<u>228,176</u>	<u>245,895</u>	<u>228,176</u>
<b>Property Operating Expenses</b>				
Retail:				
Pavilion Kuala Lumpur Mall	45,530	41,525	45,530	41,525
Pavilion Bukit Jalil	24,212	23,497	24,212	23,497
Intermark Mall	4,604	5,108	4,604	5,108
DA MEN Mall	563	5,561	563	5,561
Elite Pavilion Mall	10,051	8,486	10,051	8,486
	<u>84,960</u>	<u>84,177</u>	<u>84,960</u>	<u>84,177</u>
Hotel:				
Banyan Tree Kuala Lumpur	232	-	232	-
Pavilion Hotel Kuala Lumpur	381	-	381	-
	<u>613</u>	<u>-</u>	<u>613</u>	<u>-</u>
Office:				
Pavilion Tower	1,390	1,245	1,390	1,245
	<u>1,390</u>	<u>1,245</u>	<u>1,390</u>	<u>1,245</u>
<b>Total Property Operating Expenses</b>	<u>86,963</u>	<u>85,422</u>	<u>86,963</u>	<u>85,422</u>

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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	Current Quarter		Year to Date	
	31 Mar		31 Mar	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
<b>Net Property Income</b>				
Retail:				
Pavilion Kuala Lumpur Mall	92,644	91,769	92,644	91,769
Pavilion Bukit Jalil	38,415	36,114	38,415	36,114
Intermark Mall	3,125	2,468	3,125	2,468
DA MEN Mall	59	(2,472)	59	(2,472)
Elite Pavilion Mall	15,280	13,678	15,280	13,678
	<u>149,523</u>	<u>141,557</u>	<u>149,523</u>	<u>141,557</u>
Hotel:				
Banyan Tree Kuala Lumpur	2,234	-	2,234	-
Pavilion Hotel Kuala Lumpur	6,142	-	6,142	-
	<u>8,376</u>	<u>-</u>	<u>8,376</u>	<u>-</u>
Office:				
Pavilion Tower	1,033	1,197	1,033	1,197
<b>Total Net Property Income</b>	158,932	142,754	158,932	142,754
Manager's Management Fee	11,961	10,975	11,961	10,975
Other Trust Expenses	1,715	595	1,715	595
<b>Net Operating Income</b>	145,256	131,184	145,256	131,184
Interest Income	4,288	4,282	4,288	4,282
<b>Net Income Before Financing and Income Tax</b>	149,544	135,466	149,544	135,466
Borrowings Cost	43,739	45,045	43,739	45,045
<b>Net Income Before Taxation</b>	105,805	90,421	105,805	90,421
Taxation	-	-	-	-
<b>Net Income After Taxation</b>	105,805	90,421	105,805	90,421
Distribution Adjustments	4,526	7,742	4,526	7,742
<b>Distributable Income</b>	<u>110,331</u>	<u>98,163</u>	<u>110,331</u>	<u>98,163</u>

**PAVILION REAL ESTATE INVESTMENT TRUST**  
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Quarterly/Year to Date Results:

Pavilion REIT recognised total gross revenue of RM245.9 million in Q1 2026, an increase of RM17.7 million or 8% as compared to Q1 2025 of RM228.2 million. The increase was mainly contributed by rental income from Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, which were acquired on 20 June 2025, as well as Pavilion Bukit Jalil, driven by sustained occupancy levels and higher advertising revenue generated from the upgraded LED screen at Elite Pavilion Mall.

Total property operating expenses increased marginally by RM1.5 million or 2% as compared to Q1 2025. Electricity expenses were lower following the imposition of the new electricity tariff structure effective 1 July 2025. This was offset by higher maintenance costs, mainly due to scheduled upgrades of security systems, as well as roof and lighting improvements.

These have resulted in higher net property income by RM16.2 million or 11% in Q1 2026 as compared to Q1 2025.

Higher manager's management fee by RM1.0 million was in line with the increased in total assets 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 RM15.4 million or 17% as compared to Q1 2025.

Distributable income for the quarter under review was RM110.3 million or 2.80 sen per unit, consisting of income after tax of RM105.8 million and non-cash adjustments for depreciation of RM0.2 million, amortisation of borrowing transaction cost of RM1.5 million, Manager's management fee payable in units amounting to RM3.0 million and accounting adjustment on deferred income of RM0.2 million.

B2 Material Changes in Quarterly Results

	Quarter Ended 31 Mar 2026 (unaudited) <b>RM'000</b>	Quarter Ended 31 Dec 2025 (unaudited) <b>RM'000</b>	Change %
Gross revenue	245,895	232,087	5.9
Property operating expenses	(86,963)	(82,263)	(5.7)
Net property income	158,932	149,824	6.1
Change in fair value of investment properties	-	107,402	(>100)
Net property income and fair value changes on investment properties	158,932	257,226	(38.2)
Total trust expenses	(13,676)	(14,170)	3.5
Net operating income	145,256	243,056	(40.2)
Interest income	4,288	3,594	19.3
Net income before financing and income tax	149,544	246,650	(39.4)
Borrowing cost	(43,739)	(43,405)	(0.8)
Net Income before taxation	105,805	203,245	(47.9)

Excluding the fair value gain of RM107.4 million, the income before taxation for the current quarter under review was higher by RM10.0 million as compared to the last immediate quarter mainly contributed by higher revenue rent, partially offset by increased maintenance cost.

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**B3 Prospects**

The quarter started well with the launch of Visit Malaysia Year 2026. In addition to this celebration, the two major festivals of Chinese New Year and Hari Raya encouraged consumer spendings for the first two months of the year. With the start of the Middle East conflict at the end of February 2026, which is still on-going, this has impacted the energy cost and disrupted supply chain. The Manager will continue to monitor the Middle East conflict and its impact to the economy and spending confidence in the coming months. Domestic demand is expected to continue to support growth moderately. Pavilion REIT will continue to monitor its cost management with continuous upkeep of its properties and engaging with its partners to bolster consumer spendings with marketing activities.

The Malaysian Inbound Tourism Association was informed of tour group cancellations in the first week of the Middle East conflict. This has slightly improved but is still below the normal. With Visit Malaysia Year campaigns being extended to 31 December 2027 and Tourism Ministry adjusting its strategies due to the conflict, the hotel operators under Pavilion REIT properties are also reviewing their plans.

**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.

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**B6 Income Distribution**

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

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

As per the distribution policy stated in the Trust Deed, the Manager intends to distribute at least 90% of Pavilion REIT distributable income on a half yearly basis. For the financial year ending 31 December 2026, Pavilion REIT proposes to distribute 100% of its distributable income.

Distribution of 5.03 sen per unit or RM197.4 million earned for second half of 2025 was distributed on 27 February 2026. Distribution for the quarter ended 31 March 2026 would be payable together with the distribution for the quarter ending 30 June 2026.

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Statement of Income Distribution

	Current Quarter 31 March		Year to Date 31 March	
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000
Rental income	220,580	207,627	220,580	207,627
Revenue from contract customers	17,321	12,537	17,321	12,537
Interest income	4,288	4,282	4,288	4,282
Other income	7,994	8,012	7,994	8,012
	<u>250,183</u>	<u>232,458</u>	<u>250,183</u>	<u>232,458</u>
Less: Expenses	<u>(144,378)</u>	<u>(142,037)</u>	<u>(144,378)</u>	<u>(142,037)</u>
Total comprehensive income for the period/year	105,805	90,421	105,805	90,421
Distribution adjustment	<u>4,526</u>	<u>7,742</u>	<u>4,526</u>	<u>7,742</u>
Realised income for the period/year	<u>110,331</u>	<u>98,163</u>	<u>110,331</u>	<u>98,163</u>
Previous period/year's undistributed realised income	564	587	564	587
Total realised income available for distribution	<u>110,895</u>	<u>98,750</u>	<u>110,895</u>	<u>98,750</u>
Less: Proposed/declared income distribution	<u>(109,983)</u>	<u>(98,206)</u>	<u>(109,983)</u>	<u>(98,206)</u>
Balance undistributed realised income	<u>912</u>	<u>544</u>	<u>912</u>	<u>544</u>
Distribution per unit (sen)	2.80	2.68	2.80	2.68

**B7 Portfolio Composition**

As at 31 March 2026, the properties under Pavilion REIT's portfolio comprises Pavilion Kuala Lumpur Mall, Pavilion Tower, DA MEN Mall, Intermark Mall, Elite Pavilion Mall, Pavilion Bukit Jalil, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

**B8 Taxation**

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

As Pavilion REIT proposes to declare 100% of its distributable income to its unitholders for the financial year ending 31 December 2026, no provision for taxation has been made for the current year.

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**B9 Status of Corporate Proposal**

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

**B10 Utilisation of Proceeds Raised from Issuance of New Units**

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

**B11 Borrowings and Debt Securities**

As at 31 March 2026	Total
	RM'000
Secured Revolving Term Loans	673,072
Unrated Medium Term Notes	3,268,900
Unamortised Borrowings Transaction Costs	(4,637)
<b>Borrowings</b>	<b>3,937,335</b>
Gearing	40.5%
Average interest cost	4.3%
Composition of borrowings:	
Fixed Rate	23.5%
Floating Rate	76.5%

**B12 Off Balance Sheet Financial Instruments**

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

**B13 Material Litigation**

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

**B14 Soft Commission Received**

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

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

	Current quarter ended 31 March 2026	Immediate preceding quarter ended 31 December 2025
Number of units in issue (units)	3,927,958,409	3,924,840,240
Net Asset Value (“NAV”) (RM’000)	5,405,819	5,491,435
NAV per unit (RM)	1.3762	1.3991
Total comprehensive income (RM’000)	105,805	203,245
Weighted average number of units in issue – year to date (units)	3,926,226,093	3,802,444,999
Earnings per Unit after Manager’s management fee (sen)	2.69	5.27
Proposes / Declared Distribution per Unit (“DPU”) (sen)	2.80	2.54
Market Price (RM)	1.73	1.81
Distribution Yield (%) <sup>4</sup>	6.56	5.52

<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 RM’000	Current Quarter 31 March 2026	Year to Date 31 March 2026	Basis
Base Fee	7,193	7,193	0.3% per annum on total asset value  3.0% per annum on net property income
Performance Fee	4,768	4,768	
Total	11,961	11,961	

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.

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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 March 2026 and of its financial performance and cash flows for the period ended on that date and duly authorised for release by the Board of the Manager.

**BY ORDER OF THE BOARD**

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

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

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

Kuala Lumpur  
7 May 2026