

PAVILION REAL ESTATE INVESTMENT TRUST

[Established in Malaysia under the First Amending and Restating Deed dated 18/2/2019 between MTrustee Berhad (198701004362 (163032-V)) and Pavilion REIT Management Sdn Bhd (201101011359 (939490-H))]

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE NINTH ANNUAL GENERAL MEETING OF PAVILION REAL ESTATE INVESTMENT TRUST HELD AT THE CRESCENT, LEVEL 7, PAVILION HOTEL KUALA LUMPUR MANAGED BY BANYAN TREE, 170, JALAN BUKIT BINTANG, 55100 KUALA LUMPUR, MALAYSIA (“BROADCAST VENUE”) ON THURSDAY, 25 MARCH 2021 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 2020 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 following ordinary resolutions were tabled at the Ninth Annual General Meeting (“9th AGM”) for unitholders’ approval. The voting of the ordinary resolutions were conducted by poll as required under the Bursa Malaysia’s Main Market Listing Requirements.

The poll results in respect of the Ordinary Resolutions which were carried out are as follows:

Resolutions	VOTE FOR		VOTE AGAINST		TOTAL VOTES	
	No. of units	%	No. of units	%	No. of units	%
Proposed Authority to Allot and Issue New Units of up to 20% of the Total Number of Issued Units (Proposed Authority) [Ordinary Resolution 1]	2,699,560,906	95.1060	138,915,380	4.8940	2,838,476,286	100.00
Enhanced General Mandate for Rights Issue of up to 50% of the Total Number of Issued Units in Pavilion REIT on Pro Rata Basis (“Enhanced Rights Issue Mandate”) [Ordinary Resolution 2]	2,698,784,088	95.0790	139,682,198	4.9210	2,838,466,286	100.00

The unitholders raised some questions which were responded to by the Chairman and/or the CEO. The questions and answers are set out in the Appendix.

The 9th AGM concluded at 11.25 a.m.

Ninth Annual General Meeting (“9th AGM”) of Pavilion Real Estate Investment Trust (“Pavilion REIT”) held on 25 March 2021 at 10.00 a.m. (“9th AGM”)

Questions and Answers at the 9th AGM of Pavilion REIT

No.	Comments/Questions raised by Unitholders / Proxy Holders	Responses/Answers from the Chairman/Chief Executive Officer
1.	a) What is the planning for this year to increase earning and reduce the cost?	<p>As the CMCO is still on going at least until the end of the month and potentially will move to RMCO, the marketing and advertising team is working towards promoting safety in terms of shopping within the malls. Promotion of the malls is a continuous effort as can be seen in the Golden Bull event for Chinese New Year. Promotion activities are important to give confidence to the market to entice shoppers to visit the malls physically.</p> <p>Cost cutting programme started last year where during the year the Management has stopped overtime, recruitment and implemented the power saving exercise. The cost cutting programme will continue.</p>
2.	a) Kindly give us some e-vouchers or e-wallet for being loyal shareholders and attending this meeting. Times are bad now.	The Unitholders were requested to be patient until the time where a physical meeting is convened and all the courtesies and hospitality will be extended.
3.	a) Please share with us the visitor ship to the malls since retail store are allowed to open mid Feb as well as CMCO effective 5 th March.	Visitation to DA MEN Mall is 40% to 50% of normal footfall. For Pavilion Kuala Lumpur and Elite Pavilion Mall is 50% to 60% of normal footfall. Visitations to the malls continue to improve.
	b) When is Dadi Cinema starting its operation in Pavilion and Damen or has the plan been delayed in view of the CMCO/MCO restriction that do not allow cinema to operate for quite some time?	It is anticipated that Dadi Cinema will be opening at Pavilion Kuala Lumpur Mall and DA MEN Mall during the year.

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3.	c) What is the management plan for Damen as the NPI is very low/negative despite many promotional campaigns being conducted. Do the management plan to dispose off Damen?	<p>Management has been looking into the promotional programmes for the last few years. Once Dadi Cinema is opened at DA MEN Mall it is hoped footfall into the mall will further improve.</p> <p>DA MEN Mall will be repositioned and refocusing into Wellness and F&B.</p> <p>As for disposal, the Management will evaluate if there is a reasonable offer.</p>
	d) Can the management share tenant waiting list of Pavilion KL and Pavilion Elite. This will allow shareholders to gauge if Pavilion KL is still popular to the tenants?	There is tenant waiting list for Pavilion Kuala Lumpur Mall and Elite Pavilion Mall. The malls still remain popular for potential tenants.
	e) It has been quite some time since Pavilion REIT has been given ROFR for Fahrenheit88. Is there any update or the owner (Makna Mujur) have not indicated their willingness to dispose the mall?	<p>It is just a ROFR given to Pavilion REIT. The party who gives the ROFR must initiate their interest/desire to sell the mall. There is no offer at this moment.</p> <p>If there is an offer, Management will evaluate it.</p>
	f) Lastly, Eslite from Taiwan is opening soon at Starhill just across Pavilion KL. Does Pavilion REIT see this as a threat to draw crowd away?	Eslite has its own attraction and target market. Pavilion Kuala Lumpur Mall has 500 tenants and the core business is slightly different from Starhill. Management do not view it as a threat.
	g) Is Lok Kawi Resort City under Pavilion REIT? As the joint developer company Tegas Bangsa Sdn Bhd is a SPV under Pavilion REIT Management Sdn Bhd.	No, it is not under Pavilion REIT.

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4.	a) What is the recovery percentage of rental income in the coming quarter?	The current quarter financial results have yet to be finalized. When the results are issued you will be able to evaluate the rental collection.
	b) What is the plan to recover from the revenue? How long it takes?	It has been a difficult year in 2020 and for this current quarter. As the vaccination programme picks up in Malaysia and other parts of the world it is hoped that the economy will improve, including retail sales.
5.	a) Mr Chairman kindly reverse decision not to provide vouchers to shareholders who attend RPV. Tqvm	Refer to Chairman’s response in item 2 a).
6.	a) How's Pavilion Bukit Jalil going? schedule to open on ..?	As far as we know, Pavilion Bukit Jalil is scheduled to open before end of this year.
	b) how much discount % has been given to the tenants during MCO and CMCO this year?	We have not made any final decision on this yet.
	c) did pavilion get any incentive, grant, stimulus package help from govt during this MCO CMCO period?	During this period there was a power grant given as incentive.

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7.	<p>a) In the Tenancy Expiry Profile on page 43 of the AR, there is a category for "Monthly". Can management explain why 14% of the NLA are grouped in this category? For FY2021, 19% of the Occupied NLA is due to expire. How is the renewal exercise progressing. Will there be any rental rebate or reduction for the renewal of tenancies for FY2021?</p>	<p>Negotiations for renewals and rental rates are still in progress. Management is confident that majority of the tenants will renew their tenancy in Pavilion Tower.</p>
	<p>b) DA MEN Mall is the worst performing properties under the REIT with occupancy rate dropping to 68.9% and further reduction in appraised value.</p> <p>Can management sustain or improve the occupancy rate for FY2021? What are the proactive steps taken to improve the performance of this mall?</p>	<p>This question has been asked earlier and has been answered by the Chief Executive Officer in item 3 c).</p>
	<p>c) Agreed rental waiver or rebates of RM80.917 Million has been booked under Other Operating Expenses for FY2020. Based on the current operating environment, will similar rental waiver or rebates be given to tenants for FY2021?</p> <p>If yes, will the amount to similar or lower than RM80.917 Million provided in FY2020?</p>	<p>It is too early to tell and there is still much uncertainties. Management is cautiously optimistic things are turning up and hopefully rental rebate in 2021 will not be at the same level as 2020.</p>

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8.	a) What was the amount of annual footfall to the malls of Pavilion REIT in 2020?	During early period of the MCO, footfall was few but after the MCO and during the 3rd and 4th quarters footfall improved substantially. Overall, it is about 65% of the pre covid footfall which is very encouraging.
	b) How much was the total tenant sales in 2020?	In 2020, the total tenant sales were 50 – 60% of pre covid levels.
	c) How much was the occupancy cost in 2020?	The occupancy cost varies with the different businesses. For tenants which are from F&B and pharmaceutical industries, the occupancy cost has maintained relatively low. However, for the tenants from the fashion industry, the occupancy cost is much higher.
	d) What is the land title of Elite Pavilion Mall? How much of the land title in terms of net lettable area is freehold or leasehold?	The land title for Elite Pavilion Mall is a freehold land.
9.	a) Hi, Any door gift/token of appreciation for shareholder? YTLREIT (Lot 10) is giving RM100 coupon for shareholder - this is good way to get more visitor as consumer tend to spend more during shopping time	Refer to Chairman’s response in item 2 a).
10.	a) How much does the company spend on this virtual Agm ? Would the board kindly consider giving Pavilion food voucher as a token of appreciation to shareholders who take interest to participate in this RPV. Thank you	Refer to Chairman’s response in item 2 a).

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11.	<p>The following questions are for Pavilion KL Mall:</p> <p>a) What is the net lettable space that was previously occupied by GSC Cinema and since the pandemic began, how much potential revenue was lost from that space?</p> <p>b) Did Dadi Cinema contribute to the rent for that space or relief program was given to them? When will Dadi Cinema commence its operation?</p> <p>c) Is there any major tenants renewal coming anytime soon?</p>	<p>The area previously occupied by GSC Cinema is 65,000 sft. The space has been taken over by Dadi Cinema. A period of for 4 to 5 months for renovation was given but due to MCO restrictions it has been extended.</p> <p>It is anticipated Dadi Cinema will open during the year.</p> <p>No major/anchor tenants are due for renewal soon.</p>
12.	<p>a) Is there any plan to acquire more assets and sell off those non performing assets (e.g. Damen) as Damen is not performing well compared to others assets?</p>	<p>It is a normal for a REIT to acquire and dispose assets.</p> <p>If an attractive asset is offered for sale, Management will definitely evaluate the asset.</p> <p>Similarly, for disposals, if an offer is received from a party to acquire the asset, Management will also evaluate.</p>
13.	<p>a) Better diversify to food n technology if the company can't make a profit.</p>	<p>Pavilion REIT is a Real Estate Investment Trust.</p>