Questions and Answers at the Thirteenth Annual General Meeting
of Pavilion Real Estate Investment Trust ("Pavilion REIT") held on 7 May 2025 at 10.00 a.m.

No.	Comments/Questions Raised by Unitholders/Proxyholders	Responses/Answers from the Chairman/Chief Executive Officer
1.	Could you please share the footfall for Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil Mall for 2024 and 2023 for trend assessment?	The footfall data for a particular mall is often confidential as it is considered sensitive business information. Nevertheless, it was a positive growth for both Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil Mall from 2023 to 2024. It was a double-digit percentage growth for Pavilion Bukit Jalil Mall.
2.	In the annual report, there is an amount of RM6 million payable to the vendor of Pavilion Bukit Jalil Mall for defects rectification payment. Why is this payable to the vendor? Should the vendor rectify and pay for the defects?	During the acquisition of Pavilion Bukit Jalil Mall two years ago, Pavilion REIT had withheld the sum of RM10 million of the purchase price, in anticipation and to ensure that the vendor would complete the rectification of all outstanding defects identified during that time. Rectification work completed to-date and released was approximately RM4 million. The balance of RM6 million have yet to be paid, pending confirmation of work done. Rectification work is at the cost of the vendor.
3.	In the sale and purchase agreement for the acquisition of Pavilion Bukit Jalil Mall, there was a Targeted Net Property Income of RM146 million. However, Pavilion Bukit Jalil Mall had only achieved RM110 million Net Property Income for the financial year ended 31 December 2024, a shortfall of RM36 million. There was also a clause in the agreement that an adjustment would be made to the balance consideration where the Targeted Net Property Income is not achieved. Please advise if any action has been taken.	According to the original forecast presented two years ago, the Gross Revenue for the financial year ended 31 December 2024 was projected at RM211 million and the Targeted Net Property Income at RM146 million. The achieved Gross Revenue was RM208 million, a shortfall of RM3.0 million only. The primary variance between the forecast and actual financial performance of Pavilion Bukit Jalil Mall stemmed from the Operating Expenses. Subsequent to the mall's acquisition, the government implemented two substantial increases in the Imbalance Cost Pass-Through (ICPT) formula, escalating it from 3.7 sen per kilowatt-hour ("**kWh**") to 20 sen per kWh. Concurrently, the minimum wage was raised twice, from RM1,200 to RM1,500 and to RM1,700 per month. In structuring the acquisition, it was agreed that if the Targeted Net Property Income is achieved, Pavilion REIT shall pay the vendor the final balance payment in full. If the Targeted Net Property Income is not achieved, there is a mechanism for valuation to be undertaken to determine the valuation at which Pavilion REIT has to pay for the balance acquisition price.

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4.	Pavilion Bukit Jalil Mall was appraised at RM2.21 billion with a property yield of 5% as at 31 December 2024. For the same period, Pavilion Kuala Lumpur Mall and Intermark Mall generated property yields of 7% and 6% respectively. The valuation should therefore reflect (align with) these yields. The acquisition of Pavilion Bukit Jalil Mall was premised on its yield-accretive nature. When unitholders approved the acquisition two years ago, the decision was based on the Targeted Net Property Income. To ensure fairness to the minority unitholders, there should be recourse from the vendor, consistent with the terms and conditions of the sale and purchase agreement.	There are established methodologies to valuation. The Net Property Income of a property is not static. It fluctuates with market circumstances. For instance, the Net Property Income may decrease during challenging periods like the COVID-19 pandemic or increase when a mall performs well. Nevertheless, every asset possesses an intrinsic value. The Board defers to professional independent valuers for property valuation, and the Board's decision will be based on their valuations. Furthermore, the Board will consider the short, medium, and long-term outlook of the asset's performance when making decisions.
5.	Can proxy forms be accepted via online submission in the future?	We will consider the request.
6.	Please advise whether the balance payment for Pavilion Bukit Jalil Mall has been finalised and whether it will be settled by bank loan, issuance of new units or in cash.	The payment method for Pavilion Bukit Jalil Mall will be determined after receiving the valuation report from the professional independent valuers in June 2025. This decision will depend on the prevailing market outlook at that time, and specifically, whether debt or equity offers a more cost-effective financing solution.
7.	Page 14 of the Annual Report 2024 indicates that DA MEN Mall's value dropped by RM327 million from its 2016 acquisition price of RM487 million to RM160 million as at 31 December 2024. Could you please provide an explanation for this significant decline?	We have consistently strived to lease out the space at DA MEN Mall over the years. Following Parkson Departmental Store as the initial anchor tenant, various concepts were attempted, including transforming the mall from a shoe-focused to an education-centric mall. However, these strategies failed to significantly elevate rental rates, which averaged RM3.50 to RM4.00 per square foot. Coupled with losses recognised during the COVID-19 pandemic, the mall's valuation has been declining over the years. We have since been approached by the Easyhome Group from China. They will assume the full operational management of DA MEN Mall under a master lease agreement, which we anticipate will turnaround DA MEN Mall's performance. The profit-sharing arrangement is 65% for Easyhome International (M) Sdn Bhd and 35% for Pavilion REIT.

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		Located in the suburb of Subang Jaya with a net lettable area of approximately 422,000 square feet, DA MEN Mall highlights a key learning for us: managing a smaller mall, compared to our larger malls exceeding 1 million square feet, presents inherent limitations in diverse offerings.
8.	I have personally visited DA MEN Mall to conduct a study. I understood that the complaint was traffic congestion. However, my current check via internet indicates no traffic issues at this time.	The traffic congestion is during the weekend. Majlis Bandar Subang Jaya's commitment to us three years ago to build a flyover connecting DA MEN Mall to Jalan Kewajipan, remained unfulfilled. Their initial action involved dismantling the bridge to the train station, purportedly for the flyover construction. We have since been pursuing Majlis Bandar Subang Jaya for the past two and a half years to complete this project, recognising its vital role in alleviating traffic and improving customer access to DA MEN Mall. The congestion impacting customer flow to the mall is not on Subang Jaya's main thoroughfares, but the inner road leading out from Giant. This bottleneck severely impacts weekend access to DA MEN, often causing 20-minute delays due to the traffic light.
	How many parking levels are there at DA MEN Mall? I saw one level closed and it was half empty.	There are 2,300 car parks at DA MEN Mall. We have enough car parks in the mall. As Easyhome International will be offering lifestyle home furnishings at DA MEN Mall, it is anticipated to attract a different type of foot traffic. Shoppers intending to decorate their apartments, homes, or offices are likely visit the mall for this specific purpose.
	Will there be a food court? Food court would encourage retirees to visit DA MEN Mall. Offering a 3-hour free parking would also attract more shoppers to the mall. It is impractical for a shopper to buy a RM5 item from DIY only to incur a RM1 parking fee. It would then be more justifiable to buy from the shops outside.	There will be a food court as Easyhome International will be retaining the entire existing set up of the lower ground, including the Jaya Grocer outlet. Food pricings at the food court are competitively priced.

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		For parking, shoppers spending a certain minimum amount at Jaya Grocer and DA MEN Mall receive certain hours of free parking. Moreover, a parking rate of RM1 for two hours is considered relatively low. We acknowledge DA MEN Mall's current underperformance and remain committed to striving for its improved performance.
9.	I wonder if you can review the entrances and exits. Most of the time, the car park at Pavilion Bukit Jalil is full. Is there a need to have a premium parking area?	If you enter Pavilion Bukit Jalil Mall using Gate C, it will lead you to the Mezzanine floor, which offers only 200 parking bays. For additional parking, you will need to proceed to the lower levels. Conversely, Gate B provides direct access to B2 where 1,400 parking bays are available. Pavilion Bukit Jalil Mall has a total of 4,400 parking bays, with an average weekend vehicle turnover of 11,000. The Mezzanine floor features valet and premium parking, offering convenient access to the mall.
10.	Is TRX Mall a threat to the Pavilion Kuala Lumpur Mall?	Based on 2024 statistics, Pavilion Kuala Lumpur Mall maintains a higher visitation rate than TRX Mall. Furthermore, only one of our 600 tenants has relocated to TRX Mall, and most international and regional brands continue to choose us for their flagship store openings. We embrace friendly competition, as the industry is robust enough. Increased collaboration among shopping malls can collectively enhance Malaysia's appeal to tourists.
11.	Pavilion REIT's performance is commendable and is one of the top-performing REITs in the market. However, the limited availability of food packs suggests that Management may have underestimated the unitholder turnout for this meeting.	Last year, we had over 200 meeting participants. For today's meeting, we ordered 300 food vouchers, including 50 vegetarian food vouchers. We are currently arranging to replenish the food pack for all participants.

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12.	I wish to express my concern regarding the car park system at Pavilion Bukit Jalil Mall. I have observed numerous complaints from shoppers in Google Reviews concerning this issue. I hope the Management will upgrade the car park system to enhance the overall shopping experience.	We actively monitor comments, feedback, and surveys responses from our mall visitors. We are aware of certain issues and are committed to continuously addressing them.