

**PAVILION REAL ESTATE INVESTMENT TRUST**

(Established in Malaysia under the Deed dated 13 October 2011 (as amended and restated on 18 February 2019) entered into between Pavilion REIT Management Sdn Bhd and MTrustee Berhad)

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE SEVENTH ANNUAL GENERAL MEETING OF PAVILION REAL ESTATE INVESTMENT TRUST AT PAVILION HOTEL KUALA LUMPUR, 170 JALAN BUKIT BINTANG, 55100 KUALA LUMPUR, MALAYSIA ON THURSDAY, 28 MARCH 2019 AT 10.00 A.M.**

The meeting was called to order at 10.00 a.m. after the confirmation of the requisite quorum being present.

The Audited Financial Statements of Pavilion REIT for the financial year ended 31 December 2018 together with the Trustee's Report to the Unitholders issued by MTrustee Berhad, as trustee of Pavilion REIT and the Report and Statement by the Manager issued by Pavilion REIT Management Sdn Bhd, as the manager of Pavilion REIT and the Auditors' Report thereon were laid at the meeting.

The ordinary resolution on the Proposed Authority to Allot and Issue New Units pursuant to Paragraph 6.59 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad was tabled at the AGM for unitholders' approval. The voting of the ordinary resolution was conducted by poll as required under the Bursa Malaysia's Main Market Listing Requirements.

The poll results in respect of the Ordinary Resolution which was carried out is as follows:

| Resolution          | VOTE FOR      |        | VOTE AGAINST |       | TOTAL VOTES   |        |
|---------------------|---------------|--------|--------------|-------|---------------|--------|
|                     | No. of units  | %      | No. of units | %     | No. of units  | %      |
| Ordinary Resolution | 2,562,692,847 | 99.793 | 5,318,900    | 0.207 | 2,568,011,747 | 100.00 |

The unitholders/proxy holders raised some questions which were responded to by the Chairman and/or the CEO. The questions and answers are set out in Appendices 1 and 2.

The AGM concluded at 11.35 a.m.

Seventh Annual General Meeting of Pavilion Real Estate Investment Trust (“Pavilion REIT”) held on 28 March 2019 at 10.00 a.m. (“AGM”)

Questions and Answers at the AGM pertaining to the Audited Financial Statements of Pavilion REIT for the year ended 31 December 2018

| No. | Comments/Questions raised by Unitholders / Proxy Holders  | Responses/Answers from the Chairman/Chief Executive Officer  |
|-----|---|--|
| 1.  | <p>a) The price for Pavilion REIT unit has improved. The DPU is 8.78 sen, an increase by 0.54 sen (6.6%) from the 2017 DPU of 8.24 sen. Will Pavilion REIT continue to achieve DPU yield accretion?</p>   | <p>2018 was a good year for Pavilion REIT with DPU growth.</p> <p>The unit price has also improved due to favourable market sentiments.</p>  |
|     | <p>b) Is the right of first refusal (“ROFR”) granted to Pavilion REIT for the following properties?</p> <p style="padding-left: 40px;">i) Pavilion Hotel Kuala Lumpur<br/>ii) Banyan Tree Kuala Lumpur<br/>iii) Fahrenheit 88<br/>iv) Pavilion Bukit Jalil</p> <p>Are there any plans to acquire the mall in Damansara Heights?</p> | <p>The assets which are still covered by ROFR are Pavilion Hotel Kuala Lumpur and Fahrenheit 88 only.</p> <p>The other assets that are being developed and owned by the sponsors include Banyan Tree Kuala Lumpur, Pavilion Damansara Heights and Pavilion Bukit Jalil.</p> <p>If the sponsors offer the assets to us the Board will evaluate them at that time.</p> |
|     | <p>c) NPI has grown by 16.1% and DPU by 6.6% in 2018 as compared to 2017. Please explain the anomaly between the NPI and DPU.</p>   | <p>The NPI is before interest expense. In our case, we have used debt in making our last couple of acquisitions. Consequently, interest expense has increased. So while NPI has increased, distributable income may not have increased by the same % because of the interest expense.</p>  |

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|-----|--|--|
| 2.  | <p>a) Why has the fair value of DA MEN Mall dropped from RM416 Million in 2017 to RM310 Million in 2018?</p>   | <p>DA MEN Mall is not performing as expected. The valuation is generally driven by two factors i.e. the performance of the mall or asset which is reflected by NPI and cap rate. If cap rate stays the same and value drops this means NPI has dropped.</p> <p>We will continue to work on the performance of DA MEN Mall. The Management is continuing to put in effort on remixing of tenants, asset enhancement, working harder on marketing and promotions. This will take time.</p> <p>The successful improvement of the performance of the mall will generally increase the value of the mall.</p> |
|     | <p>b) It is noted that out of RM700 million debt refinanced RM500 million is for the acquisition of Elite Pavilion Mall.</p> <p>Please explain the reason of using Medium Term Notes to finance the acquisition of Elite Pavilion Mall.</p>  | <p>The decision to decide whether financing is by way of debt or term notes includes tenure, interest rate and other covenants relating to both types of debt.</p> <p>The type of financing chosen is that which is in the best interest of Pavilion REIT.</p>   |
|     | <p>c) Based on the 2018 Pavilion REIT Annual Report, 65% tenancy in Pavilion Kuala Lumpur Mall will expire in 2019. There was a positive rental reversion of 4.4%. Are there any issues on tenancy renewal and will Pavilion Kuala Lumpur Mall be able to maintain the positive rental revision?</p> | <p>The occupancy rate of Pavilion Kuala Lumpur Mall is almost 100%. We do not anticipate there will be any major issue in the tenancy renewals and are working towards achieving a positive rental reversion.</p>  |

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| No. | Comments/Questions raised by Unitholders / Proxy Holders   | Responses/Answers from the Chairman/Chief Executive Officer  |
|-----|--|--|
| 3.  | a) Management Expense Ratio (MER) has been increasing from 0.66% in 2014 to 0.83% in 2018. Will MER in 2019 be on the up or down trend?                                      | The percentage rates of management fees payable have not increased. However, the total asset value and NPI on which the management fees are calculated and payable have grown.   |
| 4.  | a) Referring to Page 22 of the 2018 Pavilion REIT Annual Report, what does the retail sector represents in the Financial Review as there is a significant amount of revenue? | There are only 2 sectors in the segmental reporting and they are retail and office. The retail segment reflects the Total Gross Revenue and Net Property Income of all the malls.  |
|     | b) What is the percentage of tourist which indirectly contribute to the retail sector?   | <p>Tourism is important particularly for Pavilion Kuala Lumpur Mall. The percentage of tourism contribution to Intermark Mall and DA MEN Mall is not as significant.</p> <p>In 2018, Pavilion Kuala Lumpur Mall visitors were about 30% tourists and 70% Malaysians. The tourists were mainly from China, Indonesia and Australia. The number of tourists from respective countries that patronised Pavilion Kuala Lumpur Mall varies from time to time.</p> <p>The Management realises the importance of tourism and it is working closely with the Tourism Ministry to promote tourism not only for the benefit of the mall but for the overall benefit of the industry.</p> |
|     | c) How does the tourist trade impact Pavilion Kuala Lumpur Mall and what is the outlook?   | As stated earlier, tourists do contribute to the performance of Pavilion Kuala Lumpur. Whilst patronage from tourists is important it is also important to note that contribution and support from the local market is far more significant.   |

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| No. | Comments/Questions raised by Unitholders / Proxy Holders  | Responses/Answers from the Chairman/Chief Executive Officer  |
|-----|---|--|
| 5.  | a) What is the 2019 outlook? Will Pavilion REIT’s performance in 2019 be as good as in 2018 on the assumption that everything is equal? | 2019 is a challenging period as there is a lot of uncertainties both locally and globally. We are cautious but will put in extra effort to maintain, if not improve the performance of Pavilion REIT.  |
|     | b) Any plan for medium to long term plan for acquisition? Will Pavilion REIT grow bigger?   | <p>There is always the desire to continue to grow Pavilion REIT. However, any acquisition of assets, has preferably, to be yield accretive and be of a certain quality which is in line with the assets that Pavilion REIT owns.</p> <p>Most REITs will look to their sponsors for their acquisitions. Once the sponsors are ready to sell their assets, Management will be ready to evaluate.</p> <p>Offers from the third parties will also be considered.</p> |
| 6.  | a) Is there any plan to distribute income quarterly like other retail REITs in the market?  | There is no plan to distribute income quarterly. However the Board will review and evaluate this suggestion.   |
|     | b) Are there any plans to implement dividend reinvestment programme to allow unitholders to increase their unitholdings?                | The Board will look into the dividend reinvestment programme.  |

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Questions and Answers at the AGM pertaining to the Ordinary Resolution : Proposed Authority to Allot and Issue New Units pursuant to Paragraph 6.59 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Proposed Authority”)

| No. | Comments/Questions raised by Unitholders / Proxy Holders  | Responses/Answers from the Chairman/Chief Executive Officer   |
|-----|---|---|
| 1.  | a) What is the quantum of discount and the numbers for the allotment and issuance of new units? | <p>There are guidelines/requirements as to the quantum of discount and the numbers of allotment and issuance of new units.</p> <p>The authority requested is a general authority in advance which allows the Manager the flexibility to raise funds to finance future investments, acquisitions and/or capital expenditures to enhance the value of Pavilion REIT and/or to refinance existing debt as well as for working capital purposes subject to relevant laws and regulations.</p> |
|     | b) Can a party acting in concert and other related parties be eligible for placement?           | They are not eligible for placement, without the consent of the other unitholders.  |