

PAVILION REAL ESTATE INVESTMENT TRUST
FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2012 (Unaudited) RM'000	As at 31 December 2011 (Audited) RM'000
ASSETS		
Plant and equipment	3,492	3,567
Investment properties	3,561,018	3,561,000
Total non-current assets	<u>3,564,510</u>	<u>3,564,567</u>
Inventories	883	851
Trade and other receivables	8,346	3,075
Cash and cash equivalents	145,275	112,595
Total current assets	<u>154,504</u>	<u>116,521</u>
TOTAL ASSETS	3,719,014	3,681,088
LIABILITIES		
Borrowings	704,706	704,397
Payables and accruals	70,305	68,053
Total non-current liabilities	<u>775,011</u>	<u>772,450</u>
Payables and accruals	27,602	27,520
Distribution payable to unitholders	50,567	13,140
Total current liabilities	<u>78,169</u>	<u>40,660</u>
TOTAL LIABILITIES	853,180	813,110
NET ASSET VALUE	<u>2,865,834</u>	<u>2,867,978</u>
FINANCED BY		
UNITHOLDERS' FUND		
Unitholders' capital	2,869,362	2,868,742
Deficit	(3,528)	(764)
TOTAL UNITHOLDERS' FUND	<u>2,865,834</u>	<u>2,867,978</u>
Number of units in circulation ('000 units)	3,000,567	3,000,000
Net asset value per unit (RM)		
- before income distribution	0.97	0.96
- after income distribution	0.96	0.96

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

	Current Quarter 31 March		Year to Date 31 March	
	2012 (Unaudited) RM'000	2011 ¹ RM'000	2012 (Unaudited) RM'000	2011 ¹ RM'000
Rental Income	70,510	-	70,510	-
Other Income	14,823	-	14,823	-
GROSS REVENUE	85,333	-	85,333	-
Utilities	(10,251)	-	(10,251)	-
Maintenance	(6,002)	-	(6,002)	-
Quit rent and assessment	(2,192)	-	(2,192)	-
Other operating expenses	(6,351)	-	(6,351)	-
Property operating expenses	(24,796)	-	(24,796)	-
NET PROPERTY INCOME	60,537	-	60,537	-
Interest income	892	-	892	-
Change in fair value of investment properties	-	-	-	-
NET INVESTMENT INCOME	61,429	-	61,429	-
Manager's management fee	(4,590)	-	(4,590)	-
Trustee's fee	(109)	-	(109)	-
Other trust expenses	(627)	-	(627)	-
Borrowings cost	(8,300)	-	(8,300)	-
Total trust expenditure	(13,626)	-	(13,626)	-
INCOME BEFORE TAXATION	47,803	-	47,803	-
Taxation	-	-	-	-
INCOME AFTER TAXATION / TOTAL COMPREHENSIVE INCOME	47,803	-	47,803	-
Income after taxation comprises the following :-				
Realised	47,803	-	47,803	-
Unrealised	-	-	-	-
	47,803	-	47,803	-
Earnings per unit - basic (sen) #	1.59	-	1.59	-
Earnings per unit – diluted (sen) #	1.59	-	1.59	-

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

¹ No comparative figures are available as Pavilion REIT was listed on 7 December 2011.

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

	Current Quarter 31 March		Year to Date 31 March	
	2012 (Unaudited)	2011 ¹	2012 (Unaudited)	2011 ¹
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income for the period	47,803	-	47,803	-
Distribution adjustments ²	2,764	-	2,764	-
Distributable income	50,567	-	50,567	-

² Included in the distribution adjustments are the followings:-

	Current Quarter 31 March		Year to Date 31 March	
	2012 (Unaudited)	2011 ¹	2012 (Unaudited)	2011 ¹
	RM'000	RM'000	RM'000	RM'000
Amortisation of borrowing transaction costs	309	-	309	-
Depreciation	163	-	163	-
Manager's management fee payable in Units	2,292	-	2,292	-
	2,764	-	2,764	-

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital	Income / (Deficit)	Total Funds
	RM'000	RM'000	RM'000
As at 1 January 2012	2,868,742	(764)	2,867,978
Total comprehensive income for the period	-	47,803	47,803
Unitholders' transactions			
- Creation of units ³	620	-	620
- Manager's management fee paid in units			
- Distribution payable to unitholders ⁴	-	(50,567)	(50,567)
Increase in net assets resulting from unitholders' transactions	620	(50,567)	(49,947)
As at 31 March (unaudited)	2,869,362	(3,528)	2,865,834
As at 13 October 2011 (date of establishment)	-	-	-
Total comprehensive income for the period	-	12,376	12,376
Unitholders' transactions			
- Issue of new units ³	2,655,100	-	2,655,100
- Effect of fair value adjustment of investment properties	247,200	-	247,200
- Listing expenses	(33,558)	-	(33,558)
- Distribution payable to unitholders	-	(13,140) ⁵	(13,140)
Increase in net assets resulting from unitholders' transactions	2,868,742	(13,140)	2,855,602
As at 31 December 2011 (audited)	2,868,742	(764)	2,867,978

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

³ Issue of new units consists of the followings:-

	31 March 2012	
	Units 000	Amount RM'000
Issuance of new units pursuant to 50% Manager's management fee paid in units :-		
- at RM1.0919 per unit for the period ended 31 December 2011	567	620
Total Manager's fee paid in units	567	620

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	31 December 2011	
	Units 000	Amount RM'000
Consideration units issued to vendors	2,210,000	1,944,800
Issuance of new units pursuant to initial public offering	<u>790,000</u>	<u>710,300</u>
	<u>3,000,000</u>	<u>2,655,100</u>

⁴ Distribution for the quarter ended 31 March 2012 would be payable together with the distribution for the period ending 30 June 2012

⁵ Distribution refers to income for the period from 7 December 2011 to 31 December 2011 which was paid on 29 February 2012.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year to Date 31 March 2012 RM'000	Preceding Year to Date 31 March 2011 ¹ RM'000
Cash Flows From Operating Activities		
Income before taxation	47,803	-
<i>Adjustments for :-</i>		
Borrowing cost	8,300	-
Interest income	(892)	-
Depreciation	163	-
Operating income before changes in working capital	55,374	-
Inventories	(32)	-
Trade and other receivables	(5,271)	-
Trade and other payables	(684)	-
Tenants deposits	2,394	-
Net cash from operating activities	51,781	-
Cash Flow From Investing Activities		
Purchase of investment properties	-	-
Payment for enhancement of investment properties	(18)	-
Purchase of plant and equipments	(88)	-
Pledged deposit	-	-
Interest received	892	-
Net cash used in investing activities	786	-
Cash Flow from Financing Activities		
Distribution to unitholders	(11,945)	-
Payment of financing expenses	-	-
Payment of issuance expenses	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Interest paid	(7,942)	-
Net cash from financing activities	(19,887)	-
Net increase in cash and cash equivalents	32,680	-
Cash and cash equivalents as at the beginning of the period	95,566	-
Cash and cash equivalents as at the end of the period	128,246	-
Cash and cash equivalents as at the end of the period comprise :-		
Cash and bank balances	(3,463)	-
Deposits placed with licensed banks	148,738	-
	145,275	-
Pledged deposit	(17,029)	-
	128,246	-

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

¹ No comparative figures are available as Pavilion REIT was listed on 7 December 2011

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Part A – Disclosure Requirement Pursuant to Financial Reporting Standards (FRS) 134

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and Paragraph 9.44 of the Listing Requirements of Bursa Securities, provision of the trust deed dated 13 October 2011 (“the Trust Deed”) and the Securities Commission’s Guidelines on Real Estate Investment Trusts (“the REITs Guidelines”). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements as at and for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

These are the condensed consolidated interim financial statement for part of the period covered by Pavilion REIT’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. As Pavilion REIT was listed on 7 December 2011, the transition to MFRSs has no impact on the reported financial position, financial performance and cash flows of Pavilion REIT.

The unaudited condensed statement of financial position should be read in conjunction with the Audited Financial Report for the period ended 31 December 2011 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 period ended 31 December 2011.

A3 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in its consolidated annual financial statements as at and for the period ended 31 December 2011.

A4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that 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 consolidated interim financial statements, the significant judgements made by the Manager in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the period ended 31 December 2011.

A5 Seasonality or Cyclicity of Operations

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

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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 50% 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
566,852	RM1.0919	8 March 2012	Based on the 5-day volume weighted average price of the units up to but excluding 8 February

A9 Income Distribution Policy

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.

As disclosed in the prospectus, Pavilion REIT will distribute 100% of its distributable income for 2012.

A10 Segmental Reporting

Segmental results for the financial quarter ended 31 March 2012 is as follows:-

Business Segment	Retail RM'000	Office RM'000	Total RM'000
Gross Revenue	83,215	2,118	85,333
Net Property Income	59,247	1,290	60,537
Interest Income			892
Net Investment Income			61,429
Trust Expenses			(5,326)
Borrowings Cost			(8,300)
Income Before Taxation			47,803
Taxation			-
Income After Taxation			47,803
Segment assets	3,572,632	129,381	3,702,013
Other non-allocated assets			17,001
			3,719,014
Segment liabilities	(849,726)	(3,204)	(852,930)
Other non-allocated liabilities			(250)
			(853,180)

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A11 Valuation of Investment Properties

The investment properties are to be valued 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 statement of comprehensive income 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.

A12 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.

A13 Changes in the Composition of Pavilion REIT

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

Balance as at 1 January 2012	Units 3,000,000,000
Units issued as payment of Manager's management fee	566,852
Total units issued	<u>3,000,566,852</u>

A14 Contingent Liabilities or Contingent Assets

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

A15 Capital Commitments

	RM'000
Approved but not contracted for	2,994
Contracted but not provided for	13,500

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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

Review of Quarterly / Year to Date results

Pavilion REIT recognised gross revenue of RM85.3 million and net property income of RM60.5 million for the first quarter ended 31 March 2012. Manager’s management fee and borrowing cost incurred during the period were RM4.6 million and RM8.3 million respectively resulting in income before taxation of RM47.8 million.

Distributable income for the period under review amounts to RM50.6 million or 1.68 sen per unit, consisting of realised income of RM47.8 million and non-cash adjustments of depreciation, amortisation of borrowings transaction cost of RM0.3 million and surplus cash arising from 50% of manager’s management fee payable in units of RM2.3 million.

B2 Material Changes in Quarterly Results

	Current Quarter Ended 31 March 2012 RM’000	Preceding Period Ended 31 December 2011 RM’000
Income before Taxation	47,803	12,376

Current quarter results is not comparable with immediate preceding period ended 31 December 2011 as Pavilion REIT only recorded 25 days performance since its listing on 7 December 2011.

B3 Prospects

The asset enhancement initiative announced on 19 January 2011 has commenced at the end of this quarter. This will result in rental income for the next two quarters being lower than this quarter.

However, with tourism as a major contributor to the Gross National Income and the promotion by the Tourism National Key Economic Area (“NKEA”) of affordable luxury shopping at Bukit Bintang – Kuala Lumpur City Centre, the retail sector is expected to maintain its momentum. Pavilion REIT Management Sdn Bhd (“the Manager”) will continuously organise events to promote activities in the mall.

The Manager is confident that 2012 would be an equally successful year for Pavilion REIT with its asset enhancement initiative and the office tower being fully tenanted by middle of this year. Barring any unforeseen circumstances, the Manager expects Pavilion REIT to meet the 2012 projected distribution per unit of 5.73 sen as disclosed in the Prospectus.

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 remains 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.

B6 Variance between Profit Forecast and Actual Results

a) Condensed Statement of Comprehensive Income

	Current Quarter ended 31 March 2012	
	Actual (unaudited) RM'000	Forecast RM'000
Rental Income	70,510	69,794
Other Income	14,823	9,312
GROSS REVENUE	85,333	79,106
Utilities	(10,251)	(9,867)
Maintenance	(6,002)	(6,006)
Quit rent and assessment	(2,192)	(2,273)
Other operating expenses	(6,351)	(5,705)
Property operating expenses	(24,796)	(23,851)
NET PROPERTY INCOME	60,537	55,255
Interest income	892	383
NET INVESTMENT INCOME	61,429	55,638
Manager's management fee	(4,590)	(4,363)
Trustee's fee	(109)	(100)
Other trust expenses	(627)	(500)
Borrowings cost	(8,300)	(8,705)
Total trust expenditure	(13,626)	(13,668)
INCOME BEFORE TAXATION	47,803	41,970
Taxation	-	-
INCOME AFTER TAXATION	47,803	41,970
Other comprehensive income, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	47,803	41,970
Income after taxation comprise the followings :-		
Realised	47,803	41,970
Unrealised	-	-
	47,803	41,970

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Earnings per unit – basic (sen) #	1.59	1.40
Earnings per unit – diluted (sen) #	1.59	1.40

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

b) Breakdown of Properties by Gross Revenue and Net Property Income

Properties	Current Quarter ended 31 March 2012	
	Actual (unaudited) RM'000	Forecast RM'000
<i>Gross Revenue</i>		
Pavilion Kuala Lumpur retail mall	83,215	76,193
Pavilion Tower	2,118	2,913
	85,333	79,106
<i>Net Property Income</i>		
Pavilion Kuala Lumpur retail mall	59,247	53,362
Pavilion Tower	1,290	1,893
	60,537	55,255

c) Comparison of Distributable Income

Properties	Current Quarter ended 31 March 2012	
	Actual (unaudited) RM'000	Forecast RM'000
Total comprehensive income for the quarter	47,803	41,970
Distribution adjustments	2,764	1,322
Distributable income	50,567	43,292

Gross revenue for first quarter ended 31 March 2012 was RM85.3 million, higher by RM6.2 million compared to the forecast. The higher revenue was mainly contributed by Pavilion Kuala Lumpur retail mall's advertising income and income from turnover rent. Pavilion Tower gross revenue was lower than forecast mainly due to lower occupancy rate in the first quarter.

The net property income (NPI) achieved for the quarter was RM60.5 million, higher than forecast by RM5.3 million due to higher gross revenue. The higher revenue generated by advertising income also resulted in higher other operating expenses.

Higher manager's management fee was in line with higher NPI. The borrowings cost was lower mainly due to lower loan amount utilised.

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B7 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 25%
- b) Non-resident institutional investor : Withholding tax at 10%
- c) Non-resident, other than company and institutional investors : Withholding tax at 10%

Pavilion REIT will be distributing 100% of its distributable income for the financial year ending 31 December 2012. The next distribution will be made together after the announcement of financial results for period ended 30 June 2012.

B8 Portfolio Composition

There was no change to the number of properties held by Pavilion REIT since the last reporting period, ie Pavilion Kuala Lumpur retail mall and Pavilion Tower.

B9 Utilisation of Proceeds Raised from Issuance of New Units

There is no change to the reported utilization of proceeds raised from IPO since the last reported results as at 31 December 2011 as follows :-

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation RM'000	Deviation		Explanation RM'000
	RM'000	RM'000		RM'000	%	
Part payment for acquisition of properties	648,000	648,000	Immediate	-	0%	-
Issuing expenses	42,000	33,558	Immediate	8,442	20%	Note 1
Working capital	5,200	683	Within 12 months	4,517	87%	
	695,200	682,241		12,959		

Note 1

The actual listing expenses incurred to date of RM33.6 million was lower compared to proposed utilisation IPO of RM42.0 million mainly due to lower professional and advisory fees as well as other offering related expenses and contingencies. Any balance of unutilised proceeds shall be used by Pavilion REIT for working capital.

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B10 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 will declare 100% of its distributable income to its unitholders for the financial year ending 31 December 2012, no provision for taxation has been made for the current quarter.

B11 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.

B12 Borrowings and Debt Securities

	As at 31 March 2012 RM'000
Long term borrowings	
Secured Revolving Term Loan	709,701
Less: Unamortised Borrowings Transaction Cost	(4,995)
	704,706

B13 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.

B14 Material Litigation

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

B15 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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B16 Summary of DPU, EPU, NAV and Market Price

	Quarter ended 31 March 2012 RM'000	Preceding Period ended 31 December 2011 RM'000
Number of units in issue (units)	3,000,566,852	3,000,000,000
Net Asset Value ("NAV")	2,865,834	2,867,978
NAV per unit (RM)	0.96	0.96
Total comprehensive income	47,803	12,376
Weightage average number of units in issue (units)	3,000,149,499	3,000,000,000
EPU after Manager's management fee (sen)	1.59	0.41
DPU (sen)	1.68	0.44
Market Price (RM)	1.15	1.09
Distribution Yield (%) ⁶	5.88	5.89

⁶ Distribution yield of DPU divided by the Market Price (as at the end of the quarter / period) has been annualised.

B17 Manager's Management Fee

The Manager's fee for the current quarter and year to date is as follows:-

Type RM'000	31 March 2012 Current Quarter / Year to Date	Basis
Base Fee	2,774	0.3% per annum on total asset value
Management Fee	1,816	3% per annum on net property income
Total	4,590	

50% of the total Manager's management fee would be payable in units.

B18 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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B19 Significant related party transactions

Significant related party transactions, other than Manager's management fee, for the quarter ended 31 March 2012 is as follows :-

Companies related to the Manager	Nature of Transactions	Transaction Value Quarter ended 31 March		Balance Outstanding As at	
		2012 RM'000	2011 ¹ RM'000	31 March 2012 RM'000	31 Dec 2011 RM'000
Urusharta Cemerlang Sdn Bhd	Acquisition cost of investment properties	-	-	-	-
Pavilion REIT Management Sdn Bhd	Rental income and its related charges	98	-	-	26
Malton Berhad group #	Rental income and its related charges	556	-	-	-
Kuala Lumpur Pavilion Sdn Bhd ^	Property management fees and charges payable	3,537	-	1,357	888

Malton Berhad group are deemed parties related to the Manager by virtue of the directorship and interest of Datuk Lim Siew Choon and Datin Tan Kewi Yong, his spouse, in Malton Berhad.

^ Datuk Lim Siew Choon, Datin Tan Kewi Yong and Dato' Lee Tuck Fook are directors of Kuala Lumpur Pavilion Sdn Bhd. Datuk Lim Siew Choon and Datin Tan Kewi Yong hold the entire issued and paid up share capital of Kuala Lumpur Pavilion Sdn Bhd.

¹ No comparative figures are available as Pavilion REIT was listed on 7 December 2011.

B20 Update on the Actions Taken to Rectify the Reconfiguration of the Net Lettable Area and Status of the Application

An application dated 6 June 2011 has been submitted by Urusharta Cemerlang Sdn Bhd, the sponsor of Pavilion REIT to the relevant authority to seek the requisite approval for the new lettable area created along passageways / walkways within Pavilion Kuala Lumpur mall which does not form part of the delineated lettable areas in the approved building plans.

As at 31 March 2012, the Manager had followed up on this matter and understands that it is still pending the relevant authority's review and approval.

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B21 Responsibility Statement

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: 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 2012 and of its financial performance and cash flows for the period ended on that date and duly authorised for release on 7 May 2012 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 : LS 02201)

Kuala Lumpur
7 May 2012