



# PAVILION

REAL ESTATE INVESTMENT TRUST

## INTEGRATED ANNUAL REPORT 2025



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Pavilion REIT Management Sdn Bhd (“the Manager”) is pleased to present its Integrated Annual Report (IAR) 2025 (“Report”) as the source of information on Pavilion REIT’s financial and non-financial performance for the financial year ended 31 December 2025 (“FY2025”). The sustainability-related disclosures in this Report have been prepared in accordance with the requirements of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* issued by the International Sustainability Standards Board (“ISSB”) and should be read in conjunction with Pavilion REIT’s financial statements. The Report has been structured with reference to the Guiding Principles and Content Elements of the International Integrated Reporting (“<IR>”) Framework prescribed by the International Integrated Reporting Council (“IIRC”) to support integrated, connected and decision-useful reporting.

This Report reflects the Manager’s effort to improve the quality of its disclosures which aims to offer stakeholders a detailed understanding of Pavilion REIT’s value creation process, including key risks and opportunities, key management strategies and the resulting outputs and outcomes for stakeholders.

Sustainability remains an important part of Pavilion REIT’s long-term strategy in guiding business decisions and stakeholder engagement. The Sustainability Statement can be found in Section 5 - Creating Sustainable Impact, where it demonstrates how Pavilion REIT leverage on the six (6) strategic pillars in creating sustainable impact for all its key stakeholders that goes beyond financial performance.

**REPORTING SUITE**

Integrated Annual Report





Scan the QR Code  
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Annual Report  
2025 online

**REPORTING SCOPE & BOUNDARY**

Pavilion REIT is listed on the Main Market of Bursa Malaysia Securities Berhad. This Report is produced and published annually. The information presented in this Report covers Pavilion REIT’s operations for the reporting period from 1 January 2025 to 31 December 2025, unless stated otherwise, and is prepared for the same reporting entity and reporting boundary as Pavilion REIT’s financial statements.

The sustainability and climate-related disclosures in this Report are prepared in accordance with IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The reporting boundary encompasses assets and activities within Pavilion REIT’s portfolio over which Pavilion REIT has control, consistent with the financial reporting boundary.

**Greenhouse Gas (“GHG”) Emissions**

GHG emissions are reported as follows:

- Scope 1 and Scope 2 GHG emissions are measured using the operational control approach, in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*. This approach is applied as it best reflects Pavilion REIT’s ability to monitor, manage and implement emissions reduction measures across assets within its portfolio, consistent with the disclosure objectives set out in IFRS S2.
- Scope 3 GHG emissions disclosures are limited to the following categories where data is available and can be reasonably estimated:
  - o Category 3: Fuel and energy-related activities (not included in Scope 1 or 2), relating to purchased electricity that is sold to end users;
  - o Category 5: Waste generated in operations;
  - o Category 6: Business travel;
  - o Category 7: Employee commuting; and
  - o Category 13: Downstream leased assets, primarily relating to electricity consumption by tenants

The scope of Scope 3 disclosures may be expanded progressively as data availability and quality improve.

**Properties Within Reporting Boundary**

- Pavilion Kuala Lumpur Mall
- Elite Pavilion Mall
- DA MEN Mall
- Intermark Mall
- Pavilion Tower
- Pavilion Bukit Jalil
- Banyan Tree Kuala Lumpur
- Pavilion Hotel Kuala Lumpur

Where data is limited to specific properties or specific areas within the assets, this is clearly disclosed in the relevant sections of the Report.

Pavilion REIT does not have any employees as it is a trust with its properties vested under MTrustee Berhad and is externally managed by the Manager. Accordingly, disclosures relating to employees refer to the Manager’s employees, where relevant and applicable.

## COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

Pavilion REIT has prepared its sustainability-related disclosures in accordance with the IFRS Sustainability Disclosure Standards (SDSs) as issued by International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements (MMLR).

Pavilion REIT has applied certain transition reliefs permitted under the IFRS Sustainability Disclosure Standards and MMLR, which does not affect its ability to make an unreserved statement of compliance.

Disclosure topics in the Sustainability Accounting Standards Board (SASB) have been referred to and considered i.e. real estate sector-specific standards (Volume 36 – Real Estate) when preparing this Report.

Disclosure topics in the **SASB Real Estate Sustainability Accounting Standard (Infrastructure – Real Estate, SICs® IF-RE)** have been referred to and considered, where relevant, in the preparation of this Report.

## CONNECTIVITY WITH FINANCIAL STATEMENTS (REPORTING PERIOD, REPORTING ENTITY AND PRESENTATION CURRENCY)

The sustainability-related disclosures in this Report have been prepared for Pavilion REIT and should be read in conjunction with Pavilion REIT's financial statements prepared in accordance with the MFRS Accounting Standards (MFRS) and IFRS Accounting Standards. It covers a 12-month period for the year ended 31 December 2025 which is aligned with the reporting period of Pavilion REIT's financial statements.

This Report makes connections with other reports, including the financial statements, to present a cohesive view of how relevant sustainability risks and opportunities (SROs) could impact Pavilion REIT's financial position, performance and cash flows over the short, medium and long term. Where applicable, quantitative sustainability-related metrics are directly connected and cross-referenced to relevant financial statement line items.

Pavilion REIT defines time horizons based on when the SROs could reasonably be expected to occur. As of the end of the reporting period, the following time-horizons were identified which align with the timelines used for strategic decision-making:

- Short Term: 0 to 12 months
- Medium Term: 1 to 5 years
- Long Term: > 5 years

The sustainability-related financial disclosures cover the same reporting entity as Pavilion REIT's financial statements.

In preparing these sustainability-related financial disclosures, Pavilion REIT has assessed its own operations and its value chain. The presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia (RM), which aligns to the presentation currency used in the financial statements. Unless specified otherwise, all amounts are rounded to the nearest million.

## ASSUMPTIONS, JUDGEMENT AND ESTIMATES

Key assumptions, judgements and estimates are disclosed for each sustainability-related metric.

## SOURCES OF GUIDANCE

In preparing its sustainability-related financial information, Pavilion REIT has referred to, and considered, the applicability of disclosure topics and metrics in the SASB Standards. Specific information about which SASB Standards were considered by Pavilion REIT is contained in this Report. In some cases, Pavilion REIT has also prepared disclosures using other sources of guidance such as GRI Standards. The source of metrics used by Pavilion REIT is detailed in this Report.

## TRANSITION RELIEFS

Pavilion REIT is reporting under IFRS SDSs for the first time for its annual reporting period ended 31 December 2025. It has applied the following standards for its annual reporting period commencing from 1 January 2025:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2 'Climate-related Disclosures'

As of 31 December 2025, there are no other IFRS SDSs issued by ISSB.

IFRS SDSs provide transition reliefs for the first annual reporting period in which an entity applies the standards. The MMLR provide additional transition reliefs for issuers listed on the Main Market of Bursa Malaysia. Pavilion REIT has applied the transition relief where it is not required to disclose comparative information in the first annual reporting period.

In preparing this Report, Pavilion REIT has applied the following transition reliefs:

- Disclosed information solely on climate-related risks and opportunities (CROs), in accordance with IFRS S2.
- Exercised the option not to disclose comparative information on CROs.
- Exercised the option not to disclose Scope 3 GHG emissions, except for categories already required by the applicable regulators. Nevertheless, Pavilion REIT has voluntarily disclosed Categories 3, 5, 6, 7 and 13, which are deemed currently relevant to its operations.

## LIMITATIONS

Pavilion REIT has made every effort to provide accurate, relevant and timely data in this report. However, the Manager recognises that some indicators may still have gaps. Pavilion REIT remains committed to improving its data collection processes and systems and will continue working towards more complete and reliable information in future reports to better support its sustainability goals and targets.

## NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation for issuance of this Report have taken place that needs to be disclosed in the Report.

## REPORTING FRAMEWORK, STANDARDS, BEST PRACTICES & GOALS

- Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR")
- Bursa Sustainability Reporting Guidelines & Toolkits (3rd edition)
- FTSE4Good Bursa Malaysia ("F4GBM") Index
- Global Reporting Initiative (GRI) Standards – With reference
- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard
- Global Real Estate Sustainability Benchmark ("GRESB")
- IIRC's Integrated Reporting <IR> Framework
- International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards
- Malaysia Companies Act 2016
- Malaysian Code on Corporate Governance ("MCCG") 2021
- MFRS Accounting Standards and IFRS Accounting Standards
- National Sustainability Reporting Framework ("NSRF")
- Securities Commission Malaysia's ("SC") Guidelines on Listed Real Estate Investment Trusts ("REIT")
- S&P Global ESG Ratings
- Sustainability Accounting Standards Board ("SASB")
- Task Force on Climate-Related Financial Disclosures ("TCFD")
- Intergovernmental Panel on Climate Change ("IPCC")
- United Nations Sustainable Development Goals ("UN SDGs")

## ASSURANCE

The contents of this Report have been reviewed and approved by the management and Board of Directors of the Manager. The financial statements included in this IAR have been independently audited by KPMG PLT. To further enhance Pavilion REIT's sustainability reporting, the Manager has appointed KPMG PLT to provide independent limited assurance on selected sustainability indicators. Please refer to *Section 5.9 – Sustainability Assurance Statement* for the assurance report. The remaining parts of the Sustainability Statement have not been subject to internal review or assurance.

## MATERIALITY

In FY2025, Pavilion REIT has reviewed and conducted materiality assessment in accordance with the latest guidelines by International <IR> Framework and the Listing Requirements of Bursa Malaysia Securities Berhad. The Manager has identified the sustainability matters which are material to Pavilion REIT's business and stakeholders.

Information disclosed in this IAR is relevant to Pavilion REIT's material matters, which have been determined by extensive stakeholder engagement as well as internal evaluation. These material matters reflect existing and emerging risks and opportunities, which could affect the Manager's ability to create value and deliver on Pavilion REIT's Purpose, Vision, Mission and Values. For detailed information on the key steps and outcomes of the materiality assessment, please refer to the "Our Value Creation Story" section of this Report.

## FORWARD-LOOKING STATEMENTS

This Report may contain forward-looking statement with respect to Pavilion REIT's future performance and prospects. Words such as "will", "may", "plan", "could", "believe", "seek", "intend" and similar expressions represents the Manager's judgement and future expectations which may involve inherent risks and uncertainties, in which the actual results may be different from those anticipated. Undue reliance should not be placed on these forward-looking statements which are based on the Manager's current view of future events, expectations, beliefs and assumptions.

## BOARD STATEMENT OF RESPONSIBILITY

The Board of Directors ("Board") of the Manager acknowledges its responsibility to ensure the integrity of the IAR for the financial year ended on 31 December 2025. In the Boards' opinion, the Report addresses all key issues that are material to Pavilion REIT in creating value. The sustainability-related disclosures, including the Sustainability Statement, have been prepared in accordance with IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), and reflect the application of the transitional relief provisions where applicable. The Report has been structured with reference to the Guiding Principles and Content Elements of the International Integrated Reporting (<IR>) Framework. This Report was approved by the Board on 9 February 2026.

## FEEDBACK & CONTACT POINT

Your feedback is important to us as we progress in our sustainability journey. We welcome any queries or feedback to enhance the quality of reporting. Please visit [www.pavilion-reit.com](http://www.pavilion-reit.com) for more information or contact us via email at [info@pavilion-reit.com](mailto:info@pavilion-reit.com) or for sustainability related matter at [esg@pavilion-reit.com](mailto:esg@pavilion-reit.com).



## Section 2: **OVERVIEW**

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## WHO WE ARE

Pavilion REIT is a real estate investment trust listed on the Main Market of Bursa Malaysia since 7 December 2011 and managed by Pavilion REIT Management Sdn Bhd (“the Manager”).

There were no significant changes in the business as compared to the previous financial year, save for the acquisitions of hotels i.e. Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur on 20 June 2025. Its investment properties have an aggregate value of RM9.1 billion as of 31 December 2025.

## WHAT WE DO

The core activity of Pavilion REIT is investment in income-producing real estate assets used solely or predominantly for retail purposes (including mixed-use developments with a retail component) in Malaysia and other countries within the Asia-Pacific region. This investment serves the objective of providing Pavilion REIT’s unitholders with regular and stable distributions while achieving long-term growth in net asset value based on an appropriate capital structure.

## WHERE WE OPERATE

Pavilion REIT currently has eight (8) properties in its portfolio consisting of five retail malls, an office tower and two hotels in Malaysia. Three of the malls, two hotels and the office tower are located within the commercial centre of Kuala Lumpur. The remaining malls are situated in the Bukit Jalil and Subang Jaya neighbourhoods.

Property	Segment	Location
Pavilion Kuala Lumpur Mall and Elite Pavilion Mall (“Pavilion Malls”)	Retail	Kuala Lumpur
Intermark Mall	Retail	Kuala Lumpur
Pavilion Bukit Jalil	Retail	Kuala Lumpur
DA MEN Mall (under Master Tenancy since April 2025)	Retail	Subang Jaya
Pavilion Tower	Office	Kuala Lumpur
Banyan Tree Kuala Lumpur (acquired on 20 June 2025) *	Hotel	Kuala Lumpur
Pavilion Hotel Kuala Lumpur (acquired on 20 June 2025) *	Hotel	Kuala Lumpur

\* under Master Lease



For the revenue disclosed in this section, please refer to Pavilion REIT’s financial statements for the year ended 31 December 2025. Pavilion REIT’s revenue is mainly derived from rental income and advertising revenue.

# VISION, MISSION AND INVESTMENT STRATEGIES

The principal investment policy of Pavilion REIT is to invest directly or indirectly, in a diversified portfolio of income producing real estate assets used solely or predominantly for retail purposes (including mixed-use developments with a retail component) in Malaysia and other countries within the Asia-Pacific region.



## VISION

To be the leading and most sought-after REIT in Malaysia.



## MISSION

To provide unitholders with regular and stable distributions to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholders needs.



## PURPOSE

Create Pavilions that Bring Communities Together

## INVESTMENT STRATEGIES

The Manager intends to achieve the vision and mission of Pavilion REIT through the following strategies:

### Actively pursuing acquisition opportunities in accordance with the authorized investments of Pavilion REIT

- acquire yield accretive income-producing properties
- explore repositioning opportunities

### Pursuing an efficient capital management strategy

- diversify sources of debt funding
- maintaining a reasonable level of debt service capability
- securing favourable terms of funding
- managing financial obligations
- managing the exposures arising from adverse market interest rates through appropriate hedging strategies
- actively managing the range of maturities to reduce refinancing risk and optimise the cost of capital

### Proactively managing the properties and implementing asset enhancement strategies

- maximise quality shopper traffic, especially at Pavilion Malls
- active management of tenant base in order to optimise tenant mix and maintain high occupancy rates
- continued asset enhancement initiatives to increase net lettable area and rental potential
- improving operational efficiency and cost effectiveness
- commitment to sustainability to have positive impact on brand recognition, reputation and lessen environmental impact

## CORE VALUES

### EXCELLENCE

Strive to achieve Vision, Mission and Investment Strategies

### INTEGRITY & COMPLIANCE

Uphold high levels of personal and professional value, with compliance to laws, policies and procedures

### RESPECT & RESPONSIBILITY

Respect all individuals and stakeholders, both internally and externally, through responsible stewardship

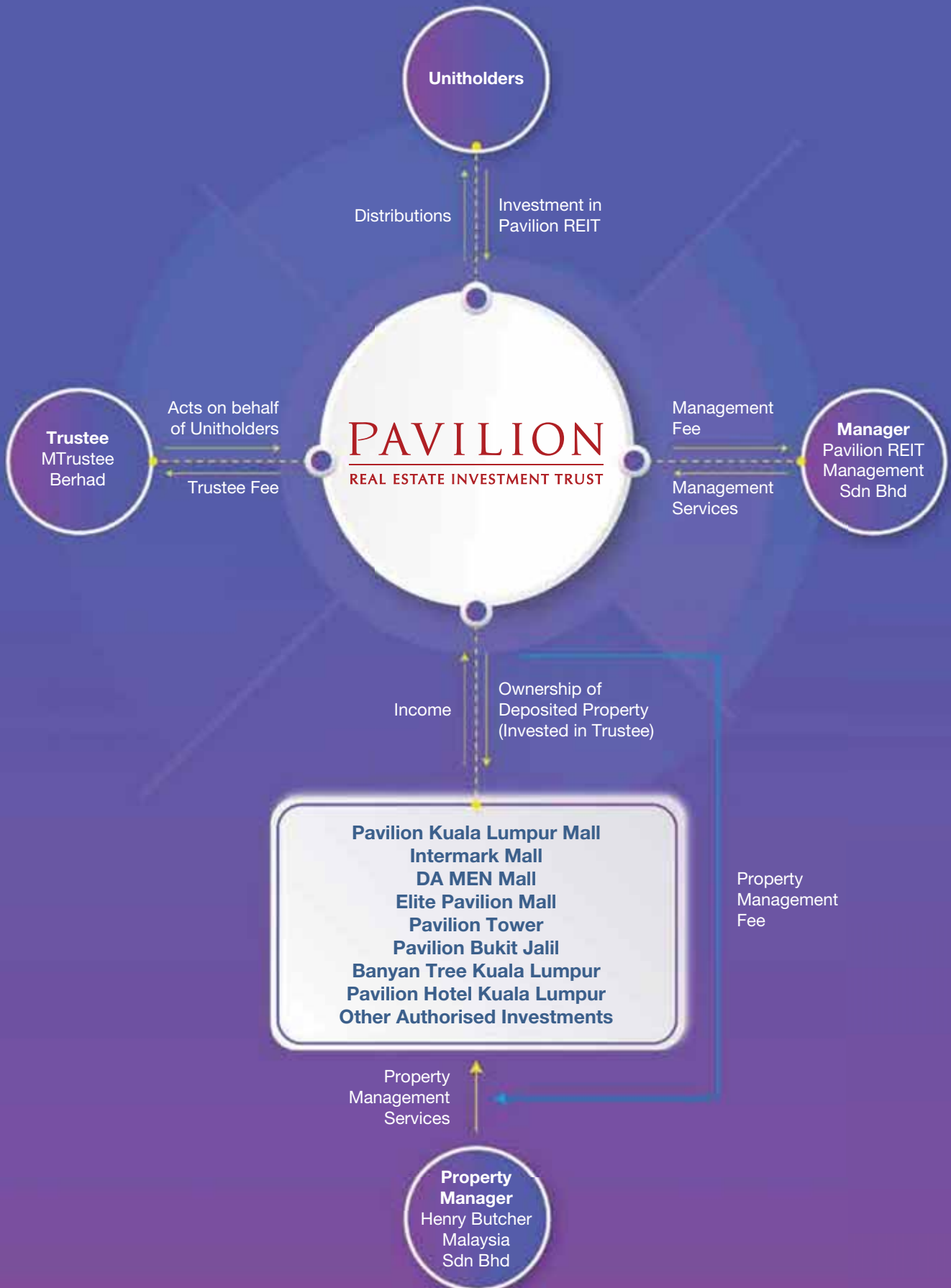
### HEALTH & SAFETY

Prioritise the health and safety of employees, tenants and customers by adhering to the best environmental, safety and health standards

### EQUITY & INCLUSION

All individuals including employees to be treated fairly with equal opportunity

# PAVILION REIT STRUCTURE

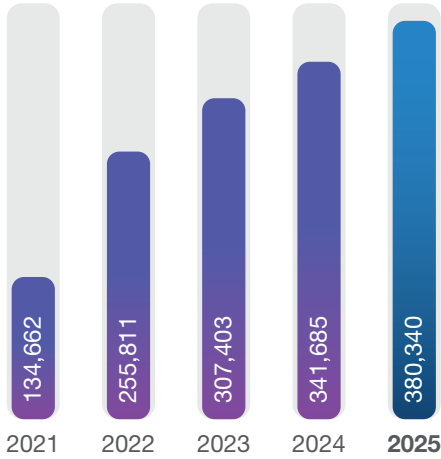


## SALIENT FEATURES OF PAVILION REIT

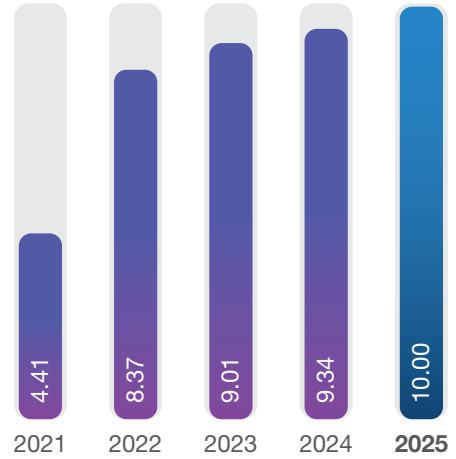
<b>Category of Fund</b>	Real Estate Investment Trust
<b>Type of Fund</b>	Income and growth
<b>Duration of Fund/ Termination Date</b>	The earlier of: <ul style="list-style-type: none"> <li>• The occurrence of any events listed under Clause 27.2 of the Deed</li> <li>• 999 years falling on 17 October 3010</li> <li>• the date on which Pavilion REIT is terminated by the Manager under Clause 27.1(b) of the Deed</li> </ul>
<b>Investment Objective</b>	To provide unitholders with regular and stable distributions as well as to achieve long-term growth in net asset value per Unit and maintaining an appropriate capital structure whilst balancing stakeholder needs
<b>Distribution Policy</b>	Half yearly distribution of 100% of distributable income for the financial year ended 31 December 2025 with at least 90% of distributable income for each subsequent financial year
<b>Gearing Policy</b>	Up to 50% of the total asset value of Pavilion REIT
<b>Revaluation Policy</b>	Annually by independent registered valuers
<b>Financial Year Ending</b>	31 December
<b>Listing Market</b>	Main Market of Bursa Malaysia Securities Berhad
<b>Listing Date</b>	7 December 2011
<b>Board Lot</b>	100 Units per board lot
<b>Initial Public Offering Price per Unit</b>	<ul style="list-style-type: none"> <li>• Retail – RM0.88</li> <li>• Institution – RM0.90</li> </ul>
<b>Stock Name</b>	PAVREIT
<b>Stock Code</b>	5212

# HIGHLIGHTS

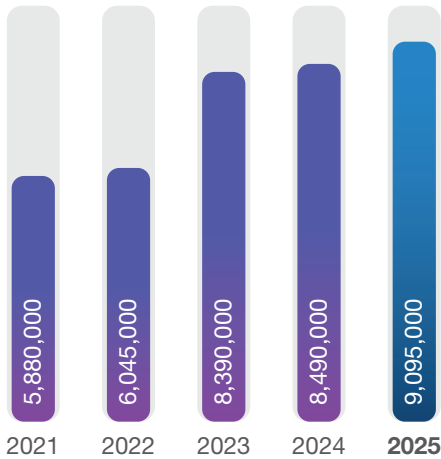
**Distributable Income**  
(RM'000)



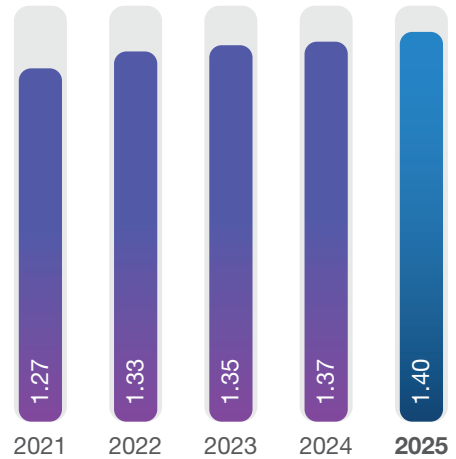
**Distribution per Unit**  
(sen)



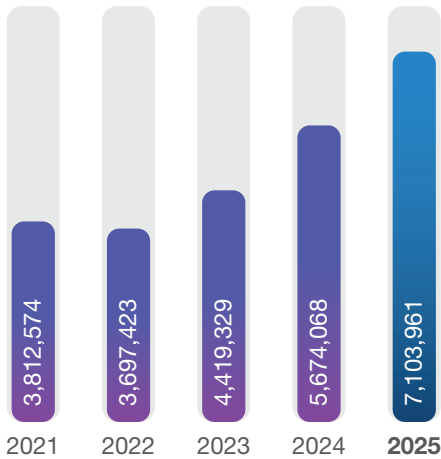
**Investment Properties**  
(RM'000)



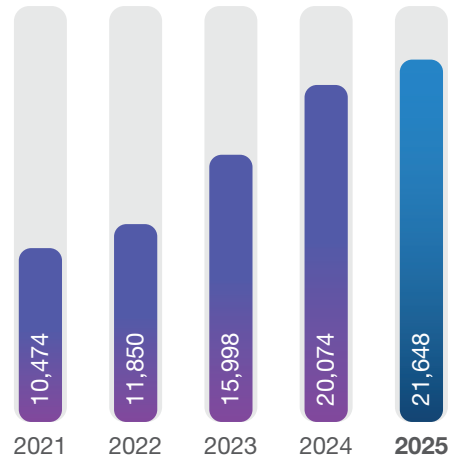
**Net Asset Value per Unit**  
(RM)



**Market Capitalisation**  
(RM'000)



**No of Unitholders**



# PORTFOLIO PERFORMANCE AND DETAILS

## PORTFOLIO SUMMARY

Type	Retail	Office	Hotel	Total
Appraised Value as at 31 December 2025 (RM million)	8,475	130	490	9,095
Net Lettable Area (square feet)	4,066,394	162,992	-	4,229,386
No of Rooms	-	-	380	380

## TOP 10 TENANTS

Pavilion REIT has a total of 1,281 tenancies and leases under its portfolio. Its ten largest tenants (including master leases) contributed to 17.2% of gross rental income for the reporting year.

Tenant's Name	Trade Sector	Expiry Year
Apex Excellent Sdn Bhd	Food and Beverage	2026 - 2028
Easy Home International (M) Sdn Bhd	Retail	2028
Gagan (Malaysia) Sdn Bhd	Fashion	2026
Harmoni Perkasa Sdn Bhd	Hotel	2035
Louis Vuitton (M) Sdn Bhd	Fashion	2026
Padini Dot Com Sdn Bhd	Fashion	2027 - 2028
Parkson Corporation Sdn Bhd	Fashion	2026 - 2027
Richemont Luxury (Malaysia) Sdn Bhd	Jewellery, Timepieces & Writing Instruments	2026
TGV Cinemas Sdn Bhd	Urban Leisure	2028
UR Fashion Group Sdn Bhd	Fashion	2027

## TENANCY PROFILES

Although tenants are keen for renewal, rental negotiation on increment remains difficult due to the service tax rate that is being imposed on rental as well as increase in operating cost. New brands are also approaching the malls to open their outlet despite being selective on where their outlets ought to be. Tenant mix is critical to retail malls. Hence, the Manager would not just randomly allow trades to operate just to maintain high occupancy.

The majority of Pavilion REIT's tenancies are for a term of three years each with an option to extend for another term of three (3) years each. Anchor and specialty anchor tenants generally have options for renewal of up to five terms of three years each.

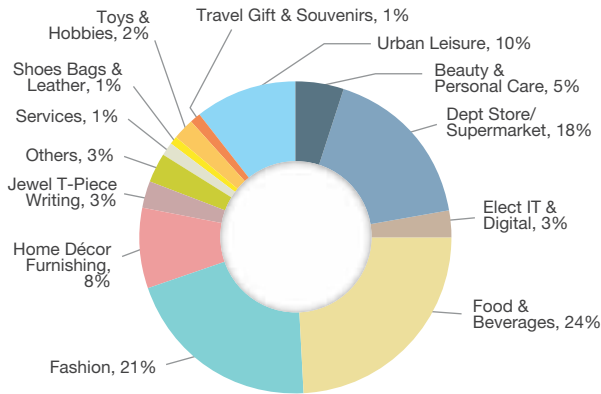
# PORTFOLIO PERFORMANCE AND DETAILS

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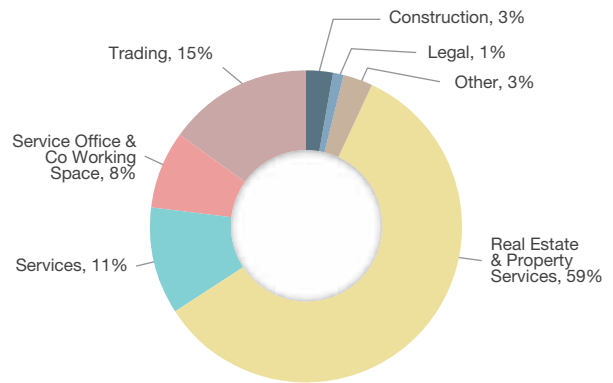
The weighted average lease expiry (“WALE”) as at year end has increased slightly to 1.49 years against the end of 2024 WALE of 1.43 years, with WALE for retail and office being 1.49 and 1.58 years respectively. The two hotels, acquired at the same time during the year under review, have WALE of 9.47 years.

Food & beverages as well as fashion remain the two largest trade categories by net lettable area for its retail sector with real estate and property occupying the most spaces in the office sector.

**Trade Category by Net Lettable Area - Retail**



**Trade Category by Net Lettable Area - Office**



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

## (A) RETAIL

Pavilion Kuala Lumpur Mall	
<b>Address</b>	168 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
<b>Description</b>	7-storey shopping mall (including 4 split-levels of car parking bays together with a 3-storey retail office block sited atop and annexed with a 4-storey retail/entertainment connection block) and 3 levels of basement car parks
<b>Year of Completion</b>	2007
<b>Age of Building</b>	18 years
<b>Title</b>	Pajakan Negeri 53757/M1/N1/5 and Pajakan Negeri 53757/M1/B3/1 on Parent Lot 20020, Section 63, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan KL
<b>Encumbrances</b>	Charged to Alliance Bank Malaysia Berhad
<b>Tenure</b>	99-year lease expiring on 26 October 2109
<b>Gross Floor Area</b>	2,197,214 square feet
<b>Net Lettable Area</b>	1,370,953 square feet
<b>Number of Car Park Bays</b>	2,391
<b>Occupancy Rate as at 31 December 2025</b>	96.8%
<b>Date of Acquisition</b>	7 December 2011
<b>Acquisition Price</b>	RM3,190 million
<b>Appraised Value</b>	RM5,300 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	Knight Frank Malaysia Sdn Bhd
<b>Capitalisation Rate – Reversionary</b>	6.50%
<b>Gross Revenue</b>	RM511 million
<b>Net Property Income</b>	RM356 million
<b>Ten Largest Tenants</b>	Cartier, Food Republic, Hermes, Louis Vuitton, Padini Concept Store, Parkson Elite, Richard Mille, The Food Merchant, Urban Revivo, Zara

# PORTFOLIO PERFORMANCE AND DETAILS

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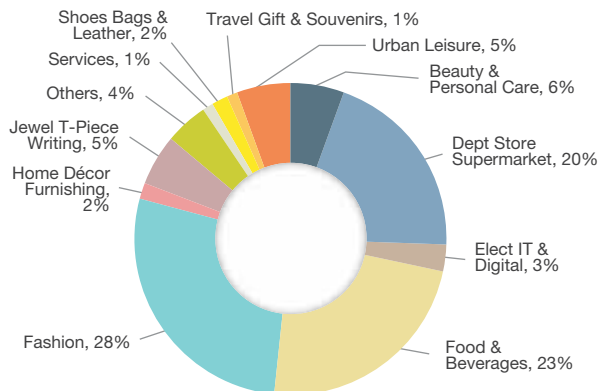


## Tenancy Expiry Profile

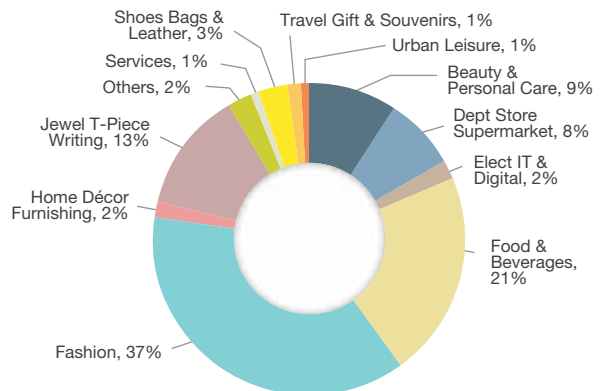
Period	% of Occupied NLA	% of Gross Rental
Monthly	29	19
FY2026	31	36
FY2027	17	20
FY2028 and thereafter	23	25
<b>Total</b>	<b>100</b>	<b>100</b>

## Trade Sector Analysis

Trade Sector Analysis based on Net Lettable Area



Trade Sector Analysis based on Gross Rental



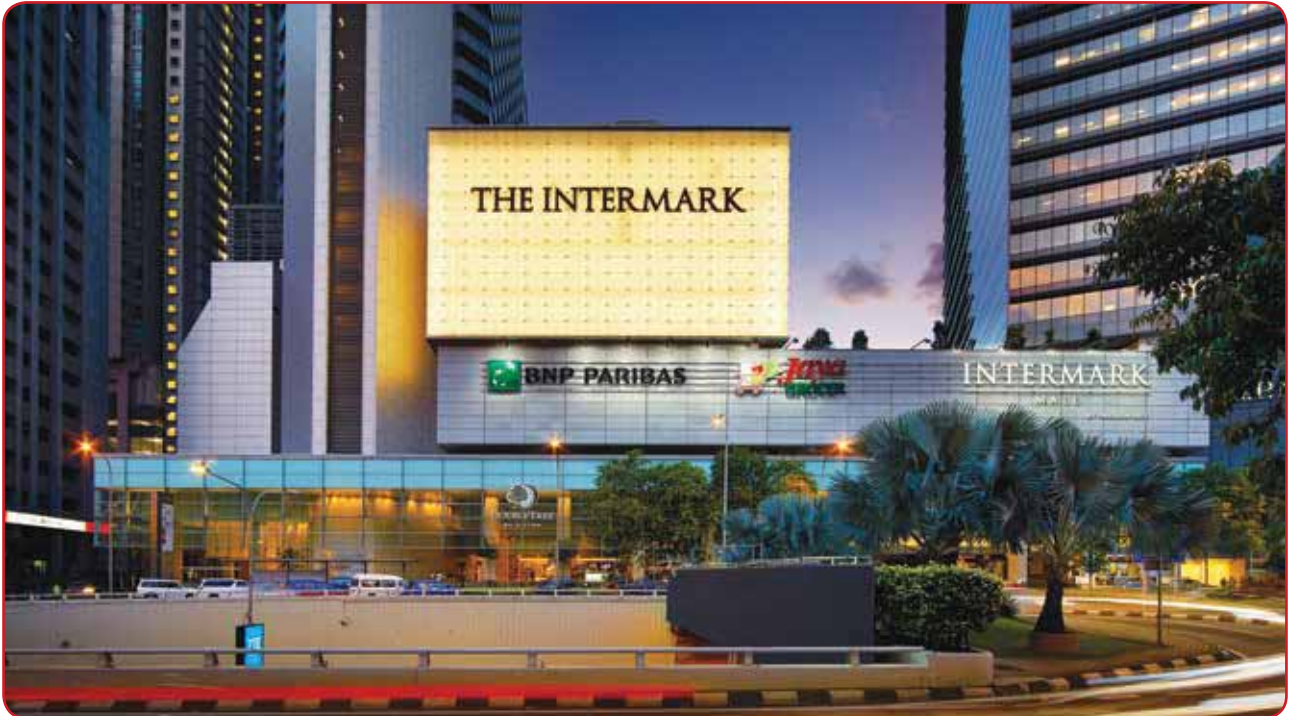
# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

Intermark Mall	
<b>Address</b>	348 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
<b>Description</b>	6-storey retail podium with a roof pavilion together with 367 designated car parking bays
<b>Year of Completion</b>	Refurbished in 2012
<b>Age of Building</b>	13 years
<b>Title</b>	Geran 75638/M1/B3/2, Parcel No 2, Storey No B3, Building No M1 on Parent Lot 20000 Section 43, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan
<b>Encumbrances</b>	Nil
<b>Tenure</b>	Interest in perpetuity
<b>Gross Floor Area</b>	337,427 square feet
<b>Net Lettable Area</b>	222,731 square feet
<b>Number of Car Park Bays</b>	367
<b>Occupancy Rate as at 31 December 2025</b>	95.7%
<b>Date of Acquisition</b>	25 March 2016
<b>Acquisition Price</b>	RM160 million
<b>Appraised Value</b>	RM200 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	CBRE WTW Valuation & Advisory Sdn Bhd
<b>Capitalisation Rate – Reversionary</b>	6.50%
<b>Gross Revenue</b>	RM31 million
<b>Net Property Income</b>	RM10 million
<b>Ten Largest Tenants</b>	Hanare, Hua Wei, In Colonial, Jaya Grocer, McDonald's, MST Golf, Oriental Landmark, Primrose Hill Active Learning, Rival, Sports Direct

# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

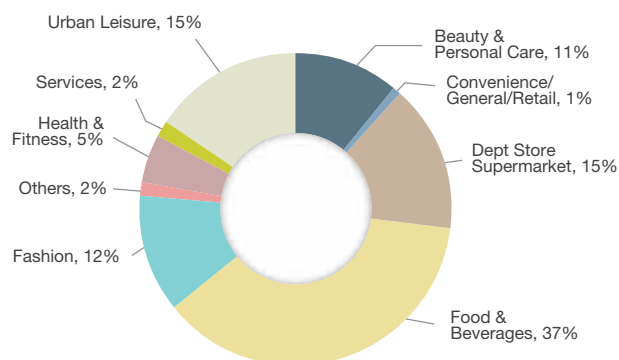


## Tenancy Expiry Profile

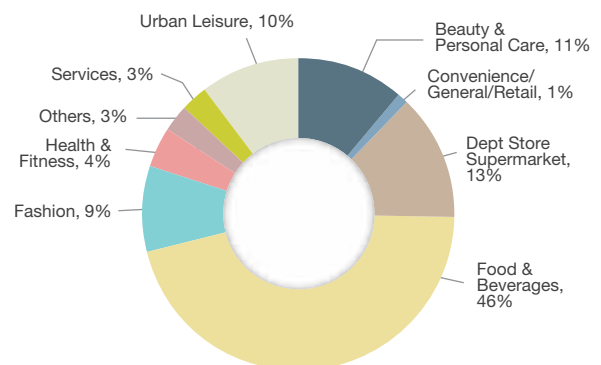
Period	% of Occupied NLA	% of Gross Rental
Monthly	6	7
FY2026	21	26
FY2027	31	33
FY2028 and thereafter	42	34
<b>Total</b>	<b>100</b>	<b>100</b>

## Trade Sector Analysis

Trade Sector Analysis based on Net Lettable Area



Trade Sector Analysis based on Gross Rental



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

Elite Pavilion Mall	
<b>Address</b>	166 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
<b>Description</b>	10-storey shopping mall with stratified parcels consisting of car park bays on Level B3 to Level 2 ('Elite Pavilion') interconnected to Pavilion Kuala Lumpur Mall via pedestrian link bridges and seating / retail areas on Level 4 to Level 10 ("Extension-Connections") and an underground pedestrian tunnel with retail outlets which contractual rights will expire on 10 October 2037 ('Subway Linkage')
<b>Year of Completion</b>	2016
<b>Age of Building</b>	9 years
<b>Title</b>	Geran 79872/M1/B5/1 on Parent Lot No 20027, Section 57, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur for Elite Pavilion  Pajakan Negeri 53757/M1/B3/1 on Parent Lot 20020, Section 63, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur for Extension-Connections
<b>Encumbrances</b>	Extension-Connection is charged to Alliance Bank Malaysia Berhad
<b>Tenure</b>	Interest in perpetuity for Elite Pavilion  99-year lease expiring on 26 October 2109 for Extension-Connections
<b>Gross Floor Area</b>	416,316 square feet
<b>Net Lettable Area</b>	228,508 square feet
<b>Number of Car Park Bays</b>	50
<b>Occupancy Rate as at 31 December 2025</b>	97.4%
<b>Date of Acquisition</b>	27 April 2018
<b>Acquisition Price</b>	RM580 million
<b>Appraised Value</b>	RM565 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	Knight Frank Malaysia Sdn Bhd
<b>Capitalisation Rate – Reversionary</b>	6.25% for Elite Pavilion
<b>Gross Revenue</b>	RM86 million
<b>Net Property Income</b>	RM52 million
<b>Ten Largest Tenants</b>	Coach, COS "Collection of Style", Cotton On, JD Sports King of Trainers, Haidilao Hot Pot, Lukfook Jewellery, Lululemon, MAC, Muji & Café, Red Box Plus

# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

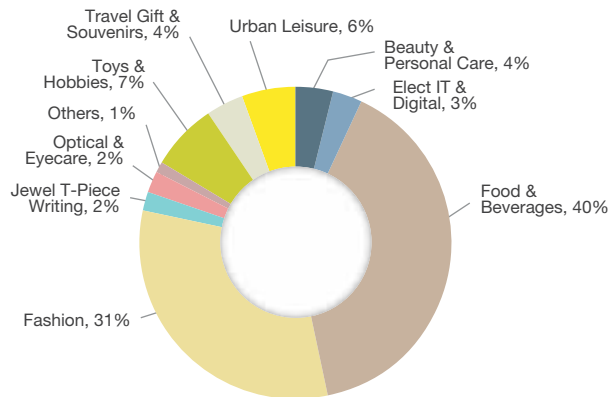


## Tenancy Expiry Profile

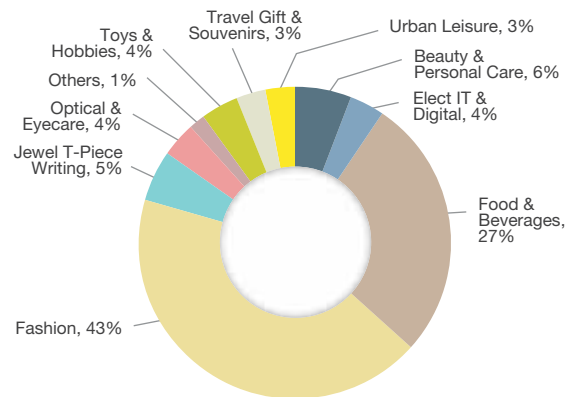
Period	% of Occupied NLA	% of Gross Rental
Monthly	23	27
FY2026	22	23
FY2027	19	17
FY2028 and thereafter	36	33
<b>Total</b>	<b>100</b>	<b>100</b>

## Trade Sector Analysis

Trade Sector Analysis based on Net Lettable Area



Trade Sector Analysis based on Gross Rental



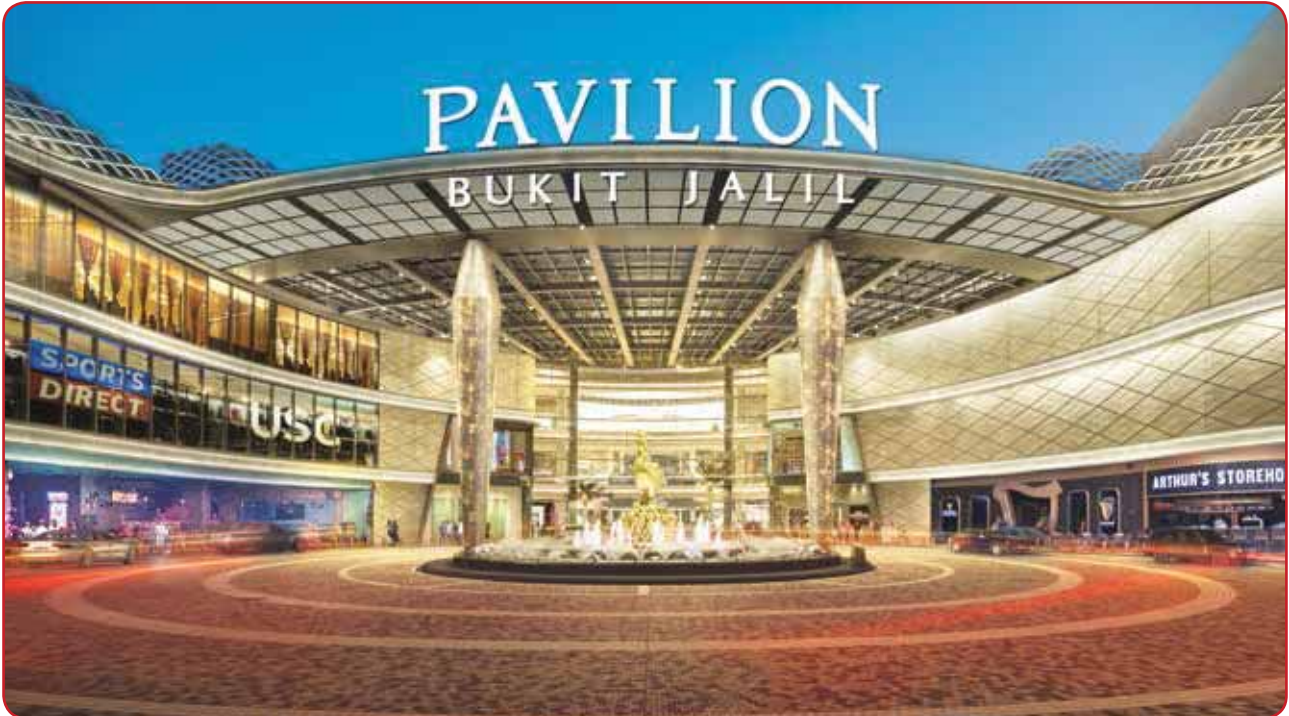
# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

Pavilion Bukit Jalil	
<b>Address</b>	No 2 Persiaran Jalil 8, Bandar Bukit Jalil, 57000 Kuala Lumpur, Malaysia
<b>Description</b>	5 storey retail mall with 2 basement car park levels
<b>Year of Completion</b>	2021
<b>Age of Building</b>	4 years
<b>Title</b>	Geran 82227/M1/B2/1 and Geran 82227/M1/3/2 sited on Parent Lot 104303, Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Encumbrances</b>	Charge to Alliance Bank Malaysia Berhad
<b>Tenure</b>	Interest in perpetuity for both titles
<b>Gross Floor Area</b>	3,595,275 square feet
<b>Net Lettable Area</b>	1,815,002 square feet
<b>Number of Car Park Bays</b>	4,800
<b>Occupancy Rate as at 31 December 2025</b>	92.3%
<b>Date of Acquisition</b>	1 June 2023
<b>Acquisition Price</b>	RM2,200 million
<b>Appraised Value</b>	RM2,250 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	CBRE WTW Valuation & Advisory Sdn Bhd
<b>Capitalisation Rate – Reversionary</b>	6.75%
<b>Gross Revenue</b>	RM236 million
<b>Net Property Income</b>	RM134 million
<b>Ten Largest Tenants</b>	Food Republic, Game on Theme Park OMG Home, Grand Harbour, Harvey Norman, Muji, Parkson, Sports Direct & USC, TGV Cinema, The Food Merchant, Tsutaya Books

# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

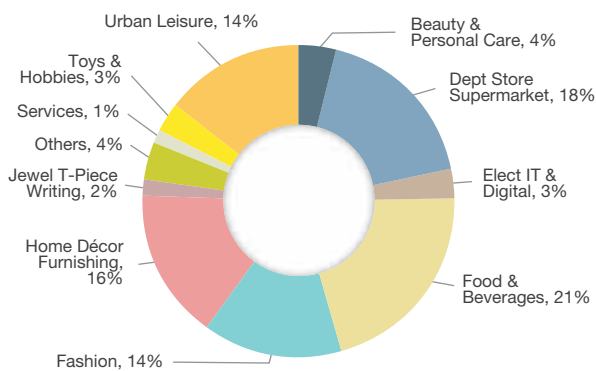


## Tenancy Expiry Profile

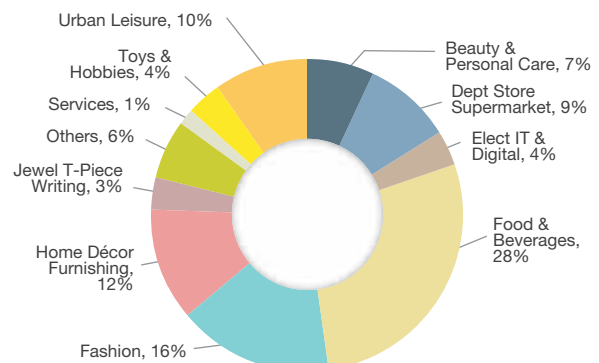
Period	% of Occupied NLA	% of Gross Rental
Monthly	7	5
FY2026	16	17
FY2027	54	51
FY2028 and thereafter	23	27
<b>Total</b>	<b>100</b>	<b>100</b>

## Trade Sector Analysis

Trade Sector Analysis based on Net Lettable Area



Trade Sector Analysis based on Gross Rental



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

DA MEN Mall	
<b>Address</b>	Da:men USJ 1, Persiaran Kewajipan, USJ 1, 47600 Subang Jaya, Selangor Darul Ehsan
<b>Description</b>	5-storey retail mall together with a lower ground floor and 2 levels of basement car parks
<b>Year of Completion</b>	2015
<b>Age of Building</b>	10 years
<b>Title</b>	Geran 320023/M1-A/1/1 on Parent Lot 91576 Pekan Subang Jaya, District of Petaling, Selangor Geran 320023/M1-A/1/2 on Parent Lot 91576 Pekan Subang Jaya, District of Petaling, Selangor
<b>Encumbrances</b>	Nil
<b>Tenure</b>	Interest in perpetuity
<b>Gross Floor Area</b>	732,925 square feet
<b>Net Lettable Area</b>	429,200 square feet
<b>Number of Car Park Bays</b>	1,638
<b>Occupancy Rate as at 31 December 2025</b>	100.0%
<b>Date of Acquisition</b>	25 March 2016
<b>Acquisition Price</b>	RM487 million
<b>Appraised Value</b>	RM160 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	CBRE WTW Valuation & Advisory Sdn Bhd
<b>Capitalisation Rate</b>	6.50%
<b>Gross Revenue</b>	RM10 million
<b>Net Property Loss</b>	RM5 million
<b>Tenant</b>	Master Tenancy of Mall to Easyhome International (M) Sdn Bhd with expiration in 2028

# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

## (B) OFFICE

Pavilion Tower	
<b>Address</b>	75 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia
<b>Description</b>	20-storey office building together with 6 mechanical / electrical levels
<b>Year of Completion</b>	2007
<b>Age of Building</b>	18 years
<b>Title</b>	Pajakan Negeri 53757/M1/B3/2, sited on Parent Lot 20020, Section 63, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan KL
<b>Encumbrances</b>	Charged to Alliance Bank Malaysia Berhad
<b>Tenure</b>	99-year lease expiring on 26 October 2109
<b>Gross Floor Area</b>	216,968 square feet
<b>Net Lettable Area</b>	162,992 square feet
<b>Occupancy Rate as at 31 December 2025</b>	78.4%
<b>Date of Acquisition</b>	7 December 2011
<b>Acquisition Price</b>	RM123 million
<b>Appraised Value</b>	RM130 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	Knight Frank Malaysia Sdn Bhd
<b>Capitalisation Rate – Reversionary</b>	6.50%
<b>Gross Revenue</b>	RM10 million
<b>Net Property Income</b>	RM3 million
<b>Ten Largest Tenants</b>	ARCC Offices Pavilion Tower Sdn Bhd, Coach Malaysia Sdn Bhd, Gapadu Development Sdn Bhd, Impian Ekspresi Sdn Bhd, Khuan Choo Development Sdn Bhd, KL Pavilion Design Studio Sdn Bhd, Kuala Lumpur Metro Property Sdn Bhd, Malton Berhad, New Balance Athletic Shoes Sdn Bhd, Pan-Asia Property Management Sdn Bhd

# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

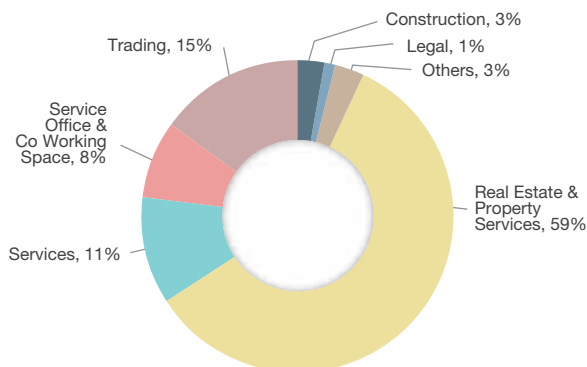


## Tenancy Expiry Profile

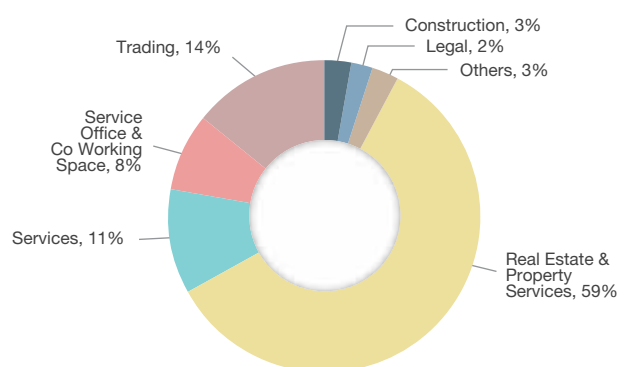
Period	% of Occupied NLA	% of Gross Rental
Monthly	18	17
FY2026	25	26
FY2027	18	18
FY 2028 and thereafter	39	39
<b>Total</b>	<b>100</b>	<b>100</b>

## Trade Sector Analysis

Trade Sector Analysis based on Net Lettable Area



Trade Sector Analysis based on Gross Rental



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

## (C) HOTEL

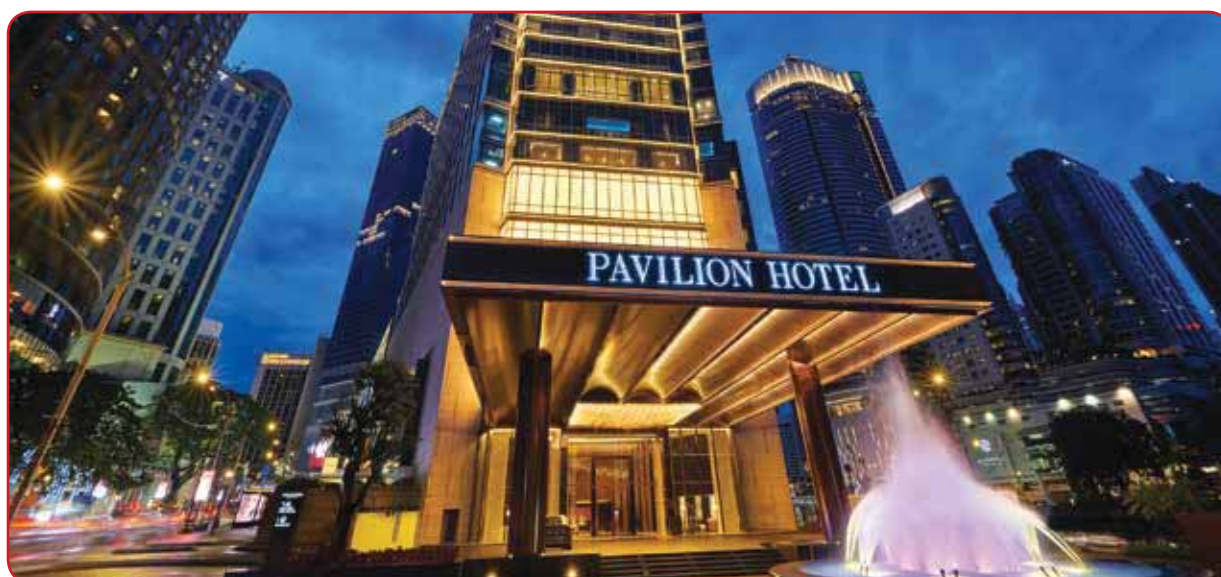
Banyan Tree Kuala Lumpur	
<b>Address</b>	No 2 Jalan Conlay, 50450 Kuala Lumpur
<b>Description</b>	A 5-Star hotel with 55 rooms known as Banyan Tree Kuala Lumpur
<b>Year of Completion</b>	2018
<b>Age of Building</b>	7 years
<b>Title</b>	Geran 34208/M1/B2/1 on Parent Lot 383, Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan
<b>Encumbrances</b>	Leased to Harmoni Perkasa Sdn Bhd for 10 years from 20 June 2025 to 19 June 2035
<b>Tenure</b>	Interest in Perpetuity
<b>Gross Floor Area</b>	109,921 square feet
<b>Number of Car Park Bays</b>	81
<b>Operator</b>	Banyan Tree Hotels & Resorts Pte Ltd
<b>Date of Acquisition</b>	20 June 2025
<b>Acquisition Price</b>	RM140 million
<b>Appraised Value</b>	RM140 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	CBRE WTW Valuation & Advisory Sdn Bhd
<b>Capitalisation Rate</b>	6.00%
<b>Gross Revenue</b>	RM5 million
<b>Net Property Income</b>	RM5 million
<b>Tenants</b>	Property wholly leased to Harmoni Perkasa Sdn Bhd for 10 years to 19 June 2035



# PORTFOLIO PERFORMANCE AND DETAILS

Cont'd

Pavilion Hotel Kuala Lumpur	
<b>Address</b>	No 170 Jalan Bukit Bintang, 55100 Kuala Lumpur
<b>Description</b>	A 5-Star hotel with 325 rooms known as Pavilion Hotel Kuala Lumpur
<b>Year of Completion</b>	2018
<b>Age of Building</b>	7 years
<b>Title</b>	Pajakan Negeri 53757/M1/B3/3 and Pajakan Negeri 53757/M1/1/4 on Parent Lot 20020, Section 63, Town and District of Kuala Lumpur, Negeri Wilayah Persekutuan KL
<b>Encumbrances</b>	Leased to Harmoni Perkasa Sdn Bhd for 10 years from 20 June 2025 to 19 June 2035
<b>Tenure</b>	99-year lease expiring on 26 October 2109
<b>Gross Floor Area</b>	342,410 square feet
<b>Number of Car Park Bays</b>	147
<b>Operator</b>	Banyan Tree Hotels & Resorts Pte Ltd
<b>Date of Acquisition</b>	20 June 2025
<b>Acquisition Price</b>	RM340 million
<b>Appraised Value</b>	RM350 million
<b>Date of Latest Valuation</b>	31 December 2025
<b>Independent Valuer</b>	CBRE WTW Valuation & Advisory Sdn Bhd
<b>Capitalisation Rate</b>	6.25%
<b>Gross Revenue</b>	RM13 million
<b>Net Property Income</b>	RM12 million
<b>Tenant</b>	Property wholly leased to Harmoni Perkasa Sdn Bhd for 10 years to 19 June 2035





## Section 3: **LEADERSHIP & BUSINESS REVIEW**

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## MESSAGE FROM THE CHAIRMAN



The year 2025 unfolded against a complex global backdrop marked by geopolitical shifts, economic uncertainty and evolving policy landscapes. Against this environment, Pavilion REIT demonstrated resilience and stability, underpinned by the strength of its assets, disciplined management and sustained consumer confidence.

Geopolitically, 2025 was defined by a shift from global cooperation to national self-interest, creating a fragmented world order. The return of heavy trade taxes by the U.S. disrupted supply chains, forcing companies to reorganize where they manufacture their goods. This happened while major conflicts in Europe and the Middle East persisted and a new competition over AI technology further divided nations. By year-end, traditional alliances were weaker and rising nations had more influence in global decisions.

In the US, the annual inflation rate declined to 2.7% in 2025, down from 2.9% in 2024. To ensure price stability and reduce the unemployment rate, the Federal Reserve reduced interest rates by a total of 0.75% (on three occasions) throughout 2025 bringing the range to 3.50% and 3.75%. In response, most other central banks adjusted their policies accordingly. Bank Negara Malaysia reduced the Overnight Policy Rate (OPR) from 3.00% to 2.75% in 2025. The cut is a pre-emptive measure to preserve Malaysia's steady growth path amid continued challenges from the global environment.

Against this stable global and regional backdrop, Pavilion REIT continued to perform resiliently in 2025, supported by steady footfall, sustained consumer confidence and the continued recovery in travel and tourism across its key assets.

# MESSAGE FROM THE CHAIRMAN

Cont'd



Meanwhile, price pressures and climate-related disasters continue to challenge economic resilience. The near full recovery of global tourism further supported economic momentum. Within this dynamic landscape, Pavilion REIT excelled in 2025, demonstrating resilience, adaptability and optimism. As the travel and tourism industry witnessed a remarkable turnaround for the year, Pavilion REIT benefitted from renewed consumer confidence and increasing foot traffic. Visitors returned to cherished destinations and explored new ones, driving demand for retail and hospitality spaces. This resurgence not only fuelled Pavilion REIT's growth but also offered hope for a sustained momentum in 2026.

## ECONOMIC REVIEW

In 2025, the global economy continued to expand at a steady and broadly stable pace. According to the International Monetary Fund's ("IMF") World Economic Outlook ("WEO") (January 2026), global growth is projected at approximately 3.3%.

Based on IMF's WEO 2026, U.S. GDP growth for 2025 is estimated at 2.1%, which this also supported by Fitch Ratings and S&P Global Rating, reflecting a slowdown from 2024. This growth was driven by consumer spending and business investment, although it was impacted by policy uncertainty, high interest rates and a government shutdown.

Euro area GDP growth for 2025 is projected to be around 1.4%, showing a modest recovery supported by strengthening domestic demand, declining inflation and a resilient labour market. Asia continued to demonstrate comparatively stronger momentum.

China's economy grew by 5.0% in 2025. Growth was supported by strong exports, as companies diversified shipments to Europe and Latin America to offset weak domestic consumption and US tariffs.

Malaysia's economy demonstrated significant resilience, targeted to end the year with an annual GDP growth of 4.9%, down from 2024's 5.1% but surpassing BNM's projections of 4.0%-4.8% growth. This was driven by strength in the main economic sectors including services, manufacturing and construction. Inflation remained remarkably stable and low, ending the year with an annual average of 1.4%, a decrease from the 1.8% recorded in 2024, which was contributed by a slower increase of housing, water, electricity, gas and other fuels, health, recreation, sport and culture, transport and furnishings. Government measures, including the continued RON95 subsidy and electricity tariff restructuring, were critical in cushioning the impact of global price volatility on households.

In 2025, Malaysia's tourism sector broke previous records, establishing itself as the top travel destination in Southeast Asia for much of the year. According to final reports released in January 2026, the country welcomed 42.2 million international visitors in 2025, an 11.2% increase from the previous year (37.96 million in 2024), thus establishing a solid foundation for a successful Visit Malaysia 2026 campaign. Singapore remained the largest source of tourists, followed by China, Indonesia, Thailand and India. The industry contributed an estimated RM332.2 billion to the national GDP (approximately 11.3%), supporting over 3.5 million jobs. Domestic travel remained a powerful economic engine throughout the year. Malaysia recorded over 216 million domestic visitors in the first nine months of 2025 alone. Domestic tourism expenditure reached RM88.4 billion by September, a 13.7% increase as compared to the same period in 2024.



# MESSAGE FROM THE CHAIRMAN

Cont'd

## PAVILION REIT – INVESTMENT AND ASSET PERFORMANCE

Pavilion REIT's gross revenue grew by 6.6% to RM901.5 million, resulting in 8.6% increase in net property income to RM567.9 million as compared to the previous year. This translated into a 7.1% increase in distribution per unit, reaching 10.00 sen as compared to 9.34 sen for FY2024. Additionally, investment properties valuations increased from RM8.5 billion to RM9.1 billion, resulting in a net fair value gain of RM107.4 million.

## MARKET REVIEW

The FBM KLCI Index closed 2.3% higher at 1680.11 points on 31 December 2025 as compared to 1,642.33 points in FY2024. The M-REIT Index closed 8.3% higher at 943.90 points as compared to 871.50 points in FY2024, with its total market capitalisation as of 31 December 2025 increasing by 21.3% or RM10.4 billion to RM59.3 billion from RM48.9 billion in FY2024.

In 2025, the M-REIT sector demonstrated strong resilience and growth, outperforming the broader market amid global volatility. The sector continued to be viewed as a defensive investment for income-seeking investors, supported by robust performance in the retail and industrial segments as well as strategic asset acquisitions. In line with analysts' forecasts, Malaysian retail and hospitality focused REITs are expected to benefit beyond the seasonal uplift in the fourth quarter of 2025, driven by year-end festivities and school holidays, as well as portfolio enhancements.

According to Retail Group Malaysia ("RGM"), Malaysia's retail industry is estimated to grow by 3.6% in 2025, as compared to 3.8% in 2024, with retail growth forecast to improve to 4.0% in 2026, broadly in line with national GDP projections. RGM identified two major forces shaping the retail landscape in 2026, ie tourism promotions and government support of fiscal and relaxed visa policies. On the cost side, retailers are expected to face rising operating expenses, including higher labour costs, the implementation of e-invoicing, and revised employment conditions for non-Malaysian workers.



Against this supportive market backdrop, Pavilion REIT unit price closed at RM1.81 as compared to RM1.55 at the end of 2024, an increase of 16.8%.

## PAVILION REIT'S SUSTAINABILITY EFFORTS

In 2025, Pavilion REIT continued to advance its sustainability agenda by embedding environmental, social and governance ("ESG") principles across its operations and decision-making processes. Key milestones achieved during the year include:

- Inclusion in the FTSE4Good Bursa Malaysia Index for the second consecutive year, achieving a 4-star ESG rating, the highest rating under the index
- LEED Gold Certification awarded to Pavilion Kuala Lumpur by the U.S. Green Building Council
- Deeper integration of ESG considerations into strategic decision-making and enterprise risk management
- Establishment of measurable sustainability targets to monitor and improve performance over time
- First-year disclosure in accordance with the IFRS Sustainability Disclosure Standards (S1 and S2), reflecting the application of transitional relief provisions

These initiatives reinforce Pavilion REIT's commitment to responsible stewardship, long-term value creation and the pursuit of a more sustainable future.



# MESSAGE FROM THE CHAIRMAN

Cont'd



## GOING FORWARD

Looking ahead, global growth is projected to remain around 3.3% in 2026 and 3.2% in 2027 according to the IMF's latest forecasts, while the World Bank's outlook is slightly more conservative at around 2.6% and 2.7% for the same years. Both institutions note ongoing risks from trade tensions, policy uncertainty and geopolitical developments. The year ahead is likely to be another period of uneven performance, with key trade-related trends, including the weakening of multilateral trade agreements, the impact of tariffs on prices and supply chains and evolving policy frameworks which likely to influence global economic momentum.

The IMF and MARC Ratings forecasts Malaysia's economy to grow 4.3% in 2026. Growth is expected to be supported by resilient domestic demand and sustained investment, underpinned by moderate inflation and steady income growth. On the external front, improving demand following reduced trade uncertainties and rising exports driven by AI adoption are likely to further bolster the economy.

According to BNM, the Malaysia's growth momentum is expected to continue in 2026, supported by resilient domestic demand. In China, policymakers are likely to set a 2026 official economic growth target of between 4.5% and 5.0%, a shift that would give policymakers more flexibility as the country deals with weak domestic demand, property-sector strain and uncertain global conditions.

The Board remains committed to developing strategies that ensure Pavilion REIT remains resilient against economic uncertainties and well-positioned for future growth.

## UNITHOLDERS MEETING

Pavilion REIT's 13<sup>th</sup> Annual General Meeting held on 7 May 2025 to present Pavilion REIT's audited financial statements for the year ended 31 December 2024 went smoothly. The Board of Directors managed to obtain general mandate for the allotment and issuance of up to 20% of the total number of issued units.

The Board will seek the approval for the allotment and issuance of up to 20% of the total number of issued units for this year's forthcoming annual general meeting.

## ACKNOWLEDGEMENT

I would like to thank all the members of the Board of Directors, management team and staff for their dedication, collective efforts and commitments during the year. On behalf of the Board and management we would also like to thank Mr. Fahad Abdulla S A Al-Mana who joined on 25 March 2025 for services rendered prior to his resignation on 24 October 2025.

The Board also welcomes a new non-independent non-executive director Mr. Abdul Rahim bin Mohamed Ali who joined on 30 October 2025.

On behalf of the Board members, we also like to thank our unitholders, stakeholders, bankers and tenants for their support during the year.

## TAN SRI LIM SIEW CHOON

*Chairman*

*9 February 2026*

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



## REVIEW FOR THE YEAR

2025 has been a dynamic and milestone-driven year for Pavilion REIT, highlighted by the successful acquisition and seamless integration of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur into the Fund. The operational synergies and strong cohesion achieved from these hotels contributed positively to the Fund's overall performance, reinforcing the Manager's strategic growth trajectory.

Pavilion REIT delivered strong financial performance in FY2025, recording four consecutive quarters of growth. Gross revenue increased by 6.6%, from RM845.9 million in 2024 to RM901.5 million in 2025, while distribution per unit (DPU) rose by 7.1% to 10.00 sen, as compared to 9.34 sen in FY2024.

The Fund's achievements were further recognised with The Edge Billion Ringgit Club 2025 – REIT Sector : Highest Growth in Profit After Tax Over Three Years, underscoring Pavilion REIT's sustained performance and commitment to delivering long-term value to unitholders. Importantly, operational and capital decisions in FY2025, such as energy-efficient chiller upgrades, security system enhancements and building improvements, were guided not only by financial objectives but also by environmental and social considerations, demonstrating the integration of sustainability into the Fund's strategic planning.

## ASSET AND FINANCIAL PERFORMANCES

Overall, all assets within the Fund performed well during the year. The total market valuation of Pavilion REIT properties has risen to RM9.1 billion, up from RM8.5 billion in FY2024, reflecting an increase of RM600 million from Pavilion Kuala Lumpur Mall, Intermark Mall, Elite Pavilion Mall, Pavilion Bukit Jalil and the 2 newly acquired hotels. Meanwhile, the valuations of all other assets remained stable.

The Manager observed that the overall cost of operations has risen due to several factors, including setup costs related to advertising income, upgrades to security system and chiller at Pavilion Kuala Lumpur Mall as well as a major electrical system upgrade at Intermark Mall. Overall, operational expenses climbed to RM333.6 million, up from RM323.1 million in 2024, marking an increase of RM10.5 million or 3.2%.



# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Cont'd



Despite increase in expenses, net property income showed robust growth, increasing by RM45.1 million, or 8.6%, to RM567.9 million as compared to RM522.8 million in the previous year. Pavilion REIT's borrowing costs is lower mainly due to lower interest rate on its latest borrowings. Bank Negara Malaysia (BNM) decreased the OPR to 2.75% from 9 July 2025, reflecting economic stability and controlled inflation.

The combination of these factors resulted in a final total distribution income of RM380.3 million in FY2025, representing an 11.3% increase over FY2024.

## STRATEGY AND OUTLOOK

Looking ahead to 2026, Malaysia is entering a transformative phase focused on inclusive growth, digital innovation and strengthened governance. Key initiatives include the rollout of the 13th Malaysia Plan emphasizing socio-economic development, AI-driven industries and infrastructure upgrades, alongside reforms in public sector remuneration, education and civic engagement. Domestic demand, tourism and strategic investments are expected to drive moderate yet resilient economic growth, while fiscal and digital tax reforms, sustainability initiatives and governance improvements aim to enhance competitiveness and investor confidence. Overall, Malaysia is positioning itself for balanced development that integrates social progress, economic resilience and technological advancement.

Not only that, the Ministry of Tourism Malaysia has set a target of 43 million international visitors for 2026, aligning with ongoing efforts to strengthen the tourism sector as a key driver of the national's economic growth. The Visit Malaysia 2026 campaign promises a vibrant year-long programme of festivals, cultural showcases, exhibitions, community celebrations and uniquely Malaysian experiences designed to captivate travellers from around the world and is expected to drive higher footfall and spending in retail and hospitality spaces.

In BNM's first monetary policy decision of 2026, it kept the OPR unchanged at 2.75%, deeming the current stance appropriate to support the economy amid resilient growth and contained inflation. Malaysia's real GDP is expected to grow at 4.9% in 2025, surpassing the government's forecast, while inflation remained low at 1.4%. With better-than-expected global growth and stable domestic expansion, the central bank signalled no urgency to adjust rates and research houses expect the OPR to remain steady throughout 2026. Consequently, short-term Malaysian government securities yields are anticipated to stay stable, allowing BNM to preserve monetary flexibility amid external uncertainties. According to RGM, Malaysia's retail industry is estimated to have grown by 3.6% in 2025, compared to 3.8% in 2024, with retail growth forecast to improve to 4.0% in 2026, broadly in line with national GDP projections.

For 2026, the Manager's strategic priorities include strengthening Pavilion REIT's market position, enhancing tenant mix across all malls to optimize retail offerings, maximizing operational efficiency through cost management and service improvements.

## PAVILION REIT'S SUSTAINABILITY

During the year, Pavilion REIT continued to demonstrate its strong commitment to sustainability and ESG excellence. In December 2025, the REIT was included in the FTSE4Good Bursa Malaysia (F4GBM) Index for the second consecutive year, achieving a 4-star ESG rating, which is the highest rating under the index. This recognition brought the total number of constituents in the index to 180 companies and highlights Pavilion REIT's consistent performance in demonstrating strong ESG practices, alongside good liquidity as required by the index.



# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Cont'd



In addition to the index recognition, Pavilion Kuala Lumpur Mall was awarded the prestigious Gold Rating under LEED (Leadership in Energy and Environmental Design) in September 2025, complementing Pavilion Tower's Gold Rating received in October 2024. The Mall also received the Top Sustainability Practices Gold Award from the PPK Malaysia Shopping Mall Association for its event, *Pavilion Loves Sustainability 2025*. Furthermore, Pavilion REIT was honoured with the ESG Leadership Award: Company of the Year (REIT) at the Sustainability & CSR Awards 2025. These achievements collectively underscore Pavilion REIT's dedication to sustainability and environmental stewardship.

Pavilion REIT's sustainability journey continues to be guided by its comprehensive framework which outlines its EESG goals and aspirations. As reported above, this framework has and continues to yield results including but not limited to achieving recognition on leading sustainability indices. The REIT will continually amongst others, pursue its initiatives to utilize green electricity, look to increase its efforts in redirecting waste from landfills and explore new methods to reduce its carbon footprint.

The Manager remains committed to ensure that resource conservation is integral to operations both in new and existing assets. Putting a quantitative and auditable measure on these efforts is critical in Pavilion REIT's sustainability journey to ensure the accuracy of climate related disclosures and assess the effectiveness of the efforts made. This keeps the Manager accountable to ensure that the commitment to sustainability goes beyond policy and is translated into concrete actions with measurable results.

Whilst global political changes have changed the landscape and wavered nations' commitment to sustainability, Pavilion REIT remains unwavering in its commitment to environmental and social responsibility. Pavilion REIT has implemented green building initiatives across its portfolio and will continue to do so in the years to come. This commitment to sustainability is a journey guided by a principle to continuously improve to a greener more sustainable future. The Manager remains dedicated to driving positive change, integrating EESG goals into its operations and translating policy to concrete actions to ensure that Pavilion REIT remains a leader in sustainability and a trusted partner for all stakeholders.

## ACKNOWLEDGEMENT

The Management would like to thank all the staff for their dedication and hard work throughout the year. Appreciation is also extended to all Pavilion REIT stakeholders including unitholders, bankers, tenants and business partners for their continuous support and trust.

## DATO' PHILIP HO YEW HONG

*Chief Executive Officer*

*9 February 2026*

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL HIGHLIGHTS

Financial Results and Key Performance Indicators	FY2021	FY2022	FY2023	FY2024	FY2025	Change (%) FY2025 vs FY2024
Gross Revenue (RM'000)	488,591	551,349	723,811	845,866	901,485	6.58%
Net Property Income ("NPI") (RM'000)	236,622	364,201	459,111	522,765	567,891	8.63%
Distributable Income (RM'000)	134,662	255,811	307,403	341,685	380,340	11.31%
Earnings per Unit (sen)	4.11	13.03	12.68	11.21	12.28	9.55%
Distribution per Unit (DPU) (sen)	4.41	8.37	9.01	9.34	10.00	7.07%
Distribution Yield based on Year End Market Price (%)	3.53	6.92	7.45	6.03	5.52	(8.46)%
Management Expense Ratio ("MER") (%)	0.71	0.80	1.27	0.91	0.91	0.00%
Investment Properties (RM'000)	5,880,000	6,045,000	8,390,000	8,490,000	9,095,000	7.13%
Total Asset Value ("TAV") (RM'000)	6,238,695	6,483,176	8,998,489	9,130,854	9,828,553	7.64%
Net Asset Value ("NAV") (RM'000)	3,858,453	4,060,007	4,931,466	5,018,464	5,491,435	9.42%
NAV per Unit (RM)	1.27	1.33	1.35	1.37	1.40	2.19%
Gearing Ratio (%)	34.84	33.84	41.85	41.46	40.05	3.40%
Portfolio Turnover Ratio (times)	0.00	0.00	0.50	0.00	0.09	0.00%

## FINANCIAL REVIEW

By Segment	Gross Revenue				Net Property Income			
	FY2024		FY2025		FY2024		FY2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pavilion Kuala Lumpur Mall	510,045	60.30	511,086	56.69	362,362	69.32	356,085	62.70
Intermark Mall	28,641	3.39	30,826	3.42	11,297	2.16	9,985	1.76
DA MEN Mall	13,184	1.56	9,540	1.06	(5,770)	(1.10)	(4,537)	(0.80)
Elite Pavilion Mall	73,460	8.68	85,687	9.51	42,753	8.18	51,554	9.08
Pavilion Bukit Jalil	211,028	24.95	236,111	26.19	110,101	21.06	134,456	23.67
<b>RETAIL</b>	<b>836,358</b>	<b>98.88</b>	<b>873,250</b>	<b>96.87</b>	<b>520,743</b>	<b>99.62</b>	<b>547,543</b>	<b>96.41</b>
Banyan Tree Kuala Lumpur ^	0	0.00	5,342	0.59	0	0.00	4,862	0.86
Pavilion Hotel Kuala Lumpur ^	0	0.00	13,089	1.45	0	0.00	12,259	2.16
<b>HOTEL</b>	<b>0</b>	<b>0.00</b>	<b>18,431</b>	<b>2.04</b>	<b>0</b>	<b>0.00</b>	<b>17,121</b>	<b>3.02</b>
<b>OFFICE: Pavilion Tower</b>	<b>9,508</b>	<b>1.12</b>	<b>9,804</b>	<b>1.09</b>	<b>2,022</b>	<b>0.38</b>	<b>3,227</b>	<b>0.57</b>
<b>TOTAL</b>	<b>845,866</b>	<b>100.00</b>	<b>901,485</b>	<b>100.00</b>	<b>522,765</b>	<b>100.00</b>	<b>567,891</b>	<b>100.00</b>

^ reflects only 6.4 months results for FY2025 as it was acquired on 20 June 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

Cont'd

Gross revenue achieved in FY2025 was RM901.5 million or 6.6% higher as compared to the immediately preceding year. The increase was mainly contributed by Pavilion Bukit Jalil, higher advertising revenue from the upgraded LED screen at Elite Pavilion Mall and income from the two newly acquired hotels.

Total operating expenses incurred was higher by RM10.5 million or 3.2% as compared to the previous year. The increase was mainly attributable to setup costs related to advertising income, upgrades to security system and chiller at Pavilion Kuala Lumpur Mall, as well as a major electrical system upgrade at Intermark Mall.

These resulted in increase of Pavilion REIT's net property income by RM45.1 million or 8.6% to RM567.9 million. Pavilion Kuala Lumpur Mall and its seamlessly connected Elite Pavilion Mall collectively contribute to 71.8% of net property income of Pavilion REIT with Pavilion Bukit Jalil contributing about 23.7%.

Retail property contributes to about 96.0% of Pavilion REIT's total portfolio in terms of gross revenue and net property income. Overall, Pavilion REIT's portfolio achieved NPI margin of 63.0% with retail and office achieving a NPI margin of 62.7% and 32.9% respectively.

Net fair value change in investment properties resulted in gain of RM107.4 million against the immediately preceding year due to higher valuation for Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil. Other trust expenses increased mainly due to expanded scope of service tax on financial services imposed by the tax authority. Lower borrowing cost is mainly due to lower interest rate on its latest borrowings. All these resulted in income before taxation for the year of RM466.9 million.

## DISTRIBUTION PER UNIT

Total DPU for 2025 increased by 0.66 sen to 10.00 sen from 2024 DPU of 9.34 sen, despite the increase in additional 264,151,227 Units being issued during the year resulting in 3,924,840,240 Units as at 31 December 2025.

4.97 sen, earned for the first half of 2025 was distributed on 11 July 2025 and 27 August 2025. The final distribution of 5.03 sen per unit earned in the second half of 2025 is payable on 27 February 2026. This resulted in net asset value per unit (after final income distribution) of RM1.35 and RM1.32 for FY2025 and FY2024 respectively.

## STATEMENT OF FINANCIAL POSITION – ASSET AND LIABILITIES

Pavilion REIT's total asset value increased by RM697.7 million to RM9,828.6 million in FY2025 mainly due to the increase in value of investment properties with the acquisition of the two hotels as well as cash and cash equivalents. Its total liabilities also increased by RM224.7 million to RM4,337.1 million, mainly due to increase in borrowings to finance the hotel acquisitions.

## INVESTMENT PROPERTIES AND VALUATION

During the year, there were no changes to the investment objectives set forth during the listing in December 2011.

The Manager will continue to put their best effort forward to identify future potential investment, negotiate the most efficient capital strategy and continue to implement improvements to its existing investment properties.

The Fund's investment properties had been re-valued as at the end of the financial year to ensure that its investment properties reflect the current market value and in compliance to Malaysian Financial Reporting Standards 140. This re-valuation resulted in a gain of RM107.4 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

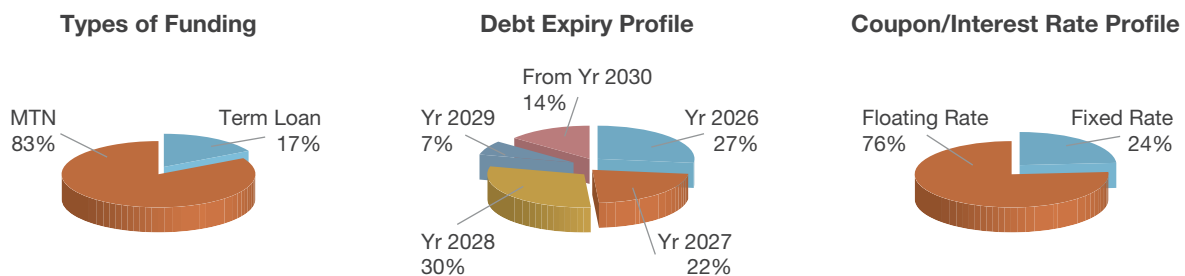
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Property	Market Value @ 31 Dec 2025 RM'000	Market Value @ 31 Dec 2024 RM'000	Change in Value RM'000	Property Yield 2025 %	Property Yield 2024 %
<b>Retail</b>					
Pavilion Kuala Lumpur Mall	5,300,000	5,250,000	50,000	7%	7%
Intermark Mall	200,000	190,000	10,000	5%	6%
DA MEN Mall	160,000	160,000	-	-3%	-4%
Elite Pavilion Mall	565,000	550,000	15,000	9%	8%
Pavilion Bukit Jalil	2,250,000	2,210,000	40,000	6%	5%
	<u>8,475,000</u>	<u>8,360,000</u>	<u>115,000</u>		
<b>Hotel</b>					
Banyan Tree Kuala Lumpur	140,000	-	140,000	7% ^	0%
Pavilion Hotel Kuala Lumpur	350,000	-	350,000	7% ^	0%
	<u>490,000</u>	<u>-</u>	<u>490,000</u>		
<b>Office</b>					
Pavilion Tower	130,000	130,000	-	2%	2%
Total Portfolio	<u>9,095,000</u>	<u>8,490,000</u>	<u>605,000</u>		
Less : Capital Expenditure			-		
Less : Acquisition			<u>(497,598) \$</u>		
Net Fair Value Change			<u><u>107,402</u></u>		

^ annualized from 195 days net property income from 20 June 2025

\$ includes RM10 million deferred income arising from discount on purchase consideration

## CAPITAL MANAGEMENT



With average interest cost of 4.6%, Pavilion REIT's gearing decreased slightly from 41.5% to 40.1% as compared to the preceding year end, which is below REIT Guidelines of up to 50% of Total Asset Value.

On 2 May 2025, RAM Rating Services Berhad had assigned long-term ratings of AA2(s) and AA3(s) to Pavilion REIT Capital Berhad's Medium Term Notes (MTN) Programme of secured MTNs and unsecured MTNs, respectively, to which the long-term ratings have a stable outlook. The ratings indicate high safety of payment of financial obligations. Concurrently, RAM Ratings has assigned a short-term rating of P1(s) to the CP Programme, which has a sub-limit of RM200 million. The P1(s) rating reflects strong capacity for payment of short-term financial obligations. Pavilion REIT Capital Berhad is a wholly-owned special purpose company of Pavilion REIT, of which its principal activity is to raise financing for and on behalf of Pavilion REIT. The Manager will continue to enhance these ratings.

## STATEMENT OF CASH FLOWS

Of the net cash available from operating activities of RM568.8 million, RM860.2 million was used for acquisition of investment properties with RM372.8 million being net cash raised from financing activities. This resulted in net increase in net cash of RM91.4 million for FY2025 resulting in cash and cash equivalents of RM565.3 million against preceding year end cash of RM473.9 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

Cont'd

## OPERATIONS REVIEW

Pavilion Kuala Lumpur Mall contributes to 56.7% or RM511.1 million of the Fund's gross revenue in FY2025. Increase in property operating expenses are primarily due to upgrading of security system and chiller.

Elite Pavilion Mall's gross revenue and net property income increased 16.6% and 20.6% respectively as compared to the preceding year with the main increase from advertising income from the upgraded LED screen.

Intermark Mall's occupancy increased marginally from 92.9% a year ago to 95.7% as at end of the year. Increased in its operating expenses is due to upgrading of a major electrical system.

DA MEN Mall's gross revenue dropped to RM9.5 million from RM13.2 million as Easyhome International (M) Sdn Bhd took over the mall for renovation from 1 April 2025. Operating as a lifestyle home furnishing centre under the tradename of Easyhome Smart Home Life Experience Centre for 3 years and renewable up to 15 years, the net property loss improved by RM1.2 million to RM4.5 million deficit for FY2025.

Pavilion Bukit Jalil's gross revenue increased by 11.9% from RM211.0 million to RM236.1 million resulting in net property income of RM134.5 million. This property is contributing 26.2% and 23.7% to Pavilion REIT's portfolio in terms of gross revenue and net property income respectively.

Pavilion Tower's occupancy improved slightly with an existing mall's retailer occupying part of a whole floor space. The office market in the city could face further pressure as incoming supply of new office buildings targets for completion in the next few years. Although older office buildings are trying to retain or capture new tenants by providing more incentives or lowering rent to compete, tenants today prefer suburbs rather than city centre with convenience to transit accessibility. Good tenant retention with no negative rental reversion will continue to be the strategy for the coming years with continuous upkeep of the building to retain good tenants.

As the properties aged with wear and tear, continuous and regular upkeep will be required to refresh and maintain the standard of the respective properties. Pavilion REIT will ensure its cost management procedures are continuously reviewed and enhanced to optimise return to unitholders as well as to ensure sustainable practices are adopted where applicable.

During the year under review, Pavilion REIT acquired Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur from Lumayan Indah Sdn Bhd (LISB) and Harmoni Perkasa Sdn Bhd (HPSB) respectively. LISB and HPSB are related parties of Pavilion REIT due to common directorship in the Manager, as disclosed in Note 22 of the financial statements. These assets which contributes to 3.0% of net property income for the year under review, forms about 5.4% of Pavilion REIT's portfolio. They are leased to Harmoni Perkasa Sdn Bhd at initial annual rental of RM33.5 million for a ten-year period from 20 June 2025 with option to renew for up to 2 terms of ten years each.

## ASSET ENHANCEMENT EXERCISES

Other than upgrading of security system and chiller in Pavilion Kuala Lumpur Mall, there were no asset enhancement exercises incurred during the year under review.

For FY2026, besides setting up landlord provisions to cater for tenant requirements, capital expenditures to be incurred is upgrading of toilets and reconfiguration of a part of space in Pavilion Kuala Lumpur Mall to cater for more speciality tenants.

## MARKET REVIEW

As per the Department of Statistic Malaysia, the country's economy is expected to expand by 4.9% for 2025, slightly slower than 2024 growth of 5.1%. This is due to the continuous improvement in domestic demand as well as expansion in services and manufacturing activities in the last quarter of the year. 2026 GDP is expected to grow between 4.0% and 4.5%, moderating slightly from the pace in 2025, powered largely by domestic consumption and investments, stable labour market, government cash assistance and a scheduled civil service salary hike which are expected to sustain household spending. Although global uncertainties and trade issues remain as potential challenges, growth is expected via sustained recovery and long-term transformation. Despite 2025 full year inflation averaging 1.4%, inflation is expected to drift higher in 2026 to between 1.3% and 2.0%, driven mainly by policy adjustments such as the expanded sales and service tax, stronger demand pressures and gradual cost pass-throughs. Ongoing Budi95 fuel subsidies and a stronger ringgit should help keep inflation stable while Bank Negara Malaysia is expected to keep the overnight policy rate unchanged at 2.75%. Holding rates steady would provide policy stability, while still leaving option for monetary easing should economic conditions decline later in the year. The national unemployment rate fell to 2.9% which is the lowest in 11 years.

# MANAGEMENT DISCUSSION AND ANALYSIS

Cont'd

For the whole of 2025, Retail Group Malaysia anticipates a 3.6% growth rate for the retail industry with 4.0% increase for 2026 due to higher cost of living and rising operating cost for retailers. In 2025, new policies imposed were increase in minimum wage by RM200 to RM1,700, change in electricity tariff, implementation of e-invoice, and mandatory EPF contribution of 2% for all non-Malaysian employees (except for domestic helpers).

As per Knight Frank's research report, for the first half of 2026, the Klang Valley retail market is expected to register notable growth, supported by approximately 1.4 million square feet of incoming retail space from the existing retail spaces of 73.5 million square feet. Although the Klang Valley retail sector is undergoing a period of transformation, driven by innovation, technology and evolving consumer expectations, retail performance in the Klang Valley remains robust, supported by steady employment, moderated inflation and easing financing costs following recent monetary policy adjustments. Retailers are evolving to remain competitive, efficient and align with market trends. The Klang Valley retail scene continues to differentiate with new international brands entering the market, flagship concepts and experiential approaches.

Retail malls in good location and good management that continues to evolve are expected to be resilient. Visit Malaysia Year 2026 (VMY2026) which is targeting 47 million foreign visitors and RM329 billion in tourism revenue will be a major catalyst for the year, boding well for malls and hotels near tourist attractions. VMY2026 initiatives, growing retail vibrancy as well as the relaxed visa policies are expected to support footfall mainly at prime tourist-focused malls.

Pavilion REIT malls will be focusing on delivering exciting and immersive festive experiences while building momentum towards VMY2026. Partnership, community engagement, marketing and media engagement initiatives remains integral to bolster consumer spending. Cost management will be monitored with continuous upkeep to its properties.

With 0.8 million square feet or 20.0% of the total area of Pavilion REIT properties due for renewal in 2026, of which 51.3% are located in Pavilion Kuala Lumpur Mall, the Manager expects a moderate increase in rental reversion due to the imposition of 8% service tax on rental from July 2025 that is reduced to 6% from 1 January 2026.

As per Knight Frank's second half 2025 real estate highlight, for the 1st nine months of 2025, 5-star hotels in Kuala Lumpur recorded a healthy average occupancy rate of 62.3% and an average daily rate of RM512, a slight increment from the same period the previous year. Another 5 hotels, namely Irama Kuala Lumpur, Conrad Kuala Lumpur, Waldorf Astoria Kuala Lumpur, The Edition Kuala Lumpur and The Regent Kuala Lumpur are expected to be completed in 2026, joining the existing 38 5-star hotels currently operating in Kuala Lumpur city centre. The outlook for Kuala Lumpur's luxury hotel sector remains positive as VMY2026 campaigns continues its momentum. The Malaysia Healthcare Travel Council has also declared Malaysia Year of Medical Tourism 2026, a campaign aimed at positioning Malaysia as a leading global destination for medical tourism.

As per Knight Frank Malaysia, at the end of September 2025, the existing supply of selected purpose-built office space stood at 60.6 million square feet in KL City and 32.2 million square feet in KL Fringe with incoming supply currently amounting to approximately 1.9 million square feet. These areas recorded improved occupancies that were largely attributed to well-located Grade A buildings, led by multinationals across the financial, fintech and technology sectors. This attractiveness is driven by the occupiers prioritising employee experience, amenities and accessibility. The strategy for 2026 is to continue to retain good tenants with continuous upkeep of property to maintain and enhance the standard of its facilities.

For 2026, Malaysia's retail, hospitality and hotel sectors are poised for positive growth, driven by tourism promotions and activities as well as government support of fiscal and relaxed visa policies. Domestic tourism continues as one of the main pillars of the national economy.

Distribution policy for FY2026 is expected to be maintained as per FY2025. Besides proactive lease management, the Manager will continue to explore enhancement opportunities to increase or maintain its properties' occupancy and monitor operational cost to optimize efficiency.



## Section 4:

# OUR VALUE CREATION STORY

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# OUR VALUE CREATION MODEL

At Pavilion REIT, its value creation model is driven by a business model that's on its six (6) capitals and converted by key enablers into value creation for its stakeholders.

## CAPITALS



## KEY ENABLER FOR VALUE CREATION



### Financial Capital

Pavilion REIT's available pool of fund to support business and operations generated from rental income, investing and financing activities.

- Total Borrowings: RM3,936.5 million (FY2024: RM3,392.7 million)
- Total Assets: RM9,828.6 million (FY2024: RM9,130.9 million)
- Unitholders' funds: RM5,491.4 million (FY2024: RM5,018.5 million)
- Cash and cash equivalents: RM565.3 million (FY2024: RM473.9 million)

### Manufactured Capital

Pavilion REIT' portfolio assets, which consists of five (5) retail malls, one (1) office tower and (2) hotels.

- Retail: Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil
- Office: Pavilion Tower
- Hotel: Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur

### Natural Capital

The Manager's effort and commitment in efficiently managing the energy, GHG emission, water and waste to minimize the environmental impacts.

- Energy-efficiency installations
- Encouraging the use of renewable energy, water efficiency fittings.
- Implement waste management initiatives to minimize waste

### Intellectual Capital

The Manager's specialized asset management & acquisition and capital management knowledge and Pavilion REIT's brand value.

- Management of distribution, gearing and revaluation policies
- SOPs and due diligence on investment and capital management
- Brand values and good reputation

### Social and Relationship Capital

Our stakeholder relationship includes the government, vendors & service providers, tenants, shoppers, local community, NGOs and media

- Effective, timely and transparent communication & disclosure
- Regular stakeholder engagement
- Total number of CSR programme: 31

### Human Capital

All the employees under the Manager, including outsourced service providers, and their skills and experiences which enable the smooth daily operation and development of the Pavilion REIT properties.

- Number of employees under the Manager: 25
- No. of new hires: 1
- RM 23,439 invested in employee training
- Strong leadership and governance
- Succession and business continuity planning
- Training and upskilling opportunities to develop employees



#### Vision

To be the leading and most sought after REIT in Malaysia



#### Mission

To provide unitholders with regular and stable distribution to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholder needs.



#### Purpose

Create Pavilions that brings communities together.



#### Core Values

- Excellence
- Integrity & Compliance
- Respect & Responsibility
- Health & Safety
- Equity & Inclusion



#### Governance

Supported by effective governance and leadership of the Board



#### Our Business Strategy

- Pursuing acquisition opportunities
- Efficient capital management
- Sustainability and governance
- Proactive asset management and enhancement



#### Our Operating Landscape



#### Our Stakeholders



#### Our Risk & Opportunities



#### Our Materiality Matters

Read more on Section 4: Our Value Creation Story

# OUR VALUE CREATION MODEL

Cont'd



## VALUE TO STAKEHOLDERS



## TRADE-OFFS

	Outputs	Outcome	
<b>I</b>	<p><b>Investing Strategically</b></p> <ul style="list-style-type: none"> <li>▶ Gross Revenue: RM901 million (FY2024: RM846 million)</li> <li>▶ Net Property Income: RM568 million (FY2024: RM523 million)</li> <li>▶ Distribution per unit: 10.00 sen (FY2024: 9.34 sen)</li> <li>▶ Distributable income: RM380 million (FY2024: RM342 million)</li> </ul> <p><i>Read more on Section 5 – I: Investing Strategically</i></p>	<ul style="list-style-type: none"> <li>• Ranked 4<sup>th</sup> in the MREIT industry by Market Capitalisation: RM7.1 billion</li> <li>• Property value: RM9.1 billion</li> </ul>	<p>Financial Capital is applied to enable Pavilion REIT to execute its growth strategy and in mitigating risks to sustain performance typically with positive impact on Manufactured, Intellectual and Social and Relationship Capitals. This, however, may impact Pavilion REIT's Manufactured Capital with reduced financial allocation towards capital expenditure.</p>
<b>M</b>	<p><b>Maintaining Good Governance</b></p> <ul style="list-style-type: none"> <li>▶ Zero cases of non-compliance on anti-bribery and corruption ("ABC") since FY2020</li> </ul> <p><i>Read more on Section 5 – M: Maintaining Good Governance</i></p> <ul style="list-style-type: none"> <li>▶ Retail: 4.1 million sq.ft. NLA</li> <li>▶ Office: 162,992 sq.ft. NLA</li> <li>▶ Hotels: 380 rooms</li> </ul>	<ul style="list-style-type: none"> <li>• 2 new assets were acquired i.e. Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur and are on master lease</li> </ul> <p><b>Occupancy Rate</b></p> <p><b>Retail</b></p> <ul style="list-style-type: none"> <li>• Pavilion Kuala Lumpur Mall: 96.8%</li> <li>• Intermark Mall: 95.7%</li> <li>• DA MEN Mall: 100.0%</li> <li>• Elite Pavilion Mall: 97.4%</li> <li>• Pavilion Bukit Jalil: 92.3%</li> </ul> <p><b>Office</b></p> <ul style="list-style-type: none"> <li>• Pavilion Tower: 78.4%</li> </ul>	<p>Investing in asset enhancement initiatives and reducing the environmental footprint will benefit Natural, Intellectual, Social and Relationship Capitals, but it comes with a cost to Financial Capital and positively impacted Manufactured Capital in the mid-term through improvements in valuation and brand equity in the long term.</p>
<b>P</b>	<p><b>Practicing Responsible Environment Stewardship</b></p> <ul style="list-style-type: none"> <li>▶ Energy Intensity (kWh/m<sup>2</sup>/year): 307</li> <li>▶ Water Intensity (m<sup>3</sup>/m<sup>2</sup>/year): 2.7</li> <li>▶ 33% of landlord electricity generated from renewable energy sources</li> <li>▶ Waste diverted from disposal: 649.6 tonnes</li> <li>▶ Diverted 7.0% of landfill waste</li> </ul> <p><i>Read more on Section 5 – P: Practicing Responsible Environment Stewardship</i></p>	<ul style="list-style-type: none"> <li>• Lowered carbon footprint and efficient resource management</li> <li>• Progressively achieving the goal of Net Zero Carbon Emissions by 2050</li> </ul>	<p>Investment in renewable energy and to minimise carbon footprint will impact Financial Capital at the outset but will certainly benefit Pavilion REIT's Natural, Social &amp; Relationship and Manufactured Capitals over the mid and long term.</p>
<b>A</b>	<p><b>Acclaiming Trusted Brand Reputation</b></p> <ul style="list-style-type: none"> <li>▶ Properly governed and balanced investment decision-making process</li> <li>▶ Incorporated investment checklist into the screening of investment opportunities</li> <li>▶ Optimise of debt/financing</li> </ul> <p><i>Read more on- Section 5 – A: Acclaiming Trusted Brand Reputation</i></p>	<ul style="list-style-type: none"> <li>• Achieved 64 accolades from both local and international councils or associations for Pavilion Kuala Lumpur Mall</li> <li>• Strong governance structure</li> </ul>	<p>Investments in Intellectual Capital may reduce Pavilion REIT's Financial Capital over the short term; however, it is also likely to increase the value of Human, Financial and Social &amp; Relationship Capitals over the mid and long term. This growth will stem from the benefits of improved wider coverage and recognition.</p>
<b>C</b>	<p><b>Caring for Local Community</b></p> <ul style="list-style-type: none"> <li>▶ Total amount invested into communities: RM0.7 million</li> <li>▶ Strong long-term relationships with business partners and stakeholders with integrity and fairness</li> </ul> <p><i>Read more on Section 5 – C: Caring for Local Community</i></p>	<ul style="list-style-type: none"> <li>• Number of unitholders: 21,648</li> <li>• Community enhancement and wellbeing</li> </ul>	<p>Cultivating strong relationships with its stakeholders while strictly adhering to corporate governance requirements will serve to improve all Capitals. Contributions and support programmes that require Financial Capital will also serve to improve its Social &amp; Relationship, Manufactured, Human and Intellectual Capitals over the longer term.</p>
<b>T</b>	<p><b>Transforming Talent Management</b></p> <ul style="list-style-type: none"> <li>▶ Employee retention rate: 100%</li> <li>▶ Total Training Hours: 460</li> <li>▶ 18.4 average training hours per employees</li> <li>▶ Zero cases of fatalities in 2025</li> <li>▶ 91% employee engagement score</li> </ul> <p><i>Read more on Section 5 – T: Transforming Talent Management</i></p>	<ul style="list-style-type: none"> <li>• High talent attraction and retention</li> <li>• Increased capability of employees</li> <li>• Optimum shopper satisfaction achieved through excellence customer service delivered by skilled workforce</li> <li>• Shopper Satisfaction 81%</li> <li>• Tenant satisfaction 80%</li> </ul>	<p>Investing Financial Capital in upskilling of its people broadens career prospects and empowers them with greater capabilities. Over the long term, this provides immense benefits to Human Capital and Intellectual Capital.</p>

## OUR OPERATING LANDSCAPE

The operating environment in FY2025 continued to be shaped by evolving macroeconomic conditions, shifting consumer behaviour, heightened sustainability expectations and accelerating digital transformation, both globally and within Malaysia. These external developments have influenced cost structures, asset resilience, regulatory compliance requirements and stakeholder expectations across the real estate and retail sectors.

In response, Pavilion REIT closely monitored emerging sustainability-related risks and opportunities that may reasonably be expected to affect its financial performance, operational continuity and long-term value creation. The following key trends highlight the material external developments observed during the year, their implications for Pavilion REIT's business and operations, the actions undertaken by the Manager to mitigate risks and capture opportunities, as well as the forward-looking outlook into FY2026.

### Key Trend 1: Macroeconomy

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia's economy expanded strongly in FY2025, with GDP growth of 5.2% in 3Q2025, supported by resilient domestic demand underpinned by robust household spending, favourable labour market conditions and continued government social assistance programmes such as Sumbangan Tunai Rahmah and Sumbangan Asas Rahmah. Export performance also contributed positively to overall growth momentum.</p> <p>Inflationary pressures remained well contained. Headline inflation averaged 1.3% in 3Q2025, while core inflation increased moderately to 2.0% due to firm domestic demand. This was largely offset by lower administered prices, particularly electricity and diesel, which declined by 0.7%, reflecting a stable cost environment.</p> <p>In terms of monetary policy, BNM maintained the OPR at 3.00% during the first half of FY2025 before reducing it by 25 basis points to 2.75% on 9 July 2025, where it remained through year-end. This accommodative stance supported financing conditions amid stable inflation.</p> <p>From a policy perspective, the operating environment for the property sector underwent notable changes. Effective 1 July 2025, an 8% sales and service tax (SST) was imposed on leasing and rental of commercial property, to which a rebate of 2% was given from 1 January 2026, representing a structural regulatory shift. In addition, uncertainty remains over the expiry of the 10% withholding tax concession on REIT distributions on 31 December 2025. Further, effective 1 January 2025, a new 2% tax on dividend income above RM100,000 per annum was introduced for individual investors, adding another layer of tax consideration for yield-generating investments.</p>	<p>Against this macroeconomic backdrop, strong consumer spending and stable inflation supported tenant sales growth, high occupancy levels and rental sustainability across Pavilion REIT's prime retail portfolio, reinforcing the resilience of its retail-focused business model.</p> <p>The lower interest rate environment reduced financing costs, supporting distributable income and balance sheet strength. At the same time, stable energy prices helped moderate property operating expenses, contributing positively to net property income.</p> <p>However, the introduction of SST on leasing represents a structural increase in occupancy costs for tenants, potentially placing pressure on margins for cost-sensitive retailers. In parallel, uncertainty surrounding the REIT withholding tax concession and the introduction of the 2% dividend tax may affect investor demand and capital market attractiveness, particularly among foreign investors.</p> <p>On the demand side, increased tourist footfall supported retail sales performance, particularly at flagship malls, enhancing tenant performance and income sustainability.</p>	<p>In response, the Manager continues to prioritise a high-quality, consumption-resilient and experiential tenant mix to sustain footfall and tenant sales. Ongoing monitoring of consumer trends ensures portfolio relevance amid evolving spending patterns.</p> <p>To manage cost pressures, the Manager is accelerating energy efficiency initiatives, including LED retrofits, to structurally reduce energy intensity and mitigate exposure to future tariff adjustments. These initiatives also enhance long-term asset resilience.</p> <p>From a capital management perspective, the Manager maintains a prudent approach by optimising debt maturity profiles, managing exposure to interest rate volatility through appropriate hedging strategies, and preserving balance sheet flexibility.</p>	<p>Looking ahead, Malaysia's economic growth is projected to remain within the 4.0%–4.8% range, supported by resilient domestic demand, stable employment conditions and continued investment activity under national development plans, including the Thirteenth Malaysia Plan (RMK13) and Budget 2026 initiatives.</p> <p>Inflation is expected to remain moderate and manageable, with inflation of 1.4% in 2025 and 1.3%–2.0% in 2026, based on MOF's Economic Outlook 2026. Monetary policy is expected to remain accommodative, with the OPR projected to stay at 2.75% throughout 2026, providing a stable financing environment.</p> <p>While regulatory and tax-related uncertainties, including SST, self-stamping, and withholding tax on distribution, may continue to weigh on the sector, Pavilion REIT's strong asset quality, disciplined capital management and sustainability-led operational strategies position it well to navigate these challenges.</p>

# OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Meanwhile, Malaysia’s tourism sector strengthened meaningfully, with tourist arrivals exceeding 28 million as at August 2025, supported by strong regional travel and retail-led tourism. The outlook is further supported by visa exemptions for China and India and upcoming infrastructure improvements, including the Johor–Singapore Rapid Transit System (RTS), expected to be operational by December 2026.</p>		<p>In addressing regulatory changes, lease structures and cost pass-through mechanisms are being reviewed where appropriate, while operational efficiencies and digitalisation initiatives are pursued to offset SST-related cost pressures. Transparent and proactive investor communications are maintained to address evolving tax considerations and reinforce Pavilion REIT’s long-term income stability and value proposition.</p> <p>The Manager also continues to strengthen destination-led retail positioning and collaborates with tourism stakeholders to capture transit-oriented and cross-border retail demand.</p>	<p>Tourism activity is expected to continue expanding under Visit Malaysia Year 2026, supported by improved connectivity such as introduction of new direct flight routes, visa exemptions and promotional efforts, providing continued tailwinds for footfall, tenant performance and income sustainability.</p>

## Key Trend 2: Consumer Spending and Shopping Preferences

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia’s retail industry experienced stronger-than-expected growth, with 3Q2025 retail sales up 4.9% YoY, exceeding the projected 2.6%, according to the latest Malaysia Retail Industry Report by the Retail Group Malaysia.</p> <p>This performance was supported by resilient domestic demand, robust household spending, favourable labour market conditions and government stimulus measures including electricity tariff adjustments, SST expansion, RM100 SARA cash credit and petrol subsidies (RON95 at RM1.99/litre).</p>	<p>These developments led to higher footfall and tenant sales, positively impacting occupancy, rental collection, and overall mall performance.</p> <p>Shifts toward experiential and lifestyle retail required a reassessment of tenant mix, mall activations and service offerings.</p> <p>Growing consumer focus on sustainability encouraged tenants to adopt sustainability-aligned products and services, strengthening Pavilion REIT’s brand value.</p> <p>The revised SST policy impacted discretionary spending in premium retail segments, requiring monitoring to manage potential effects on tenant sales.</p>	<p>The Manager actively curated tenant mix to include lifestyle, entertainment, and dining options aligned with consumer preferences.</p> <p>Pop-up events, experiential programs and marketing campaigns were deployed to enhance shopper engagement.</p> <p>Sustainability initiatives were implemented across properties, including EV charging stations, food waste recycling, LED lighting replacements and ReBag Stations.</p> <p>The Manager also invest in technology and digital marketing to communicate effectively with shoppers.</p>	<p>Malaysia’s consumer sector is expected to remain resilient heading into FY2026, supported by steady household spending, easing cost pressures and a strengthening ringgit, according to research houses. Consumer demand is expected to remain supported by targeted fiscal measures and a gradually improving cost environment.</p> <p>With these conditions in place, Pavilion REIT will continue to strengthen experiential and lifestyle-focused retail offerings to ensure its malls remain attractive destinations for shoppers. Digital engagement initiatives will be further enhanced to improve convenience, customer loyalty and tenant sales performance.</p>

# OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>The positive momentum was further reinforced by broad-based retail activity. Based on the Department of Statistics Malaysia (DOSM) October 2025 report, retail trade sales grew by 6.8% YoY compared to October 2024, led by non-specialised retail stores (9.1%), non-store retail channels (8.6%), automotive fuel retail (7.2%), and specialised food, beverage and tobacco retailers (6.9%). This performance highlights sustained consumer spending across both essential and discretionary categories, as well as the increasing importance of convenience and omnichannel retail.</p> <p>During the year, consumers increasingly sought experiential retail, lifestyle-oriented offerings, and digital convenience, while sustainability became one of the priorities, with shoppers willing to pay more for responsibly produced goods.</p> <p>From a policy perspective, the government confirmed that the proposed High-Value Goods Tax (HVGST) would not proceed, applying instead a 5%-10% SST on luxury and discretionary goods, effective 1 July 2025.</p>		<p>Tenants were engaged through briefings and market insights to adapt to changing consumer behaviour and government policy updates.</p>	<p>The Manager will continue to closely monitor consumer spending patterns, discretionary demand and sustainability preferences, while working with tenants to adapt to changing shopper expectations. Premium and discretionary retail segments will be carefully managed in light of SST changes, alongside ongoing efforts to enhance shopper experience, dwell time and sustainability adoption.</p> <p>Pavilion REIT will also continue to engage shoppers through festive and thematic campaigns, international collaborations, first-in-Malaysia experiences, stronger tenant partnerships, celebrity appearances and reward-based programmes.</p>

## Key Trend 3: Sustainability and Environmental Concerns

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Sustainability is defined as “meeting present needs without compromising future generations’ ability to meet theirs”.</p> <p>Sustainability risks intensified in FY2025 as climate change impacts became more pronounced globally and in Malaysia. Global warming reached an estimated 1.41°C above pre-industrial levels in November 2025, according to the Copernicus Climate Change Service. If current trends persist, the 1.5°C Paris Agreement threshold could be reached as early as 2029, significantly increasing risks from extreme heat, flooding, sea-level rise and infrastructure stress.</p>	<p>In FY2025, rising climate-related risks increased Pavilion REIT’s exposure to physical impacts such as heat stress, intense rainfall and flooding, which could affect asset operations, tenant experience, energy demand, and maintenance costs. Higher temperatures also drive increased electricity consumption, particularly for cooling in large retail assets.</p> <p>At the regulatory level, the eventual enactment of RUUPIN may introduce clearer obligations on climate governance, emissions management and disclosures for property owners and managers. Strengthened climate commitments under Malaysia’s NDC 3.0 also may raise expectations for the REIT sector to demonstrate emissions reduction and energy efficiency improvements. Potential carbon pricing could further increase operating costs, including higher electricity tariffs and indirect cost pass-throughs.</p>	<p>Pavilion REIT continued to implement energy optimisation and preventive maintenance programmes to manage cooling demand, system reliability and weather-related risks. Climate considerations were integrated into ongoing asset management practices.</p> <p>Pavilion REIT has subscribed to TNB’s Green Tariff Scheme for Pavilion Kuala Lumpur Mall and Intermark Mall, reinforcing its commitment to renewable energy. Scope 3 carbon emissions were also monitored in FY2025, providing a more comprehensive view of its environmental impact.</p>	<p>Globally, climate change remains a critical challenge. Forecasts indicate that the average global temperature in 2026 is likely to remain around 1.4°C–1.5°C above pre-industrial levels, continuing the upward trend observed over the past decades. Physical climate risks, including heatwaves, droughts and extreme rainfall events, are expected to intensify, posing increased operational and supply chain risks for businesses worldwide. The growing urgency of these risks is driving higher investments in climate adaptation, resilience measures and advanced monitoring technologies.</p>

# OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia experienced more severe and less predictable weather patterns, including heatwaves exceeding 40°C, repeated flooding in Johor, Sabah and Sarawak, and rare tornado-like events in Sekinchan, Selangor. Rising average temperatures and increasingly erratic rainfall underscore growing physical climate risks to communities and built environments.</p> <p>On the policy front, progress on The National Climate Change Bill or Rang Undang-Undang Perubahan Iklim Negara (Ruupin) was delayed as announced during October 2025 to allow further stakeholder engagement. The bill aims to establish a legal framework for addressing climate change issues in the country.</p> <p>Malaysia submitted its third Nationally Determined Contribution (NDC 3.0) which is an emissions reduction target, to the United Nations Framework Convention on Climate Change Secretariat in late October 2025. For context, countries that are party to the Paris Agreement are supposed to submit an updated or enhanced NDC every five years from 2020 onwards.</p> <p>In this NDC 3.0, the government says current projections indicate that national greenhouse gas emissions are expected to peak between 2029 and 2034. The country aims to peak its emissions by 2030, subject to the availability of support and enabling conditions. Based on this trajectory, Malaysia aims to achieve an absolute reduction of 15 to 30 MtCO<sub>2</sub>eq by 2035 from the peak level, comprising an unconditional reduction of up to 20 MtCO<sub>2</sub>eq and a further 10 MtCO<sub>2</sub>eq reduction, conditional upon the provision of climate finance, technology transfer and capacity-building support from international sources. This is a step up from NDC 2.0, where Malaysia aimed to reduce 45% of emissions intensity (against GDP) in 2030, compared with 2005 levels.</p>	<p>To meet these expectations, Pavilion REIT must effectively measure, monitor and report on its sustainability initiatives. Developing robust frameworks for data collection, analysis and reporting will support compliance with emerging regulations, including the NSRF and build stakeholder trust. Enhanced disclosure practices will also strengthen transparency and focus on long-term value creation through sustainability initiatives.</p> <p>Transitioning to sustainable operations may require adjustments to tenant operations, upfront investments in technology and infrastructure and operational changes. While these investments can be significant, they often or may result in long-term cost savings by reducing energy and resource consumption.</p> <p>While Pavilion REIT's properties are not located in flood-prone areas, extreme weather events still pose a broader risk. As climate-related risks increase, Pavilion REIT must adapt its risk management strategies and consider investments in climate-resilient infrastructure to ensure long-term sustainability.</p> <p>Pavilion REIT must also stay proactive in meeting climate and sustainability targets, leveraging available incentives and avoiding penalties for non-compliance.</p>	<p>To further reduce its carbon footprint, Pavilion REIT offers EV charging ports at its properties and has set targets to reduce water and energy consumption. Water-saving measures, such as rainwater harvesting and air-handling unit condensate recycling, support these goals. Energy efficiency initiatives and proactive monitoring of policy developments help mitigate potential future cost impacts.</p> <p>The Manager monitored policy developments and focused on energy efficiency initiatives to mitigate potential future cost impacts.</p> <p>Complementing these efforts, the Food Compost Initiative converts daily collected food waste into fertiliser, which is made available to shoppers at designated points in the malls. Green Lease clauses were introduced to encourage tenants to adopt sustainable practices, implement energy-saving measures, incorporate eco-friendly fit-outs and collaborate on data sharing, target setting and environmental certifications.</p>	<p>In Malaysia, climate-related risks continue to have tangible impacts. Intensified monsoon rainfall, heat stress and localized flooding are putting pressure on infrastructure, urban planning and operational continuity. Strengthened climate policies under NDC 3.0 and rising public awareness are placing higher expectations on the real estate sector to adopt sustainable practices, improve energy efficiency and demonstrate measurable emissions reductions. Urban and commercial developments, particularly in major cities such as Kuala Lumpur, are increasingly expected to integrate climate resilience into design and operations.</p> <p>For the REIT and real estate sector, including Pavilion REIT, 2026 presents both risks and opportunities. Physical risks such as extreme weather events will continue to affect building operations, maintenance costs, energy demand and tenant experience. Transition risks, including potential carbon pricing and stricter sustainability regulations, are likely to increase operational and compliance requirements. At the same time, REITs that proactively implement energy optimisation, renewable energy adoption, green building certifications, and climate-resilient infrastructure can enhance long-term value, attract ESG-conscious tenants and investors, and mitigate financial and reputational risks.</p>

# OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Malaysia will introduce a carbon tax in 2026, targeting the iron, steel, and energy sectors to accelerate the transition to a low-carbon economy. To date, the government had yet to determine the rate for Malaysia's proposed carbon tax despite media reports suggesting an initial rate of RM15 per tonne of emissions. The government's immediate priority is the tabling of RUUPIN, which will establish the legal and methodological framework for future carbon pricing mechanisms. This includes the development of a robust national emissions baseline under the Ministry of Natural Resources and Environmental Sustainability (NRES), which is a prerequisite before any carbon pricing scheme can be implemented.</p> <p>Sustainability reporting requirements also strengthened. Bursa Malaysia and Securities Commission Malaysia expanded mandatory climate and sustainability disclosures under the National Sustainability Reporting Framework (NSRF), aligned with IFRS S1 and S2, effective from 2025 for large Main Market issuers. Scope 3 emissions reporting will become mandatory by 2027, increasing transparency across value chains.</p>		<p>Pavilion REIT's sustainability efforts are validated by its inclusion in the FTSE4GOOD Bursa Malaysia Index, as well as LEED Gold Certification for Pavilion Kuala Lumpur Mall and Pavilion Tower from the U.S. Green Building Council. Through events and initiatives promoting sustainability awareness, Pavilion REIT fosters positive community engagement and attracts environmentally conscious consumers.</p>	<p>The outlook also underscores the growing importance of robust sustainability reporting and governance. Regulators and investors increasingly demand transparent, consistent and auditable disclosure of climate and ESG performance, including Scope 3 emissions. REITs that strengthen reporting frameworks, align sustainability initiatives with business strategy, and engage tenants and stakeholders collaboratively will be better positioned to navigate evolving regulatory requirements and deliver long-term, sustainable growth.</p>

## Key Trend 4: Technology and Digital Transformation

What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>In FY2025, Malaysia experienced a significant increase in cyber incidents, with 5,735 cases reported nationwide as of September 2025, reflecting growing digital security threats amid rapid digitalisation. This represented an increase of more than 1,000 cases year-on-year, highlighting heightened exposure to fraud, data breaches, malicious code attacks, and unauthorised system intrusions, according to data from the Cyber Security Incident Response Centre (Cyber999) under the CyberSecurity Malaysia.</p>	<p>The rise in cyber incidents heightened Pavilion REIT's vulnerability to fraud, ransomware attacks, and phishing schemes, posing significant operational risks.</p> <p>Such breaches could lead to financial losses, legal liabilities and damage to Pavilion REIT's reputation, impacting investor confidence and stakeholder trust.</p> <p>Furthermore, a cyberattack targeting tenant management systems or financial platforms could disrupt daily operations, causing delays and inefficiencies.</p> <p>To address these risks, the Manager had to ensure alignment with evolving regulatory requirements, including the Cybersecurity Act 2024 and revised SC guidelines.</p>	<p>Pavilion REIT ensure compliance with relevant policies and acts by strengthening internal controls and safeguarding critical infrastructure. To effectively address cybersecurity risks, the Manager established incident response plans designed to detect, contain, and mitigate cyber threats promptly.</p> <p>Proactive measures included phishing email assessment campaign, periodic vulnerability assessments, cybersecurity audits, and penetration testing to identify and resolve weaknesses efficiently.</p>	<p>Looking ahead to FY2026, cybersecurity risks are expected to remain elevated as digital adoption, data-driven operations and online engagement continue to expand across Malaysia's economy. According to PwC's 2026 Global Digital Trust Insights (Malaysia), a majority of Malaysian business leaders have identified cybersecurity and digital trust as a top strategic priority, with increased investment planned in response to escalating threat sophistication and regulatory expectations. This trend underscores the growing recognition of cyber risk as a business-critical issue rather than a purely technical concern.</p>

# OUR OPERATING LANDSCAPE

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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>The rising incidence of cyberattacks underscored systemic vulnerabilities across organisations, particularly where cybersecurity controls and incident response capabilities were insufficient. As cyber risks increasingly carry financial, operational and reputational implications, cybersecurity has become a critical governance issue and an important indicator of management effectiveness.</p> <p>From a regulatory perspective, Malaysia continued to strengthen its cybersecurity framework. The Cyber Security Act 2024 (CSA), which became fully operational in 2025, introduced mandatory cybersecurity standards, risk assessments and incident reporting requirements for designated National Critical Information Infrastructure (NCII) sectors. While REITs are not classified as NCII sector, the Act signals heightened regulatory expectations for structured cybersecurity governance and preparedness across all sectors.</p> <p>In addition, amendments to the Personal Data Protection Act (PDPA) took effect on 1 June 2025, introducing mandatory data breach notification requirements, whereby organisations must report data breaches that are likely to cause significant harm within 72 hours. This development increases compliance obligations for entities handling customer, tenant and employee data, including property owners and managers.</p> <p>Capital market regulators also strengthened technology risk oversight. The Securities Commission Malaysia's revised Guidelines on Technology Risk Management, issued in August 2024 and applicable through FY2025, require capital market entities to assess and implement cybersecurity measures aligned with their operational and technology risk exposures. These developments reinforce expectations for robust cyber risk management, incident response planning, and governance oversight among listed entities, including REITs.</p>	<p>Addressing cybersecurity vulnerabilities required significant investment in technology upgrades, personnel training, and external consultancy services.</p> <p>At the same time, digital technologies presented opportunities for Pavilion REIT to enhance customer engagement by personalising experience through targeted offers, recommendations and loyalty programs.</p> <p>Additionally, Pavilion REIT leverages the growing digital commerce market to attract shoppers beyond its physical locations, utilizing tools such as mobile apps and social media marketing to extend its reach and drive growth.</p>	<p>Additionally, regular cybersecurity awareness programs and training sessions were implemented to equip employees with the knowledge and skills needed to recognize and respond to potential threats.</p> <p>To further protect its digital assets and customer data, Pavilion REIT invested in cybersecurity measures, including authentication protocols, antivirus software, firewalls, encryption tools, and monitoring systems to prevent unauthorised access and data breaches.</p> <p>In parallel, Pavilion REIT advanced digitalization efforts through its member mobile application, enabling mall patrons to stay updated with the latest news, access exclusive offers, and engage with the mall's services seamlessly.</p>	<p>From a regulatory perspective, FY2026 is expected to focus on stronger enforcement and operational maturity of existing requirements rather than the introduction of new legislation. Amendments to the Personal Data Protection Act (PDPA), which came into effect in June 2025, mandate data breach notifications within 72 hours and are expected to drive greater scrutiny on incident detection, escalation, and governance accountability. In parallel, the Cyber Security Act 2024 continues to shape expectations around structured cybersecurity governance, while the Securities Commission Malaysia's Guidelines on Technology Risk Management reinforce the need for listed entities to maintain cyber controls proportionate to their operational and technology risk exposures.</p> <p>Industry forecasts also warn that 2026 could mark the full industrialisation of cybercrime, as attackers harness AI and automation to scale campaigns at unprecedented speed and complexity.</p>

# OUR OPERATING LANDSCAPE

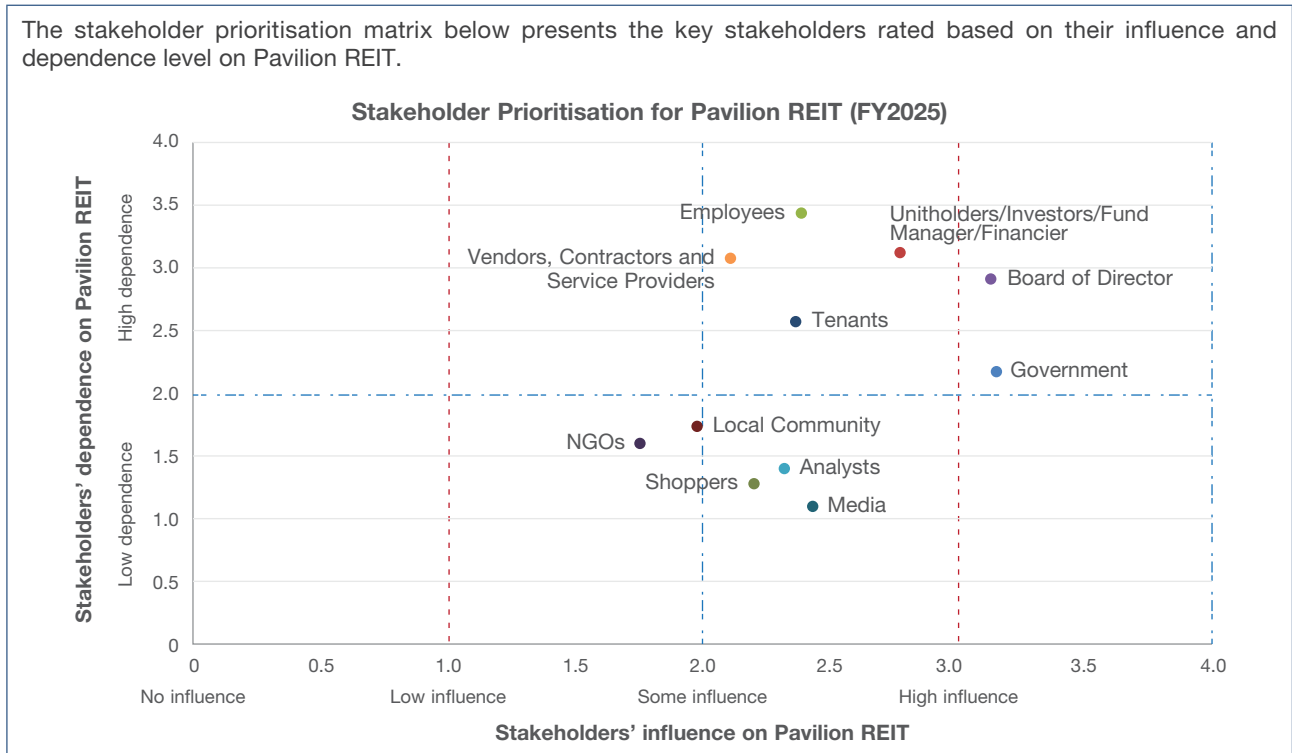
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What happened in FY2025	How it impacts Pavilion REIT	Actions/Strategies	FY2026 Outlook
<p>Overall, FY2025 marked a shift towards more stringent cybersecurity governance, clearer accountability and mandatory breach reporting, elevating cyber risk from an operational concern to a material governance and compliance priority for organisations operating in Malaysia's increasingly digital environment.</p>			<p>For Pavilion REIT, cybersecurity will remain a material operational and governance priority in FY2026 as digital platforms, tenant systems, and customer engagement channels become more integrated into daily operations. Continued emphasis will be required on proactive monitoring, regular testing of incident response plans, employee awareness programmes, and alignment with evolving regulatory expectations. At the same time, digitalisation presents opportunities to enhance customer experience, operational efficiency, and data-driven decision-making, provided these initiatives are supported by robust cybersecurity and data protection controls.</p> <p>Overall, FY2026 is expected to see cybersecurity further embedded into enterprise risk management and sustainability frameworks. Organisations that balance digital innovation with resilient governance, strong internal controls, and transparent reporting will be better positioned to manage emerging cyber risks while sustaining stakeholder confidence and long-term value creation.</p>

# OUR STAKEHOLDERS

The Manager recognizes the importance of a stakeholder-inclusive approach in creating sustainable value. Hence stakeholders’ perspectives are integrated into Pavilion REIT’s business operations. In 2025, Pavilion REIT has conducted a stakeholder prioritisation exercise in which Pavilion REIT’s stakeholders were identified and prioritised with consideration of their influence and dependence on Pavilion REIT.

The stakeholder prioritisation matrix below presents the key stakeholders rated based on their influence and dependence level on Pavilion REIT.



The Manager has also conducted a stakeholder engagement survey to understand stakeholders’ views on the importance of these sustainability matters to Pavilion REIT and their expectations on the Manager’s sustainability management process. The key feedback from internal and external stakeholder groups were analysed and presented in the table below.

Pavilion REIT engages its internal stakeholders through structured and ongoing mechanisms to support effective governance, operational excellence and long-term sustainable value creation.

Internal Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder’s Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Board of Directors	Provides oversight of business direction and makes key decisions on Pavilion REIT’s strategy, governance and long-term value creation	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Quarterly Board meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Strategic direction and performance</li> <li>Integration of sustainability into business strategy</li> <li>Adoption of green building standards</li> </ul>	<ul style="list-style-type: none"> <li>Work closely with the Manager’s CEO and senior management in formulating and reviewing Pavilion REIT’s strategy</li> <li>Evaluate sustainability initiatives and opportunities, including green building certifications</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance;</li> <li>Asset Acquisition and Management;</li> <li>Macroeconomic Issues;</li> <li>Climate Change;</li> <li>Business Ethics and Compliance;</li> <li>Data Privacy and Cybersecurity</li> </ul>

# OUR STAKEHOLDERS

Cont'd

Internal Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
					<ul style="list-style-type: none"> <li>Pavilion Kuala Lumpur Mall and Pavilion Tower achieved LEED Gold Certification from the U.S. Green Building Council</li> </ul>	
Employees	<ul style="list-style-type: none"> <li>Involves in day-to-day operations</li> <li>Possesses knowledge and insights into other stakeholder groups through daily operations</li> </ul>	<ul style="list-style-type: none"> <li>Training programmes</li> <li>Dialogue with senior management</li> <li>Performance appraisals</li> <li>Townhall by C-suite executives</li> <li>Employees Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As needed</li> <li>Annual</li> <li>As needed</li> <li>Every 3 years</li> </ul>	<ul style="list-style-type: none"> <li>Fair and competitive remuneration</li> <li>Learning and career development opportunities</li> <li>Mental health, safety and well-being</li> <li>Diversity, equity and inclusion</li> <li>Employee retention and work-life integration</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate continuous learning through training programmes and seminars</li> <li>Provide equal opportunity without discrimination</li> <li>Maintain a safe, healthy and inclusive working environment</li> <li>Fair and transparent appraisals</li> <li>Review remuneration and benefits periodically</li> <li>Implement human rights and grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Talent Attraction and Retention;</li> <li>Training and Development;</li> <li>Health and Safety;</li> <li>Human Rights Management;</li> <li>Diversity and Equal Opportunity;</li> <li>Business Ethics and Compliance</li> </ul>

Pavilion REIT engages its external stakeholders through structured and ongoing channels to support regulatory compliance, operational excellence, value creation and positive social and environmental outcomes.

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Government	Sets regulatory requirements and policies governing the industry	<ul style="list-style-type: none"> <li>Direct dialogue</li> <li>Policy briefings</li> <li>Consultation sessions and conferences</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Timely awareness of policy and regulatory changes</li> <li>Contribution to broader community development</li> </ul>	<ul style="list-style-type: none"> <li>Monitor EESG-related policies and regulatory developments through regular attestations, compliance monitoring programme and reporting</li> <li>Engage professional advisors and subject-matter experts</li> <li>Participate in community and stakeholder engagement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics and Compliance;</li> <li>Climate Change;</li> <li>Energy Management;</li> <li>Waste Management;</li> <li>Water Management;</li> <li>Health and Safety</li> </ul>

# OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Unitholders/ Investors/ Fund Managers/ Financiers	<ul style="list-style-type: none"> <li>Provides capital and financing to support Pavilion REIT's growth and long-term performance</li> <li>Plays an essential role in ensuring the success of Pavilion REIT</li> </ul>	<ul style="list-style-type: none"> <li>Announcements</li> <li>Annual General Meetings</li> <li>Investor roadshows</li> <li>Electronic communications</li> <li>Integrated Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>Annually</li> <li>As needed</li> <li>As needed</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Stable and sustainable returns</li> <li>Business strategies implementation and progress</li> </ul>	<ul style="list-style-type: none"> <li>Focus on providing unitholders with stable and sustainable income streams</li> <li>Provide timely, transparent and consistent disclosures on financial and sustainability performance</li> <li>Enhance Pavilion REIT's brand value and investor confidence</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance;</li> <li>Asset Acquisition and Management;</li> <li>Macroeconomic Issues;</li> <li>Climate Change;</li> <li>Data Privacy and Cybersecurity</li> </ul>
Analysts	Influences investor sentiment through market and company analysis	<ul style="list-style-type: none"> <li>Announcements</li> <li>Analyst briefings</li> <li>Electronic communications</li> <li>Integrated Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>Twice a year</li> <li>As needed</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Asset performance and portfolio quality</li> <li>Safety and operational standards</li> <li>Timely and transparent reporting</li> </ul>	<ul style="list-style-type: none"> <li>Ensure timely release of announcements, financial results and material information</li> </ul>	<ul style="list-style-type: none"> <li>Economic Performance;</li> <li>Asset Acquisition and Management;</li> <li>Climate Change;</li> <li>Energy Management</li> </ul>
Vendors, Contractors and Service Providers	Provides supplies and services to support Pavilion REIT's operations	<ul style="list-style-type: none"> <li>Meetings</li> <li>Safety briefings and workshops</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent procurement process and vendor selection</li> <li>Compliance with rules and regulations</li> <li>Energy efficiency and environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Build strong relationships with the vendors, contractors and service providers through fair treatment in all dealings</li> <li>Ensure compliance through routine assessments with internally prescribed standards and applicable laws and regulations</li> <li>ABC policy and procedure including whistleblowing portal in place</li> <li>Encourage energy efficiency and emissions reduction where feasible</li> </ul>	<ul style="list-style-type: none"> <li>Procurement and Supply Chain;</li> <li>Business Ethics and Compliance;</li> <li>Health and Safety;</li> <li>Energy Management</li> </ul>

# OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Shoppers	<ul style="list-style-type: none"> <li>Contributes to the traffic of Pavilion REIT malls</li> <li>End consumers of the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Festive performances and activities</li> <li>Promotional events</li> <li>Customer satisfaction surveys</li> <li>Concierge services</li> </ul>	<ul style="list-style-type: none"> <li>Seasonal</li> <li>Ad hoc</li> <li>Every 3 years</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Safe and conducive mall environment with good accessibility</li> <li>Good and diverse retail mix</li> <li>Promotional campaigns to enhance attraction</li> <li>Good connectivity to public transport and convenience in transportation</li> </ul>	<ul style="list-style-type: none"> <li>Respond to feedback from customers</li> <li>Identifying avenues for improving the shopping experience</li> <li>Improve access to neighbouring amenities and transportation</li> </ul>	<ul style="list-style-type: none"> <li>Brand Value and Recognition;</li> <li>Health and Safety;</li> <li>Community and Stakeholder Engagement</li> </ul>
Tenants	Provide rental income and contribute to portfolio performance	<ul style="list-style-type: none"> <li>Update on property activities</li> <li>Tenant meetings</li> <li>24 hours hotline help desk</li> <li>Tenant satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As needed</li> <li>As needed</li> <li>Every 3 years</li> </ul>	<ul style="list-style-type: none"> <li>Good property maintenance</li> <li>High shopper traffic</li> <li>Competitive rental rates</li> <li>Promotional events to drive traffic</li> <li>Tenant engagement and support</li> <li>Conducive operating environment</li> </ul>	<ul style="list-style-type: none"> <li>Ensure any property maintenance or repairs are dealt with expeditiously</li> <li>Provide a comfortable and safe environment with exciting retail mix to maintain high shopper traffic</li> <li>Collaborate with tenants on promotional campaigns and sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Brand Value and Recognition;</li> <li>Energy Management;</li> <li>Waste Management;</li> <li>Health and Safety;</li> <li>Community and Stakeholder Engagement</li> </ul>
NGOs	Support community development and sustainability initiatives through partnerships	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> <li>Events</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibilities</li> <li>Giving back to local communities</li> <li>Waste reduction and recycling</li> </ul>	<ul style="list-style-type: none"> <li>Increase collaboration with NGOs' for charity events or activities</li> <li>Partner with non-government organisation to give back to the local communities</li> <li>Support initiatives promoting waste reduction, recycling and social inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Community and Stakeholder Engagement;</li> <li>Waste Management;</li> <li>Human Rights Management</li> </ul>
Local Community	Create long-term positive social impact in communities surrounding Pavilion REIT's properties	<ul style="list-style-type: none"> <li>Corporate Social Responsibility initiatives</li> <li>Relevant authorities to improve mobility and traffic congestion</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> </ul>	<ul style="list-style-type: none"> <li>Community development</li> <li>Corporate responsibility to give back to the community and create a positive impact</li> <li>Strengthen community ties</li> </ul>	<ul style="list-style-type: none"> <li>Continuously seek to contribute to the communities where the properties are located</li> </ul>	<ul style="list-style-type: none"> <li>Community and Stakeholder Engagement;</li> <li>Health and Safety;</li> <li>Waste Management</li> </ul>

# OUR STAKEHOLDERS

Cont'd

External Stakeholders	Why We Engage	Method of Engagement	Frequency of Engagement	Stakeholder's Issues and Expectations	Our Strategic Response	Key Sustainability Matters Informed
Media	Generates impact through news coverage on Pavilion REIT	<ul style="list-style-type: none"> <li>• Media launches</li> <li>• Media interviews</li> <li>• Media releases</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• As needed</li> <li>• As needed</li> </ul>	<ul style="list-style-type: none"> <li>• Timely and transparent communication</li> <li>• Industry and business performance outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate consistently on developments of interest and business performance in order to propagate Pavilion REIT's brand value and ensure transparency in the eyes of the public</li> </ul>	<ul style="list-style-type: none"> <li>• Brand Value and Recognition;</li> <li>• Business Ethics and Compliance;</li> <li>• Community and Stakeholder Engagement</li> </ul>

## MEMBERSHIP IN ASSOCIATIONS

Pavilion REIT actively shapes the retail landscape by advocating for best practices and holding leadership position in key industry associations.

Association involved:

Organisation	Pavilion REIT's Representative
Malaysian REIT Managers Association	Dato' Philip Ho Yew Hong, Immediate Past Chairman
Malaysia Shopping Mall Association	Dato' Joyce Yap Soh Ching, Honourable Members of Advisory Board Andrew Teoh, Committee Members of Technical

## SHOPPER ENGAGEMENT

### Customer Satisfaction Survey

As shoppers are one of Pavilion REIT's key stakeholder groups, Pavilion REIT conducts customer satisfaction surveys on a periodic basis, typically once every three years, to assess shopper perceptions and expectations across its retail properties, identify emerging trends and gain insights into preferences for sustainable practices. The feedback serves as an important input for implementing improvements that enhance the shopping experience across Pavilion REIT's properties while supporting sustainability initiatives.

The most recent customer satisfaction survey was conducted in August 2024 and focused on key aspects of the shopping experience, including safety, cleanliness, tenant mix, accessibility and overall satisfaction. The findings continue to shape Pavilion REIT's sustainability priorities, operational improvements and customer engagement strategies in FY2025.

The survey results indicated positive customer sentiment overall, with strengths observed in mall environment and tenant offerings. Areas for improvement identified included wayfinding and parking experience. These insights provides operational enhancements and supported the continued prioritisation of "brand value and recognition" and "health and safety" as material sustainability matters.

# OUR STAKEHOLDERS

Cont'd

In response to the feedback received, Pavilion REIT implemented operational enhancements, including improvements to signage and wayfinding, selected parking upgrades and strengthened customer service training across its retail assets.

In FY2025, while no new customer satisfaction survey was conducted, the Manager continued to monitor customer-related feedback through ongoing engagement channels, including tenant meetings, customer service touchpoints, complaint management systems and operational performance indicators. The relevance of previously identified customer-related material matters was reviewed as part of the annual materiality review and remained applicable during the reporting period.

The average customer satisfaction score across Pavilion REIT's malls was 81% based on the most recent survey. For a detailed list of accolades and achievements, please refer to the "Acclaiming Trusted Brand Reputation" under Section 5.4.

## EMPLOYEES ENGAGEMENT

### Employee Engagement Survey

Employees are one of Pavilion REIT's key stakeholder groups and the Manager actively engages employees to understand their needs and enhance workforce well-being, performance and retention. Pavilion REIT conducted its first Employee Engagement Survey in FY2024 to assess employee perceptions and engagement across key areas including work environment, leadership, professional development and company culture. The survey achieved a 77% response rate and a 91% overall satisfaction score.

While no new employee engagement survey was conducted during the year, the Manager focused on implementing initiatives arising from the FY2024 survey findings, including enhancements to employee development programmes, continued leadership engagement and efforts to strengthen workplace culture and employee well-being.

In FY2025, employee engagement and feedback continued to be monitored through ongoing channels such as regular management communications, performance reviews and employee feedback mechanisms. The relevance of employee-related material matters was reviewed as part of the annual materiality review and remained applicable during the reporting period.

Employee engagement surveys are conducted once every three years, supplemented by ongoing engagement and feedback mechanisms. For further details on Pavilion REIT's talent management strategies and initiatives, including how these survey findings will shape the Manager's approach, please refer to the "Transforming Talent Management" under Section 5.6.

## COMMUNITY ENGAGEMENT

### Pavilion Loves Sustainability Week

Pavilion Loves Sustainability Week, held from 7 to 13 July 2025, was the REIT-wide community engagement initiative designed to raise awareness of environmental and social sustainability while strengthening relationships with key stakeholders, including shoppers, employees, tenants and community partners.

A total of 117 employees and non-employees participated in the initiative, contributing 409.5 volunteer hours. Non-employees refer to staff of Kuala Lumpur Pavilion Sdn Bhd that are engaged permanently to manage the relevant Pavilion REIT properties. The programme engaged with approximately 5,000 shoppers through sustainability-focused activities conducted across Pavilion REIT's malls.

# OUR STAKEHOLDERS

Cont'd

In collaboration with participating tenants such as Kiehl's, National Geographic, Royal Selangor, Jo's Cha and Florism De Art, Pavilion REIT implemented recycling, upcycling and education initiatives. Through the Kiehl's recycling programme, 2,104 empty containers, primarily plastic materials, were collected from shoppers for recycling.

Florism De Art conducted a DIY plant workshop using Pavilion REIT's in-house fertiliser, enabling participants to take home succulent plants in sustainable containers. In addition, Pavilion REIT distributed 10,000 packs of fertiliser produced from its food composting initiative during the week, supported by educational panel highlighting Pavilion REIT's food waste-to-compost process.

The initiative also featured external partners, including the Nicol David Organisation (NDO) and Persatuan Seni Jahitan Kuala Lumpur dan Selangor (PSJKM). PSJKM showcased handcrafted items made by single mothers and conducted upcycled textile workshops, supporting income generation and social inclusion. Pavilion Kuala Lumpur Mall served as the venue sponsor for the programme.

As part of the campaign, Pavilion REIT launched the Pavilion REIT Malls' ESG video and announced a partnership with the Nicol David Organisation to support sports community welfare and mental health, leading up to the Sports & Mental Health Summit at Pavilion Bukit Jalil. Overall, the initiative enhanced ESG awareness, showcased tenant-led sustainability practices and strengthened Pavilion REIT's community engagement and ESG profile.

## WWF Tiger Month Collaboration

In conjunction with WWF Tiger Month, Pavilion KL Mall supported WWF Malaysia by sponsoring the activation venue, enabling on-ground conservation outreach focused on the Critically Endangered Malayan Tiger.

The campaign achieved a RM65,604 in funds raised, sufficient to support one full year of tiger conservation efforts. Within seven days, the activation generated 71 sign-ups, reached 12,425 shopper engagements, and facilitated over 710 meaningful conservation-related interactions, strengthening public awareness and community support for wildlife conservation.

For other community engagement initiatives, please refer to the "Caring for Local Community" under Section 5.5.

## TENANT ENGAGEMENT

The Manager periodically engages tenants through health and safety programmes to enhance emergency preparedness, regulatory compliance, and risk awareness across Pavilion REIT's properties. These initiatives support the creation of a safe operating environment and reinforce tenants' roles as key stakeholders in maintaining health and safety standards within the malls.

In FY2025, several health and safety engagement sessions were organised for tenant representatives. These included a Fire Safety Talk held on 25 June 2025, attended by 102 participants, as well as Fire Drill Briefing sessions conducted on 12 and 13 August 2025, with a total attendance of 122 participants. In addition, a Briefing Session with the Ministry of Health on Non-Smoking Compliance and Signage Requirements was conducted on 4 November 2025, with 107 participants in attendance.

These engagement activities strengthened tenants' understanding of emergency response procedures, fire safety protocols and regulatory requirements, contributing to improved preparedness and compliance across Pavilion REIT's portfolio.

For further details on Pavilion REIT's health and safety initiatives, including training programmes conducted for employees and non-employees, please refer to Section 5.6: Transforming Talent Management under Health and Safety.

# OUR STAKEHOLDERS

Cont'd

## Tenant Satisfaction Survey

Understanding and responding to tenants' needs is a key driver of Pavilion REIT's long-term value creation. By fostering strong tenant relationships, the Manager enhances service quality, supports tenant attraction and retention, and strengthens portfolio resilience and cash flow stability.

Pavilion REIT conducts tenant satisfaction surveys once every three years as part of its structured stakeholder engagement approach. The survey assesses service quality and identifies opportunities for improvement across six key areas: mall and office tower facilities, design and fit-out services, leasing and tenancy administration, marketing services, credit control services, and operations and facilities management.

## Key Findings

In FY2025, tenant satisfaction survey covered 100% of tenants, representing 835 tenants across Pavilion REIT's properties. The overall tenant satisfaction score improved to 80%, compared to 75% in FY2023, while the response rate increased from 54% to 67%, reflecting stronger engagement and participation.

Areas identified for further improvement included parking facilities, air-conditioning performance and wayfinding. Notwithstanding these areas, maintenance requests were addressed to tenant satisfaction at an average rate of 96%, demonstrating the Manager's responsiveness to operational matters.

## Engagement on Sustainability Matters

In addition to service quality, the survey engaged tenants on sustainability-related initiatives implemented across Pavilion REIT's malls. Approximately 50% or more of tenants indicated awareness of key initiatives, including EV charging stations, food waste recycling programmes, LED lighting replacements and the ReBag Station (Drop a Bag, Take a Bag).

The Manager also assessed tenants' own ESG readiness. Of the 562 tenants surveyed, 31% (176 tenants) indicated that they currently have ESG programmes in place. A further 44% (245 tenants) are in the planning stage, while 10% (57 tenants) indicated they are not ready to implement ESG initiatives at this time. The remaining tenants expressed intentions to introduce ESG initiatives within the next 12, 24 or 36 months.

## Tenant Perspectives on Pavilion REIT's Sustainability Strategy

Overall, tenant feedback reflected positive and supportive views towards Pavilion REIT's sustainability strategy. Many tenants view sustainability initiatives as a competitive advantage that enhances Pavilion REIT's brand positioning, aligns with tenants' ESG values, improves customer perception and may contribute to operational cost efficiencies, particularly in energy and waste management.

Some tenants expressed conditional support, highlighting that sustainability initiatives are most effective when they are practical, cost-effective and collaboratively implemented, without imposing undue operational burdens.

A smaller group of tenants expressed neutral or mixed views, noting that leasing considerations such as location, rental rates and asset quality remain primary decision factors, while sustainability initiatives add value when they are well-communicated and consumer-engaging.

# OUR STAKEHOLDERS

Cont'd

## Moving Forward

Pavilion REIT values the feedback received from its tenants and will leverage these insights to enhance property services and further advance its sustainability initiatives. The Manager has developed action plan to address the key areas for improvement identified through the tenant satisfaction survey.

Pavilion REIT remains committed to maintaining high levels of tenant satisfaction. By continuously improving service delivery and strengthening communication on Pavilion REIT's ESG initiatives, the Manager aims to encourage greater tenant participation and collaboration in creating a more sustainable environment across its properties.

## VENDOR ENGAGEMENT

### Safety and Health Briefing

Vendors are key stakeholders of Pavilion REIT and the Manager actively engages them to ensure alignment with our sustainability priorities. On 17 June 2025, Pavilion Kuala Lumpur Mall organized a Safety and Health Briefing for all contractors and service providers operating on its premises, with 107 participants in attendance.

The session, facilitated by DOSH – JKPP officers and coordinated by the EHS team, provided updates on the latest legal requirements under the Occupational Safety and Health Act 1994 [Act 514] and the Occupational Safety and Health (Construction Work) (Design and Management) Regulations 2024.

The briefing covered safe working practices, regulatory compliance and contractor responsibilities, reinforcing the role of vendors as integral partners in Pavilion REIT's operations. Following the session, participants were encouraged to apply the learnings in their operations, and Pavilion REIT continues to monitor compliance through regular audits and follow-up engagements.

Through initiatives like this, Pavilion REIT demonstrates its commitment to occupational health and safety, vendor engagement and responsible supply chain management, supporting the broader ESG objective of maintaining a safe, compliant and collaborative working environment.

## OUR MATERIAL MATTERS

In FY2025, the Manager conducted a full-scale materiality assessment to identify and prioritise sustainability matters that are most relevant to Pavilion REIT's business, long-term value creation and stakeholder expectations. The assessment enabled the Manager to identify sustainability-related risks and opportunities (SROs) that could reasonably be expected to affect Pavilion REIT's enterprise value, including its financial performance, financial position and future prospects.

The materiality assessment was aligned with Pavilion REIT's ERM framework and guided by Bursa Malaysia's Sustainability Reporting Guide and the Bursa Malaysia Toolkit: Materiality Assessment (3rd Edition).

In performing the assessment, the Manager considered both internal and external factors affecting the REIT industry, including relevant global megatrends, regulatory developments, climate-related risks and opportunities, and sector-specific risks and opportunities.

While the Manager aims to conduct a comprehensive materiality assessment once every three years, the relevance of previously prioritised EESG impacts arising from day-to-day operations is reviewed annually to ensure continued alignment with Pavilion REIT's evolving risk profile, business strategy and stakeholder expectations.

### Materiality Assessment Process

The Manager applied significant judgement in identifying SROs that could reasonably be expected to affect Pavilion REIT's prospects, as well as the material information related to those risks and opportunities that could influence the decisions of primary users of general-purpose financial reports, including investors, lenders and other creditors.



# OUR MATERIAL MATTERS

Cont'd

Judgement was also applied in determining the applicability of metrics within the industry-based Sustainability Accounting Standards Board (SASB) Standards to Pavilion REIT's business and operating context.

## IDENTIFICATION

STEP 1

- In identifying Pavilion REIT's sustainability matters, the Manager drew information from internal and external sources, including business strategy and focus areas, enterprise risk registers, evolving sustainability trends and macroeconomic context, as well as Bursa Malaysia's MMLR and Sustainability Reporting Guide, to ensure relevance to Pavilion REIT's business operations.

### External sources included:

- Bursa Malaysia's Sustainability Reporting Guide
- Bursa Malaysia's Toolkit: Materiality Assessment (3rd Edition)
- GRI Standards
- SASB
- Peer benchmarking and disclosures
- ESG rating agencies' criteria

### Internal sources included:

- Pavilion REIT's ERM framework
- Management data
- Stakeholder feedback

- The Manager identified SROs that could reasonably be expected to affect Pavilion REIT's prospects over the short, medium and long term and determined the corresponding disclosures required.
- The materiality approach considered both impact materiality (Pavilion REIT's impacts on the environment and society) and financial materiality, assessing how sustainability-related matters could affect Pavilion REIT's enterprise value, including future cash flows, asset valuations, operating costs, capital expenditure requirements and access to financing.
- Climate-related risks and opportunities, including physical risks (such as extreme weather and heat stress) and transition risks (such as energy regulation and carbon pricing), were explicitly identified in line with IFRS S2. Please refer to Section 5.3 P Practicing Responsible Environment Stewardship.
- Short, medium and long term were defined for risks and opportunities section as 0-12 months, 1 to 5 years and beyond 5 years respectively.

## STAKEHOLDER ENGAGEMENT & PRIORITISATION

STEP 2

- The Manager prioritised stakeholders using the toolkit from Bursa Malaysia, identifying key stakeholder groups with high influence and dependence on Pavilion REIT.
- Next, the Manager engaged with 143 internal and external stakeholders to gauge their perception of the importance of the sustainability matters to Pavilion REIT. An online materiality assessment survey was held in August 2025, gathering perspectives from the Board of Directors, employees, government, unitholders/investors/fund managers/financiers, analysts, vendors, contractors and service providers, shoppers, tenants, NGOs, local community and media.
- The prioritisation of sustainability matters considered both stakeholder importance and their relevance to Pavilion REIT's business. Stakeholder feedback reflects the relevance and prioritisation of sustainability matters, while management assessed financial materiality based on potential financial impacts and likelihood of occurrence, leveraging Pavilion REIT's ERM assessment parameters.

## IMPACT ASSESSMENT

STEP 3

- Leveraging on Pavilion REIT's existing ERM assessment parameters (financial and non-financial), the Manager conducted an impact assessment workshop to determine the potential degree of impact and likelihood of occurrence of identified sustainability matters. The workshop was attended by the CEO and key management representatives from retail, finance, IT, marketing, leasing, facilities management, operations, human resources, investment, legal and compliance.
- The impact assessment considered potential financial implications, including effects on operating costs, rental income, asset valuation, capital expenditure and financing costs.
- For climate-related matters, management considered different climate-related scenarios to assess the resilience of Pavilion REIT's assets and operations.
- The prioritised sustainability matters were validated against stakeholder expectations and their relevance to Pavilion REIT's financial performance and enterprise value.
- The outcome of the materiality assessment was presented graphically in a materiality matrix to illustrate the relative importance of each prioritised sustainability matter.

## VALIDATION

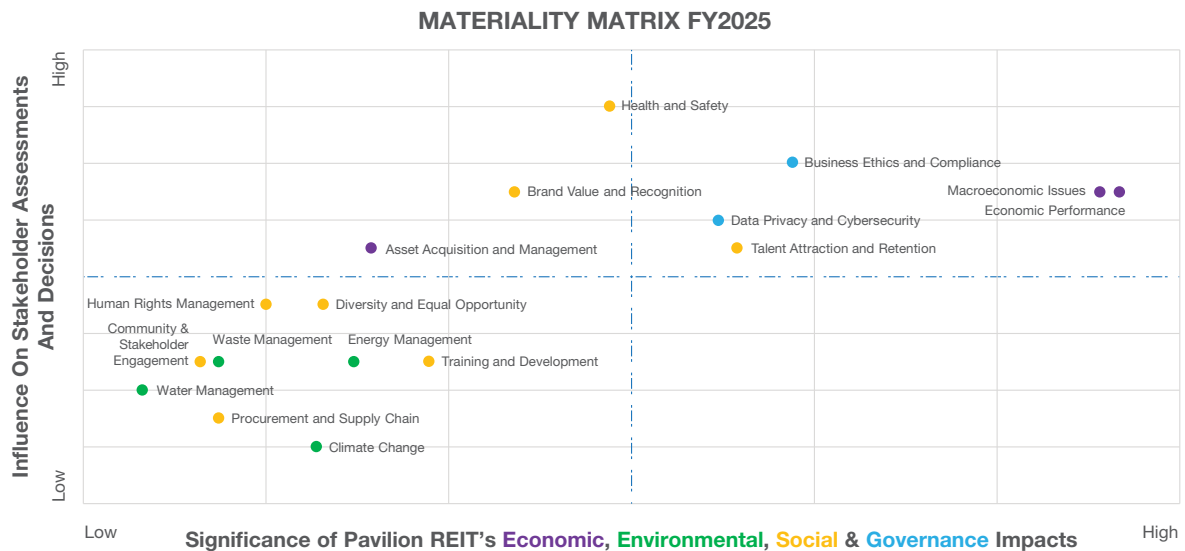
STEP 4

- The impact of material sustainability matters was reviewed, taking into account emerging trends, evolving stakeholder expectations and overall business performance.
- The Sustainability Working Committee reviewed the outcomes of the materiality assessment, which were subsequently deliberated and approved by the Board Sustainability Committee, providing oversight on sustainability-related risks and opportunities.
- Pavilion REIT finalised its materiality assessment, including the identification of SROs, as at the end of the 2025 reporting period. Events and changes during the period, such as master tenancy of DA MEN Mall to Easyhome and hotel acquisitions, were considered as part of the materiality determination process.
- Material sustainability matters are reviewed annually, with a full materiality assessment conducted every three years, and reassessed when significant events occur, including acquisitions, disposals, regulatory changes or shifts in market conditions.

# OUR MATERIAL MATTERS

Cont'd

The materiality matrix below presents the current material sustainability matters for Pavilion REIT.



Based on the outcome of materiality assessment (as shown in the materiality matrix above), the top 10 material matters have been identified.

Top 10 material matters were selected based on their relative position in the high-impact, high-stakeholder-influence quadrant of the FY2025 Materiality Matrix.

Climate Change is identified as a material matter due to its potential impact on asset performance, operating costs, insurance coverage and long-term asset valuation. As a real estate investment trust, the Manager recognises that physical climate risks and transition risks may affect portfolio resilience. Pavilion REIT's approach aligns with Bursa Malaysia's Sustainability Reporting Guide and supports future readiness for climate-related disclosures.

No.	Top 10 Material Matter	ESG Pillar
1	Economic Performance	Economic
2	Macroeconomic Issues	Economic
3	Business Ethics and Compliance	Governance
4	Data Privacy and Cybersecurity	Governance
5	Talent Attraction and Retention	Social
6	Health and Safety	Social
7	Brand Value and Recognition	Economic / Social
8	Asset Acquisition and Management	Economic / Environmental
9	Climate Change	Environmental
10	Energy Management	Environmental

These key material matters are of high significance to Pavilion REIT's stakeholders and business. The Manager is committed to manage these matters in a responsible way to create sustainable value for Pavilion REIT's business and stakeholders.

More details of how these material matters are managed are demonstrated in different IMPACT pillars under *Section 5: Creating Sustainable Impact*. Through this comprehensive materiality assessment, we have identified one new sustainability matter i.e. Macroeconomic Issues. Macroeconomic Issues were identified as a material sustainability matter due to their growing relevance and potential impact on Pavilion REIT's financial resilience, operational stability, long-term asset value and ability to deliver sustainable returns to unitholders. The table below outlines the key sustainability matters identified by Pavilion REIT.

## OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
1	Economic	Economic Performance	Ensures stable financial returns, supports business continuity and strengthens confidence among tenants, unitholders and stakeholders. Focuses on internal performance and operational efficiency.	<ul style="list-style-type: none"> <li>• US Tariff Implication on Operational Cost</li> <li>• Single Tenant Dependency Risk</li> <li>• Acquisition and Investment Risk</li> <li>• Valuation Risk</li> <li>• Collection, Credit and Liquidity Risk</li> <li>• Financing Risk</li> <li>• Interest Rate Risk</li> <li>• Business Continuity Risk</li> </ul>	SDG 8	Please refer to Section 5; I: Investing Strategically sub-section for further details on management approach.
2	Economic	Asset Acquisition and Management	Drives sustainable value creation by ensuring that property acquisitions and management decisions contribute to long-term income, portfolio diversification, and resilience, benefiting both the REIT and its stakeholders.	<ul style="list-style-type: none"> <li>• Acquisition and Investment Risk</li> <li>• Valuation Risk</li> <li>• Collection, Credit and Liquidity Risk</li> <li>• Financing Risk</li> <li>• Interest Rate Risk</li> <li>• Business Continuity Risk</li> </ul>	SDG 8	
3	Economic	Macroeconomic Issues	External economic trends and disruptions can affect tenant sales, consumer spending, property valuations, and investment returns. Proactively addressing these issues helps safeguard long-term value and ensures market sustainability for stakeholders.	<ul style="list-style-type: none"> <li>• US Tariff Implication on Operational Cost</li> <li>• Interest Rate Risk</li> </ul>	SDG 8	
4	Economic/ Social	Procurement and Supply Chain	Supporting local procurement and ensuring alignment of values during the vendor evaluation process, taking into consideration EESG factors	<ul style="list-style-type: none"> <li>• US Tariff Implication on Operational Cost</li> <li>• Business Continuity Risk</li> <li>• Legal and Regulatory Compliance Risk</li> <li>• Process and System Failure Risk</li> </ul>	SDG 12	
5	Governance	Business Ethics and Compliance	Zero-tolerance approach to bribery and corruption and strive to comply to regulatory requirements and standards, whilst maintaining business integrity and ethical conduct	<ul style="list-style-type: none"> <li>• Brand Reputation Risk</li> <li>• Legal &amp; Regulatory Compliance Risk</li> <li>• Community &amp; Stakeholder Engagement Risk</li> </ul>	SDG 16	Please refer to Section 5; M: Maintaining Good Governance sub-section for further details on management approach.
6	Governance	Data Privacy and Cybersecurity	Developing information technology system to maintain data privacy and secure data of stakeholders	<ul style="list-style-type: none"> <li>• Scam/Phishing (Cybersecurity Risk)</li> <li>• Business Continuity Risk</li> <li>• Legal and Regulatory Compliance Risk</li> <li>• Process and Systems Failure Risk</li> </ul>	SDG 8 SDG 9	

# OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
7	Environmental	Climate Change	Incorporating adequate climate change strategy and green practices in Pavilion REIT's properties to improve energy efficiency and reduce carbon emission in support of the national's climate change agenda	<ul style="list-style-type: none"> <li>Climate Change Risk</li> <li>Business Continuity Risk</li> <li>Process and Systems Failure Risk</li> <li>Legal and Regulatory Compliance Risk</li> </ul>	SDG 13	Please refer to Section 5; P: Practicing Responsible Environment Stewardship sub-section for further details on management approach.
8	Environmental	Energy Management	Striving to reduce energy consumption through energy-efficient installations and equipment and renewable energy mix to minimise environmental impact	<ul style="list-style-type: none"> <li>Process and Systems Failure Risk</li> <li>Legal and Regulatory Compliance Risk</li> <li>Climate Change Risk</li> <li>Business Continuity Risk</li> </ul>	SDG 7 SDG 13	
9	Environmental	Waste Management	Reducing waste generated whilst having sufficient internal control and waste management system to reduce adverse environmental impacts	<ul style="list-style-type: none"> <li>Process and Systems Failure Risk</li> <li>Legal and Regulatory Compliance Risk</li> <li>Climate Change Risk</li> <li>Business Continuity Risk</li> </ul>	SDG 12	
10	Environmental	Water Management	Establishing effective internal control and monitoring mechanism to optimize water usage and minimize environmental impacts	<ul style="list-style-type: none"> <li>Process and Systems Failure Risk</li> <li>Legal and Regulatory Compliance Risk</li> <li>Climate Change Risk</li> <li>Business Continuity Risk</li> </ul>	SDG 6	
11	Economic / Social	Brand Value and Recognition	Strategies to maintain brand value and recognition, increase trust and confidence amongst stakeholders	<ul style="list-style-type: none"> <li>Brand Reputation (Reputation Risk)</li> <li>Single Tenant Dependency Risk</li> <li>Process and Systems Failure Risk</li> <li>Community &amp; Stakeholder Engagement Risk</li> </ul>	SDG 8 SDG 16	Please refer to Section 5; A: Acclaiming Trusted Brand Reputation sub-section for further details on management approach.
12	Social	Community and Stakeholder Engagement	Initiatives to support and engage the local community through CSR programmes, raising awareness on social issues and promoting art and culture.	<ul style="list-style-type: none"> <li>Brand Reputation (Reputation Risk)</li> <li>Community &amp; Stakeholder Engagement Risk</li> </ul>	SDG 3 SDG 11	Please refer to Section 5; C: Caring for Local Community sub-section for further details on management approach.

# OUR MATERIAL MATTERS

Cont'd

No.	EESG	Sustainability Matters	What It Means for Pavilion REIT	Mapping to Pavilion REIT's Key Risks	Mapping to UNSDGs	How do Pavilion REIT manage this matter?
13	Social	Talent Attraction and Retention	Enhancing efforts to attract, motivate and reduce employee turnover at work through providing a rewarding working environment	<ul style="list-style-type: none"> <li>Talent Attraction and Retention Risk</li> </ul>	SDG 5 SDG 8 SDG 10	Please refer to Section 5; T: Transforming Talent Management sub-section for further details on management approach.
14	Social	Training and Development	Promoting high-performances work culture through continuous development and improvement of employees' skills and competencies	<ul style="list-style-type: none"> <li>Talent Attraction and Retention Risk</li> </ul>	SDG 4 SDG 5 SDG 8	
15	Social	Human Rights Management	Improving human rights practices through conduct of social and human rights audit in the organization and across the value chain	<ul style="list-style-type: none"> <li>Legal and Regulatory Compliance Risk</li> <li>Process and Systems Failure Risk</li> </ul>	SDG 8	
16	Social	Diversity and Equal Opportunity	Promoting diversity and equality at work through merit-based employment, regardless of age, gender, ethnicity and disability, religion or any other status	<ul style="list-style-type: none"> <li>Talent Attraction and Retention Risk</li> </ul>	SDG 5 SDG 8 SDG 10	
17	Social	Health and Safety	Establishing a safe and healthy working environment by setting up processes and policies for the prevention, detection, risk assessment and reporting of health and safety matters	<ul style="list-style-type: none"> <li>Physical Injury of Customers in Building (Health &amp; Safety Risk)</li> <li>Business Continuity Risk</li> <li>Legal and Regulatory Compliance Risk</li> </ul>	SDG 3 SDG 8	

## OUR RISK AND OPPORTUNITIES

The Manager adopts a structured Enterprise Risk Management (ERM) process to identify its business risks and lessen their impact on Pavilion REIT. The core element of the process involves identification, measurement, control, constant monitoring and communication of associated risks. This allows the Manager to address and mitigate potential risks and seize any opportunities that could create value for Pavilion REIT's stakeholders and bring Pavilion REIT to greater heights. To ensure accountability, the Board maintains oversight on the identification of principal risks and ensures the implementation of appropriate control to manage these risks.

Pavilion REIT's ERM framework has integrated sustainability and climate-related risks in addition to its corporate, financial and operational risks. The Manager ensure all identified risks stay within its risk appetite through revision and monitoring by designated risk owners and the Manager's CEO and further deliberation by the Board Risk Management and Sustainability Committee. For further details on the risk governance structure and risk management process, please refer to Section 6.6 Statement on Risk Management and Internal Control.

The table below is the details of the key risks associated with Pavilion REIT mapped against identified material sustainability matters. The details of the Manager's strategy, approach and performance data are available in Section 5 of the Report.

### Guidance Notes:

Risk Appetite	Risk Level	Time Horizon	Risk Trend	Opportunity
The level of risk that Pavilion REIT is willing to accept in pursuit of its objectives.	The overall rating of a risk after assessing its likelihood and impact (e.g. Low, Medium, High, Significant).	The period over which a risk is expected to materialise or impact operations (short-, medium or long-term). Pavilion REIT defines short term as 0–12 months, medium term as 1 to 5 years, and long term as beyond 5 years.	The direction the risk is moving compared to the previous period (Increasing, Stable, Decreasing).	Potential positive outcomes or value creation that may arise from the same circumstances as a risk, where effectively managed.

### Item No. 1

Risk Category	Cybersecurity Risk
Risk Name	Scam / Phishing
Risk Description	Frequent phishing and scam attempt via emails and messaging platforms aim to deceive users into clicking malicious links disguised as legitimate alerts (e.g., password expiry or account compromise), potentially leading to malware infection and system vulnerability.
Risk Appetite	Pavilion REIT has a low appetite for cybersecurity threats such as scams and phishing, prioritising strong preventive controls and user awareness to safeguard data and systems.
Risk Level	Medium
Time Horizon	Short
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Heads of Business Units</li> <li>IT Department</li> </ul>
Opportunities	Enhance cybersecurity awareness, strengthen system resilience and build stakeholder trust through improved controls and staff training.

## OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Cybersecurity Risk
Risk Name	Scam / Phishing
Mitigation	<ul style="list-style-type: none"> <li>Conducted ongoing user education and awareness campaigns on scams and phishing attempts through multiple communication channels (emails, chat, and social media). Regular reminders on the DOs and DON'Ts, and how to identify and avoid suspicious messages, are shared with all staff.</li> <li>Provided IT security training sessions, including hands-on classes on detecting, avoiding, and responding to phishing or scam attempts.</li> <li>Encouraged users to report suspicious emails or activities promptly to the IT Department for verification and action.</li> <li>Implemented an email alert banner for all incoming external messages to remind users not to click on unknown or suspicious links.</li> <li>Launched a phishing email simulation campaign to educate staff on various phishing techniques; employees who fail three times are required to attend refresher cybersecurity training.</li> <li>Maintained a cyber threat incident response protocol and disaster recovery plan, tested annually to ensure preparedness and system resilience.</li> <li>Standard Operating Procedures for Cyber Incident Management, System Development Life Cycle (SDLC), Patch Management, Technology Refresh, and Artificial Intelligence (AI) have been rolled out this year to ensure all employees adhere to consistent and secure IT practices.</li> <li>IT practices were reviewed and audited by internal auditors, at least once every 3 years.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Data Privacy and Cybersecurity</li> </ul>

## Item No. 2

Risk Category	Macroeconomic Risk
Risk Name	US Tariff Implication on Operational Costs
Risk Description	US-imposed tariffs may increase operational costs due to rising material and parts costs for the maintenance and servicing of existing properties' upkeep. Additionally, these tariffs could result in higher expenses for tenants, leading to reduced profit margins. As a consequence, landlords may face difficulties in negotiating higher rental increases, potentially impacting overall rental income.
Risk Appetite	Pavilion REIT has a moderate risk appetite for macroeconomic factors that are beyond its direct control but continues to mitigate exposure through cost management, tenant diversification and long-term financial/ procurement planning.
Risk Level	Medium
Time Horizon	Medium
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Heads of Business Units</li> </ul>
Opportunities	Opportunity to collaborate with tenants to enhance operational resilience through shared initiatives and long-term partnerships. This includes increasing local sourcing of products and services and adopting automation to reduce dependency on imported materials and mitigate tariff-related cost pressures.
Mitigation	<ul style="list-style-type: none"> <li>Regularly monitor macroeconomic and tariff developments to assess potential cost impacts.</li> <li>Implement tenant support initiatives, including enhanced promotional campaigns and joint marketing activities, to sustain mall footfall and tenant sales performance amid rising operational costs.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Macroeconomic Issues</li> <li>Procurement and Supply Chain</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 3

Risk Category	Reputation Risk
Risk Name	Brand Reputation
Risk Description	Negative impact on brand equity and value arising from bad publicity, poor public perception or loss of confidence among shoppers and stakeholders.
Risk Appetite	Pavilion REIT has a low appetite for reputational risks that could undermine stakeholder trust or diminish brand value. The organisation prioritises proactive communication, service quality and stakeholder engagement to safeguard its reputation.
Risk Level	Medium
Time Horizon	Short to Medium
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Marketing Department</li> <li>Heads of Business Units</li> </ul>
Opportunities	Leverage strong brand recognition to enhance stakeholder confidence, attract premium tenants and promote Pavilion REIT's leadership in sustainability and shoppers experience.
Mitigation	<ul style="list-style-type: none"> <li>Crisis management manual and SOPs are established, with regular training for PR, social media and customer service teams.</li> <li>A PR agency is on retainer to support crisis and media management.</li> <li>Daily monitoring of social media and proactive handling of complaints are in place, including verification of official accounts and surveillance for fake channels.</li> <li>Fake accounts are reported to MCMC and police, with public notices posted to warn users.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Brand Value and Recognition</li> <li>Community and Stakeholder Engagement</li> <li>Business Ethics and Compliance</li> </ul>

## Item No. 4

Risk Category	Health & Safety Risk
Risk Name	Physical Injury of Customers in Building
Risk Description	Physical injury caused by falls due to wet or slippery floors, tripping hazards from elevated platforms, event decorations or floor cable casings, and incidents involving fallen objects (e.g. shattered glass fragments, sharp objects, or exposed electrical cables), which may result in customer injuries, complaints, legal implications, or liability claims.
Risk Appetite	Pavilion REIT has a very low appetite for incidents that may cause physical harm to customers or result in reputational or legal exposure.
Risk Level	Medium
Time Horizon	Short
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Facilities Management Department</li> <li>Operations Department</li> </ul>
Opportunities	Promote Pavilion REIT's commitment to safety and well-being, enhancing public trust and tenant satisfaction. Strong safety performance also supports potential reductions in insurance premiums and operational disruptions.

## OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Health & Safety Risk
Risk Name	Physical Injury of Customers in Building
Mitigation	<ul style="list-style-type: none"> <li>• Cleaning teams are deployed to promptly clean any spilled water or wet floors, with cleaners on maintenance rounds intensified during heavy rain.</li> <li>• Prominent caution and warning tapes are displayed at potential hazard spots.</li> <li>• Event decorations setups are reviewed by the EHS team, which also conducts periodic safety checks and observations.</li> <li>• The Safety Committee reports unsafe or hazardous conditions for immediate action, while Operations teams continuously review and recommend improvements based on past incidents.</li> <li>• Public Liability and Third-Party Bodily Injury insurance coverage is maintained to mitigate potential claims.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>• Health and Safety</li> </ul>

## Item No. 5

Risk Category	Tenant Concentration Risk
Risk Name	Single Tenant Dependency Risk (DA MEN Mall)
Risk Description	Overreliance on Easyhome (master tenant) as a single tenant exposes DA MEN Mall to potential revenue loss and reputational impact if the tenant underperforms, defaults or exits.
Risk Appetite	Pavilion REIT has a low appetite for revenue concentration risks that may arise from dependence on a single tenant. Management prioritises portfolio diversification and active monitoring of tenant performance
Risk Level	Medium
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>• Asset Managers</li> <li>• Leasing Department</li> <li>• Finance Department</li> <li>• Facilities Management Department</li> </ul>
Opportunities	Leverage on partnership with Easyhome to attract synergistic tenants and enhance mall positioning. Reconfiguration or re-leasing of space offers potential to improve tenant mix and rental yield in the long term.
Mitigation	<ul style="list-style-type: none"> <li>• Finance and Leasing teams regularly monitor the master tenant's financial and operational performance, supported by ongoing relationship management with the tenant's leadership team.</li> <li>• Monthly mall visits are conducted to assess sub-tenancy take-up rates and tenant quality.</li> <li>• Property manager has been engaged to provide oversight of facilities management to ensure compliance with regulatory requirements.</li> <li>• Finance, Leasing and Facilities Management jointly review progress through regular site visits and engagement.</li> <li>• Market trends and the master tenant's financial health are continuously monitored to identify early warning signals.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Brand Value and Recognition</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 6

Risk Category	Strategic Risk
Risk Name	Acquisition and Investment Risk
Risk Description	Risk that acquisitions or investments do not deliver accretive returns or strategic fit, resulting in adverse impacts on Pavilion REIT's financial performance, portfolio quality, sustainability objectives and unitholder value.
Risk Appetite	Pavilion REIT has a low tolerance for non-accretive or value-dilutive investments. All acquisitions and capital investments must be earnings-accretive, strategically aligned and meet clearly defined financial, operational, sustainability criteria, with risks mitigated to an acceptable level prior to approval.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Asset Managers</li> </ul>
Opportunities	A prudent acquisition and investment strategy enables Pavilion REIT to enhance portfolio resilience, improve asset quality and sustainability performance as well as deliver stable long-term income growth, thereby strengthening investor confidence and long-term unitholder value.
Mitigation	<ul style="list-style-type: none"> <li>Conduct comprehensive financial, operational, legal, tax and sustainability due diligence prior to any acquisition or investment.</li> <li>Assess acquisitions against clearly defined investment criteria, including yield accretion, risk-adjusted returns, strategic fit and sustainability performance.</li> <li>Subject all investments to board for approval</li> <li>Perform post-acquisition performance reviews to ensure investment objectives and assumptions are achieved.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> </ul>

## Item No. 7

Risk Category	Strategic Risk
Risk Name	Valuation Risk
Risk Description	Risk that property valuations may not be sustainable due to changes in market conditions, asset performance or tenant quality, potentially affecting Pavilion REIT's asset value, profitability, gearing levels and investor confidence.
Risk Appetite	Pavilion REIT has a low risk appetite for valuation volatility and seeks to maintain stable and sustainable property valuations through proactive asset management, portfolio diversification and prudent capital management.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Asset Managers</li> </ul>
Opportunities	Effective asset and tenant management enables Pavilion REIT to optimise tenant mix, maintain high occupancy rates, enhance net lettable area and rental potential, and strengthen the long-term attractiveness and valuation of its properties.

## OUR RISK AND OPPORTUNITIES

Cont'd

Risk Category	Strategic Risk
Risk Name	Valuation Risk
Mitigation	<ul style="list-style-type: none"> <li>Proactively curate and optimise tenant mix to drive quality and sustainable shopper traffic.</li> <li>Actively manage tenant performance and lease structures to support rental growth and occupancy stability.</li> <li>Implement ongoing AElS to improve asset quality, shopper experience and long-term valuation resilience.</li> <li>Monitor market conditions and valuation assumptions to ensure timely management actions.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> </ul>

## Item No. 8

Risk Category	Financial Risk
Risk Name	Collection, Credit and Liquidity Risk
Risk Description	Risk that delayed or non-payment by tenants or counterparties may disrupt Pavilion REIT's liquidity, potentially resulting in impaired receivables, the need for temporary borrowings to support operational requirements and reductions in distributions to unitholders. Effective credit assessment, proactive tenant engagement, and timely collection management are essential to safeguard the REIT's financial stability and protect unitholder value.
Risk Appetite	Pavilion REIT has a low tolerance for cash flow disruptions and seeks to maintain sufficient liquidity through reliable tenant collections and prudent credit management.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Finance Department</li> <li>Leasing Department</li> </ul>
Opportunities	Ensuring timely collections and managing credit risk enhances Pavilion REIT's liquidity, supports uninterrupted operations and safeguards stable distribution to unitholders. Strong tenant relationships also reinforce long-term occupancy and portfolio resilience.
Mitigation	<ul style="list-style-type: none"> <li>Conduct thorough credit evaluation and due diligence on all new tenants or counterparties before entering agreements.</li> <li>Maintain continuous engagement with existing tenants to strengthen relationships and anticipate potential payment issues.</li> <li>Apply stringent collection policies and actively follow up on outstanding receivables.</li> <li>Offer temporary support measures (e.g., rebates, deferred base rent increases) where appropriate to assist tenants in meeting obligations.</li> <li>Escalate to legal action if settlement negotiations fail and receivables remain unpaid.</li> <li>Monitor liquidity regularly and maintain contingency funding plans to ensure operational continuity.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 9

Risk Category	Financial Risk
Risk Name	Financing Risk
<b>Risk Description</b>	Risk that Pavilion REIT may be unable to obtain or renew financing facilities on favourable terms, or that changes in interest rates could increase borrowing costs, reducing income before taxation and distributable income to unitholders.
<b>Risk Appetite</b>	Pavilion REIT maintains a low tolerance for financing and interest rate risks, seeking to ensure sufficient access to funding at reasonable cost while protecting income and distributions to unitholders.
<b>Risk Level</b>	Low
<b>Time Horizon</b>	Medium to Long
<b>Risk Trend</b>	Stable
<b>Risk Owner</b>	<ul style="list-style-type: none"> <li>Finance Department</li> </ul>
<b>Opportunities</b>	Proactive financing and interest rate management can improve Pavilion REIT's financial flexibility, reduce funding risk and enhance predictability of income and distributions to unitholders. Strategic use of fixed-rate borrowings or hedging instruments can also optimise funding costs.
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>Engage lenders and debt capital market participants to secure favourable funding terms, including tenor, pricing, and covenants.</li> <li>Diversify funding sources to reduce reliance on a single institution or channel.</li> <li>Maintain adequate debt service capacity to ensure financial flexibility.</li> <li>Monitor interest rates and use fixed-rate borrowings or hedging instruments strategically to manage interest rate risk.</li> </ul>
<b>Mapping to Pavilion REIT's Sustainability Matters</b>	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> </ul>

## Item No. 10

Risk Category	Financial Risk
Risk Name	Interest Rate Risk
<b>Risk Description</b>	Risk of unfavourable movements in floating interest rates, which could increase borrowing costs and reduce Pavilion REIT's income before taxation and distributable income to unitholders. Despite Malaysia's OPR being 2.75% in 2025, effective interest rate management remains essential to protect income and distributions.
<b>Risk Appetite</b>	Pavilion REIT maintains a low tolerance for unexpected increases in borrowing costs and actively manages interest rate exposure to preserve stable income and distributions.
<b>Risk Level</b>	Low
<b>Time Horizon</b>	Medium to Long
<b>Risk Trend</b>	Stable
<b>Risk Owner</b>	<ul style="list-style-type: none"> <li>Finance Department</li> </ul>
<b>Opportunities</b>	Proactive interest rate risk management enhances financial predictability, optimises borrowing costs and strengthens Pavilion REIT's ability to maintain stable distributions. Strategically using fixed-rate borrowings or hedging instruments can reduce vulnerability to interest rate fluctuations and improve investor confidence.
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>Hedge interest rate exposure using appropriate instruments.</li> <li>Monitor market rates and convert floating-rate debt to fixed-rate strategically when timing is favourable.</li> <li>Incorporate interest rate considerations into financial planning and debt structuring, ensuring that debt service remains manageable under various scenarios.</li> </ul>
<b>Mapping to Pavilion REIT's Sustainability Matters</b>	<ul style="list-style-type: none"> <li>Asset Acquisition and Management</li> <li>Economic Performance</li> <li>Macroeconomic Issues</li> </ul>

## OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 11

Risk Category	Operational / Financial / Strategic / Compliance Risk
Risk Name	Business Continuity Risk
Risk Description	Risk that Pavilion REIT's operations may be disrupted, preventing the business from operating at an optimal level. Effective business continuity planning is essential to safeguard staff, tenants, critical systems and unitholder value during unforeseen events.
Risk Appetite	Pavilion REIT maintains a low tolerance for operational disruptions and prioritises preparedness to ensure continuity of critical operations and services.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	Heads of Business Units Asset Managers
Opportunities	Enhancing business continuity capabilities improves operational resilience, protects tenant and stakeholder confidence and supports Pavilion REIT's reputation as a reliable and well-managed investment.
Mitigation	<p><b>IT &amp; Systems</b></p> <ul style="list-style-type: none"> <li>Conduct annual disaster recovery plan; cloud-based and on-premise systems validation to meet recovery time and recovery point objective.</li> <li>Periodic review of IT systems, user privileges and remote access capabilities to maintain system resilience.</li> </ul> <p><b>EHS &amp; Security</b></p> <ul style="list-style-type: none"> <li>Regular emergency response team training for fire, hazard and earthquake scenarios, including EV fires and chemical storage incidents.</li> <li>Tenant fire safety briefings and evacuation drills to ensure life safety and effective assembly point management.</li> <li>Tabletop and full-scale BCP exercises, including coordination with Security, Fire, First Aid and external agencies (BOMBA, St. John Ambulance), validating evacuation, interagency communication and operational recovery.</li> </ul> <p><b>Finance</b></p> <ul style="list-style-type: none"> <li>Financial backups, disaster recovery, dual authorisation, segregation of duties and cross-training of staff to maintain financial operations during disruption.</li> <li>Cloud-based accounting system and remote access capabilities for operational continuity.</li> </ul> <p><b>HR &amp; Legal</b></p> <ul style="list-style-type: none"> <li>Succession planning to reduce dependency on key individuals.</li> <li>Secure storage and accessibility of legal documents for operational continuity.</li> </ul> <p><b>Marketing &amp; Communication</b></p> <ul style="list-style-type: none"> <li>Crisis management manual in place, including disaster recovery for CRM systems and online communication plans.</li> </ul> <p><b>Governance &amp; Monitoring</b></p> <ul style="list-style-type: none"> <li>Regular risk reviews, mitigation updates and staff training to maintain readiness and resilience.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Data Privacy and Cybersecurity</li> <li>Health and Safety</li> <li>Climate Change</li> <li>Brand Value and Recognition</li> <li>Asset Acquisition and Management</li> <li>Procurement and Supply Chain</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 12

Risk Category	Compliance Risk
<b>Risk Name</b>	<b>Legal and Regulatory Compliance Risk</b>
<b>Risk Description</b>	Risk of non-compliance with applicable laws, regulations and regulatory requirements, which may result in fines, penalties, enforcement actions or investigations by the authorities and could adversely affect Pavilion REIT's operations, financial performance, reputation and stakeholder confidence.
<b>Risk Appetite</b>	Pavilion REIT has a low tolerance for regulatory and legal non-compliance and is committed to full compliance with all applicable laws, regulations and governance requirements.
<b>Risk Level</b>	Low
<b>Time Horizon</b>	Medium to Long
<b>Risk Trend</b>	Stable
<b>Risk Owner</b>	<ul style="list-style-type: none"> <li>• Legal and Compliance Department</li> <li>• Human Resource Department</li> <li>• Facilities Management Department</li> </ul>
<b>Opportunities</b>	Strong legal and regulatory compliance enhances corporate governance, strengthens Pavilion REIT's reputation, promotes sound procurement and human rights practices, supports a strong safety culture and reinforces stakeholder and investor confidence.
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>• Identify and assess bribery and corruption risks on a quarterly basis.</li> <li>• Avoid business dealings with third parties suspected of improper or unethical practices.</li> <li>• Conduct due diligence on business partners, contractors and suppliers to assess compliance, integrity and bribery risks.</li> <li>• Provide regular, bilingual compliance training to ensure employees understand and adhere to Pavilion REIT's policies and procedures.</li> <li>• Ensure compliance with key regulatory requirements, including OSHA 1994, Fire Services Act 1988 and Electricity Supply Act 1990, Employment Act 1955, Industrial Relations Act 1967 and Minimum Wage Order.</li> <li>• Implement HIRARC across operations to identify, assess and control safety and operational risks.</li> <li>• Uphold human rights practices throughout operations and the supply chain.</li> <li>• Maintain strong organisational governance, corporate reporting and regulatory change monitoring to ensure timely response to evolving laws and regulations.</li> </ul>
<b>Mapping to Pavilion REIT's Sustainability Matters</b>	<ul style="list-style-type: none"> <li>• Business Ethics and Compliance</li> <li>• Energy Management</li> <li>• Water Management</li> <li>• Waste Management</li> <li>• Climate Change</li> <li>• Health and Safety</li> <li>• Data Privacy and Cybersecurity</li> <li>• Procurement and Supply Chain</li> <li>• Human Rights Management</li> </ul>

## OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 13

Risk Category	Operational Risk
Risk Name	Process and Systems Failure Risk
Risk Description	Risk of financial or operational loss arising from inadequate or failed internal processes, people or systems, including control weaknesses, system outages or procedural gaps, which may disrupt operations, affect service delivery and impact business performance.
Risk Appetite	Pavilion REIT has a low tolerance for failures in critical processes and systems and seeks to maintain robust procedures, controls and system reliability to support uninterrupted operations.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Facilities Management Department</li> <li>Human Resource Department</li> <li>Legal and Compliance Department</li> </ul>
Opportunities	Strengthening operational processes and system reliability enhances efficiency, reduces operational disruptions and costs, supports business continuity and improves resource efficiency in energy, water and waste management, contributing to sustainable operational performance.
Mitigation	<ul style="list-style-type: none"> <li>Improve operational efficiency and cost effectiveness through documented procedures and regular reviews.</li> <li>Maintain strong internal controls over energy, water and waste management to prevent operational failures and inefficiencies.</li> <li>Conduct regular inspections, testing and calibration of electrical and critical building systems to ensure safe and reliable operation.</li> <li>Implement cybersecurity awareness programmes to reduce risks of system failure and data incidents.</li> <li>Require contractors to undergo pre-evaluation and KYC background checks to assess financial stability and ethical conduct.</li> <li>Conduct quarterly human rights audits at foreign workers' accommodation of security and cleaning service providers.</li> <li>Verify compliance with minimum wage and labour regulations among service providers.</li> <li>Provide flood mitigation and operational risk response training to relevant staff and service providers.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> <li>Climate Change</li> <li>Data Privacy and Cybersecurity</li> <li>Procurement and Supply Chain</li> <li>Human Rights Management</li> </ul>

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 14

Risk Category	Environmental Risk
Risk Name	Climate Change Risk
Risk Description	Risk of physical loss, damage or operational disruption arising from acute and chronic climate-related events, including floods, extreme weather, heatwaves, haze and water stress, which may adversely affect Pavilion REIT's asset value, operating costs, tenant operations, business continuity and long-term financial performance.
Risk Appetite	Pavilion REIT has a low tolerance for climate-related physical risks and seeks to protect asset value, income stability and stakeholder safety through proactive adaptation, preparedness and response measures.
Risk Level	Low
Time Horizon	Medium to Long
Risk Trend	Stable
Risk Owner	<ul style="list-style-type: none"> <li>Facilities Management Department including EHS and Security</li> <li>Asset Managers</li> </ul>
Opportunities	Strengthening climate resilience through proactive risk management enhances asset durability, reduces disruption and repair costs, protects tenant operations, supports long-term asset valuation and improves Pavilion REIT's attractiveness to investors, tenants and insurers.
Mitigation	<p><b>Physical Climate Risk Mitigation</b></p> <ul style="list-style-type: none"> <li>Implement flood mitigation mechanisms and install flood defence equipment such as drainage pumps.</li> <li>Maintain property-level emergency response and crisis management teams across all assets.</li> <li>Conduct regular climate-related emergency drills and response training.</li> </ul> <p><b>Water Stress &amp; Heat</b></p> <ul style="list-style-type: none"> <li>Appoint third-party water tanker suppliers during supply disruptions.</li> <li>Optimise chiller operations during water shortages and heatwaves.</li> <li>Monitor indoor environmental conditions to maintain occupant comfort and safety.</li> </ul> <p><b>Extreme Weather &amp; Wind Events</b></p> <ul style="list-style-type: none"> <li>Monitor wind direction and strength using installed wind-socks.</li> <li>Enforce SOPs for suspension of outdoor activities and securing of facilities during extreme wind conditions.</li> </ul> <p><b>Air Quality &amp; Haze</b></p> <ul style="list-style-type: none"> <li>Adjust ventilation to improve fresh air intake when required.</li> <li>Install and maintain air filtration systems.</li> <li>Provide personal protective equipment, rotate staff on duties or minimise access when poor air quality is identified.</li> </ul> <p><b>Pandemic &amp; Health Emergencies</b></p> <ul style="list-style-type: none"> <li>Comply with government-issued health advisories.</li> <li>Implement split-team arrangements and alternate work locations under the Business Continuity Plan.</li> </ul>
Mapping to Pavilion REIT's Sustainability Matters	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> <li>Climate Change</li> </ul>

## OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 15

<b>Risk Category</b>	<b>Human Resource Risk</b>
<b>Risk Name</b>	<b>Talent Attraction and Retention Risk</b>
<b>Risk Description</b>	Risk of failing to attract, retain and develop capable staff, which may affect operational performance, succession planning and the long-term sustainability of Pavilion REIT's workforce.
<b>Risk Appetite</b>	Pavilion REIT has a low appetite for talent gaps and turnover and is committed to attracting, retaining and developing skilled and talented employees through competitive benefits, learning and development opportunities and an inclusive, high-performance culture to support sustainable operations and long-term business growth.
<b>Risk Level</b>	Low
<b>Time Horizon</b>	Medium to Long
<b>Risk Trend</b>	Stable
<b>Risk Owner</b>	<ul style="list-style-type: none"> <li>Human Resource Department</li> </ul>
<b>Opportunities</b>	Effective talent development and upskilling programmes, competitive benefits and an inclusive and diverse work culture enhance attraction, retention and employee performance, while fostering high-quality decision-making.
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>Implement a merit-based, inclusive hiring process to attract high-quality candidates.</li> <li>Regularly review and enhance employee benefits and remuneration.</li> <li>Provide reskilling and upskilling learning and development programmes.</li> <li>Enforce a Whistleblowing Policy for reporting unethical practices, discrimination or harassment anonymously.</li> <li>Develop succession plans and talent pipelines for key roles.</li> <li>Enhance employee engagement and performance management to retain top talent.</li> </ul>
<b>Mapping to Pavilion REIT's Sustainability Matters</b>	Talent Attraction and Retention Training and Development Diversity and Equal Opportunity

# OUR RISK AND OPPORTUNITIES

Cont'd

## Item No. 16

Risk Category	Strategic / Reputation Risk
<b>Risk Name</b>	<b>Community &amp; Stakeholder Engagement Risk</b>
<b>Risk Description</b>	Risk of failing to effectively engage with the local community, tenants, shoppers and other stakeholders, which may result in diminished trust, reputational damage, reduced mall footfall, weakened tenant relationships and decreased investor confidence. Lack of engagement could also impact Pavilion REIT's ability to implement sustainability initiatives and achieve long-term strategic objectives.
<b>Risk Appetite</b>	Pavilion REIT has a low tolerance for ineffective stakeholder and community engagement and is committed to maintaining strong relationships with all stakeholders through transparent communication, proactive initiatives and meaningful involvement.
<b>Risk Level</b>	Low
<b>Time Horizon</b>	Medium to Long
<b>Risk Trend</b>	Stable
<b>Risk Owner</b>	<ul style="list-style-type: none"> <li>Marketing Department</li> <li>Asset Managers</li> </ul>
<b>Opportunities</b>	Effective community and stakeholder engagement enhances Pavilion REIT's brand reputation, strengthens trust with tenants, shoppers and investors, supports mall footfall and tenant satisfaction and creates long-term value through CSR initiatives and collaborative community programs.
<b>Mitigation</b>	<ul style="list-style-type: none"> <li>Implement a structured stakeholder engagement program, including regular meetings, surveys and feedback sessions.</li> <li>Conduct CSR initiatives that support local communities, environmental programs and social development.</li> <li>Develop and maintain a public communication plan for transparency and timely dissemination of key information to stakeholders.</li> <li>Collaborate with tenants to organize joint community and promotional events, enhancing mall footfall and shopper experience.</li> <li>Monitor and track stakeholder concerns, complaints and suggestions, with timely responses and remediation.</li> <li>Periodically review and update engagement strategies to reflect changing stakeholder expectations and sustainability priorities.</li> </ul>
<b>Mapping to Pavilion REIT's Sustainability Matters</b>	<ul style="list-style-type: none"> <li>Community and Stakeholder Engagement</li> <li>Brand Value and Recognition</li> <li>Business Ethics and Compliance</li> </ul>

# OUR INVESTMENT STRATEGY

As the Manager paves the way to achieving Pavilion REIT’s vision, which is to be the leading and most sought-after REIT in Malaysia, the Manager recognises the importance of integrating sustainability into Pavilion REIT’s business operations and embrace a top-down approach which focuses on the “Creation of Impact” to its stakeholders and the environment. With this in mind, the Manager has reviewed Pavilion REIT’s business strategies as follows:





Section 5:  
**CREATING  
 SUSTAINABLE  
 IMPACT**

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# CREATING SUSTAINABLE IMPACT

## 2025 Sustainability Highlights

 <p><b>&gt;99%</b> of vendor and suppliers engaged were local</p>	 <p><b>Green Lease Clauses</b> incorporated into Tenancy Agreement</p>	 <p><b>80%</b> tenant satisfaction rate across all Pavilion REIT properties <sup>(3)</sup></p>	 <p><b>Sustainability Policy</b> in place</p>
 <p>Pavilion Tower &amp; Pavilion Kuala Lumpur Mall received <b>LEED Gold Certification</b> from the U.S. Green Building Council</p>	 <p>Achieved a <b>91%</b> overall employee satisfaction score <sup>(1)</sup></p>	 <p>Anti-corruption training has been provided to <b>100%</b> of employees, including all board members</p>	
 <p><b>Zero work-related fatality</b> reported in 2025</p>	 <p><b>Zero incidents</b> recorded resulting from Vendor Code of Conduct</p>	 <p><b>Zero reported</b> cases of bribery and corruption since FY2020</p>	 <p><b>Zero complaints</b> concerning breaches of customer privacy and loss of customer data</p>
 <p><b>Expanded Scope 3</b> emissions reporting</p>	 <p>Achieved <b>33%</b> renewable electricity usage</p>	 <p><b>81% shopper</b> satisfaction rate across all Pavilion REIT malls <sup>(2)</sup></p>	
 <p>Participant member of <b>GRESB</b></p>	 <p>Pavilion REIT has been included in the <b>FTSE4GOOD Bursa Malaysia Index</b> since 2024</p>	 <p><b>7%</b> landfill diversion rate</p>	 <p>Collected <b>188.7 tonnes</b> of food waste, resulting in <b>17.6 tonnes</b> of compost</p>

(1) Based on the most recent employee engagement survey conducted in FY2024  
 (2) Based on the most recent customer satisfaction survey conducted in FY2024  
 (3) Based on the most recent tenant satisfaction survey conducted in FY2025

# PAVILION REIT'S SUSTAINABILITY STATEMENT

REITs and the real estate industry are fundamental in building up the infrastructure of our nation. The Fund is well positioned to take a leadership role in strategic investment, good governance, environmental stewardship and responsible social practices within our society and nation. In today's business landscape, creating continuous sustainable value requires a comprehensive and integrated approach that serves all stakeholders, including investors, tenants, employees, and local communities. Businesses are required to address and manage the full range of sustainability risks and opportunities. With the rapid growing concern within REIT's stakeholders, it is vital for REITs and the real estate industry to accelerate their sustainability journey.

At Pavilion REIT, the Manager constantly seeks ways to create a sustainable impact to Pavilion REIT's business and stakeholders. In this section, we describe the efforts and performance in managing sustainability matters which are categorised into the sub-sections below.

**I**

## INVESTING STRATEGICALLY

**Grow Pavilion REIT's portfolio with long-term value creation and future-proofed solutions.**

*Describing efforts to manage economic-related sustainability matters – economic performance, asset acquisition and management, macroeconomic issues, procurement and supply chain.*

**M**

## MAINTAINING GOOD GOVERNANCE

**Maintain strong corporate governance practices that uphold transparency and accountability.**

*Describing efforts to manage governance-related sustainability matters – business ethics and compliance, data privacy and cybersecurity.*

**P**

## PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

**Minimise environmental footprint through responsible resource management, carbon reduction, and biodiversity protection.**

*Describing efforts to manage environmental-related sustainability matters – climate change, energy, waste and water management.*

**A**

## ACCLAIMING TRUSTED BRAND REPUTATION

**Cultivate a positive brand image through ethical sourcing, responsible supply chains, and community engagement.**

*Describing efforts to maintain Pavilion REIT's brand value and recognition.*

**C**

## CARING FOR LOCAL COMMUNITY

**Actively contribute to the well-being of surrounding communities through social responsibility initiatives and employee volunteerism.**

*Describing efforts to manage community-related sustainability matters – community and stakeholder engagement.*

**T**

## TRANSFORMING TALENT MANAGEMENT

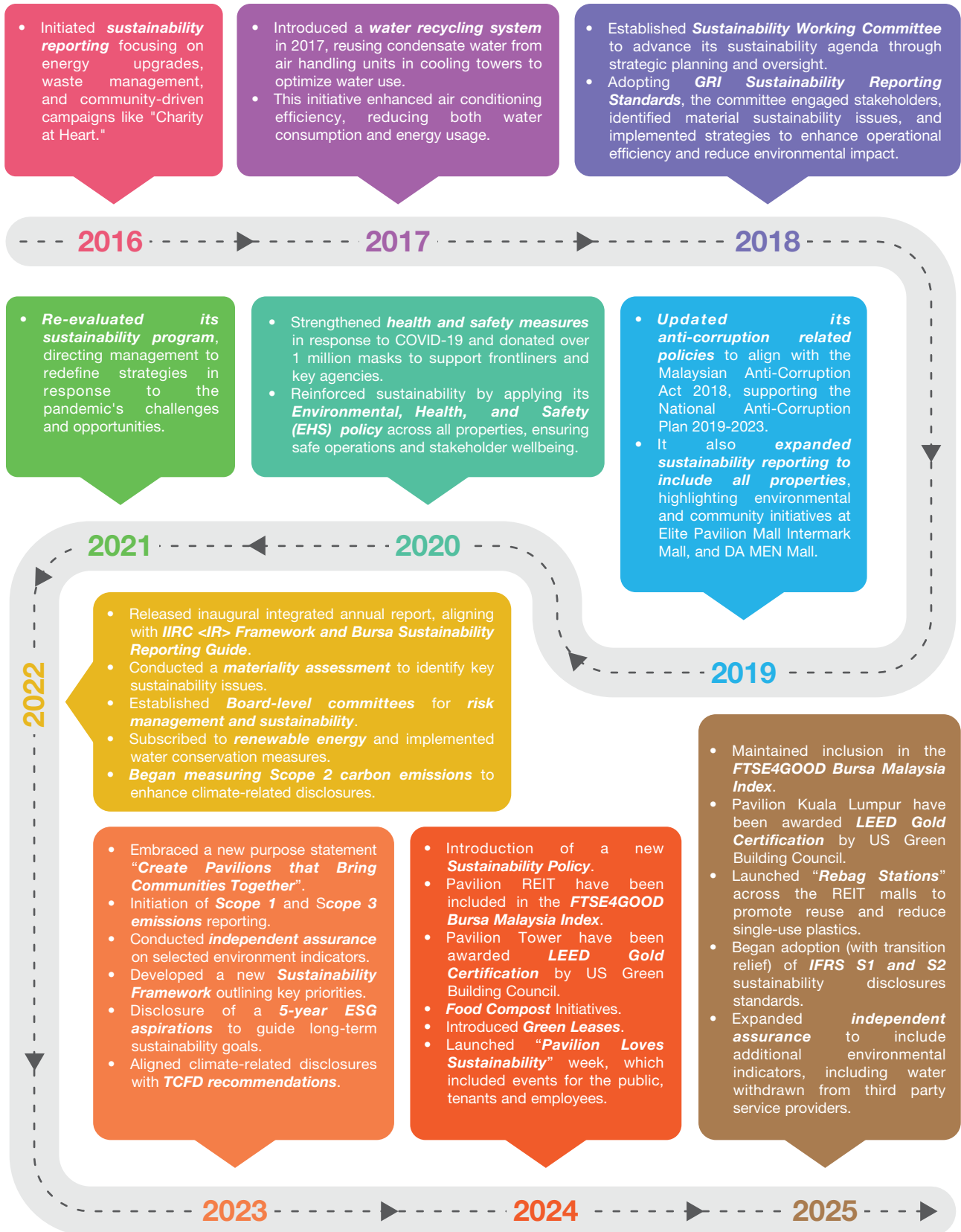
**Invest in people, fostering a diverse and inclusive workplace that empowers personal and professional growth.**

*Describing efforts to manage talent-related sustainability matters – talent attraction and retention, training and development, human rights management, diversity and equal opportunity, health and safety.*

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Our Sustainability Journey



# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Framework

Pavilion REIT adheres to the principles of EESG and prioritises the integration of sustainable practices into all its operations. This Sustainability Framework defines the Manager's approach to EESG, outlining the established goals and objectives for achieving sustainable development. It serves as a key component of Pavilion REIT's overall sustainability strategy and is designed to facilitate Pavilion REIT's progress towards its long-term sustainability aspirations, thereby contributing to the creation of value for its stakeholders.

**Vision**  
To be the leading and most sought-after REIT in Malaysia.

**Mission**  
To provide unitholders with regular and stable distributions to achieve long term growth in net asset value per unit and maintaining an appropriate capital structure, whilst balancing stakeholders needs.

**Purpose**  
Create Pavilions that brings communities together.

**Core Values**

EXCELLENCE	INTEGRITY & COMPLIANCE	RESPECT & RESPONSIBILITY	HEALTH & SAFETY	EQUITY & INCLUSION
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**Sustainability Pillars**

Investing Strategically	Maintaining Good Governance	Practicing Responsible Environment Stewardship	Acclaiming Trusted Brand Reputation	Caring for Local Community	Transforming Talent Management
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**Sustainability Matters**

<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Macroeconomic Issues</li> <li>Asset Acquisition &amp; Management</li> <li>Procurement &amp; Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>Business Ethics &amp; Compliance</li> <li>Data Privacy &amp; Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>Brand Value &amp; Recognition</li> </ul>	<ul style="list-style-type: none"> <li>Community &amp; Stakeholder Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Training &amp; Development</li> <li>Diversity &amp; Equal Opportunity</li> <li>Human Rights Management</li> <li>Talent Attraction and Retention</li> </ul>
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*Note: Text in blue are the key matters (high significance to Pavilion REIT's stakeholders and business)*

**Stakeholder Groups**

Board of Directors	Employees	Government	Unitholders/ Investors/ Fund Manager/ Financier	Analysts	Vendors, Contractors and Service Providers
Shoppers	Tenants	NGOs	Local Community	Media	

**Our Commitments**




**Reporting Framework, Standards & Best Practices**






# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Governance

Pavilion REIT's sustainability governance structure is seamlessly integrated into its corporate governance framework. To ensure comprehensive sustainability integration across all property aspects, the Board and its committees' responsibilities have been expanded to encompass sustainability elements, as reflected in their updated terms of reference.



### Board of Directors

The Board of Directors ultimately steers Pavilion REIT's strategic direction on sustainability while being supported by dedicated Board Committees through delegated tasks. Pavilion REIT's Sustainability Working Committee (SWC) is helmed by the Manager's CEO and includes its management team, reporting directly to the Sustainability Committee (SC).

### Sustainability Committee (SC)

The SC comprising six members, mainly independent directors, oversees and reviews Pavilion REIT's sustainability strategy at least twice in a year, including climate-related considerations, sustainability risks and opportunities, all relevant policies and the SWC's performance. The SC also plays a crucial role in advising the Board on the adequacy and effectiveness of the sustainability strategy and initiatives framework.

The CEO spearheads the development and implementation of the sustainability strategy, oversees its management, and reports progress, including key ESG advancements, to the SC for the Board's approval, covering ESG priorities and commitments. Additionally, the CEO communicates the Board's vision, strategy, policies and responsibilities to the SWC.

### Sustainability Working Committee (SWC)

Comprising of representatives from every reporting unit in each operating property and asset, the SWC actively supports the ESG agenda across various functions. The SWC plays a key role in the day-to-day execution of the organization's sustainability strategies and plans.

Demonstrating a commitment to informed decision-making, the Board of Directors and Sustainability Committee actively participate in periodic capacity-building programs to stay equipped with the knowledge necessary for managing sustainability challenges and opportunities, with a specific focus on climate-related aspects.

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Sustainability Policy

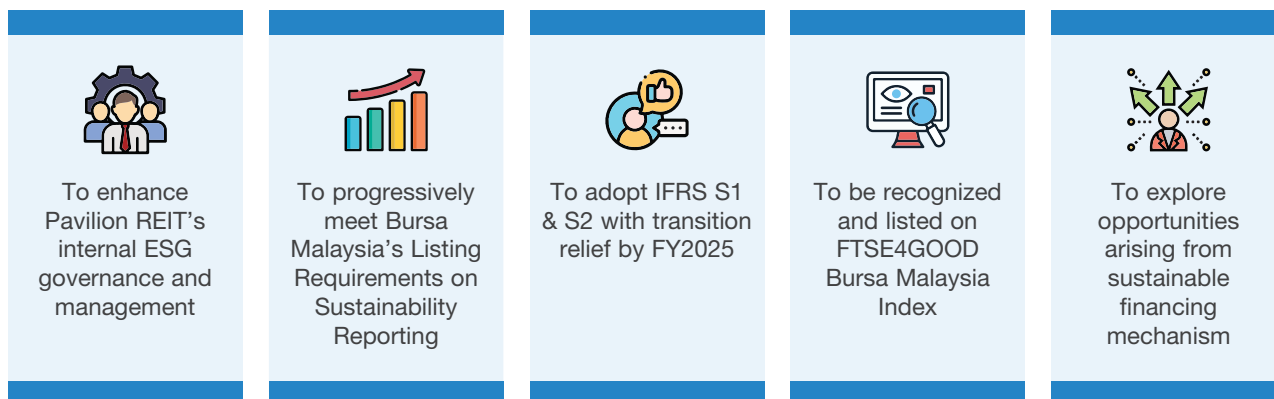
Aligned with Sustainability Framework, Pavilion REIT has established a Sustainability Policy, effective from 24 January 2024. This policy serves as a comprehensive guide for implementing responsible ESG practices, including climate-related considerations, to ensure long-term value creation for its stakeholders and the communities it serves. The roles and responsibilities of sustainability committees, senior management, and working-level teams are clearly defined within the policy, ensuring accountability and effective implementation across all levels. This policy acts as a roadmap for embedding sustainability principles into every facet of Pavilion REIT's business operations. It aims to:

- Provide clear guidance to employees and stakeholders on Pavilion REIT's commitment to sustainability and its strategic direction.
- Integrate sustainability principles seamlessly into all aspects of Pavilion REIT's operations.
- Foster vibrant and inclusive communities by creating Pavilions that serve as hubs for connection, engagement, and shared growth.

Through this policy, Pavilion REIT reaffirms its dedication to building a sustainable future for all.

## Pavilion REIT's 5 Year ESG Aspiration

Pavilion REIT's 5-year ESG aspiration from FY2023 to FY2027:



Pavilion REIT is actively integrating sustainability into its business operations through five key focus areas—governance, strategy, integrated risk management, performance monitoring and business activities. Pavilion REIT's Sustainability Roadmap is structured across three key time horizons—short-term (0 to 12 months), medium-term (1 to 5 years), and long-term (beyond 5 years)—with defined goals and measurable progress stated under the pillars outlined in *Section 5: Creating Sustainable Impact*.

These pillars include Investing Strategically, Maintaining Good Governance, Practicing Responsible Environmental Stewardship, Acclaiming Trusted Brand Reputation, Caring for Local Community and Transforming Talent Management.

By aligning sustainability efforts with these pillars, Pavilion REIT remains dedicated to fostering environmental responsibility, promoting social well-being and upholding transparent governance. This structured approach supports the Manager's commitment to delivering sustainable growth, enhancing stakeholder value and ensuring long-term business resilience.

## PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

## Performance Scorecard

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
I: INVESTING STRATEGICALLY	Procurement and Supply Chain	Zero incidents recorded resulting from Vendor Code of Conduct	In FY2025, there were zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct
		To support local companies and establish good relations with the local business community through local procurement	In FY2025, more than 99% of its vendor services were procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes.
M: MAINTAINING GOOD GOVERNANCE	Business Ethics and Compliance	To achieve 100% attendance to anti-corruption training	<ul style="list-style-type: none"> <li>All Board members were given the training.</li> <li>100% of employees participated in anti-corruption training.</li> </ul>
		Zero reported cases of bribery and corruption	<p>In FY2025:</p> <ul style="list-style-type: none"> <li>no corruption incident reports were submitted through the whistleblowing portal.</li> <li>no employees faced dismissal or disciplinary action for corruption-related offenses.</li> <li>no contracts with business partners were terminated or not renewed due to corruption violations.</li> <li>no public legal cases involving corruption were brought against Pavilion REIT or its employees.</li> </ul>
	Data Privacy and Cybersecurity	Zero reports of complaints concerning breaches of customer privacy and loss of customer data	There were no complaints concerning breaches of customer privacy and losses of customer data in FY2025.
P: PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP	Climate Change	<ul style="list-style-type: none"> <li><b>20% Carbon Reduction by 2030:</b> To reduce Pavilion REIT's Scope 2 carbon emissions by 20% compared to FY2019 levels by the year 2030.</li> <li><b>Net Zero Carbon by 2050 (Scope 1 &amp; 2 Operational Emissions):</b> Please refer to Section 5.3: <i>Practicing Responsible Environment Stewardship – Climate Change for more details on this target.</i></li> <li><b>20% Intensity Reduction (Scope 1 &amp; 2):</b> To achieve a 20% reduction in carbon intensity for Pavilion REIT's direct and indirect operations (scope 1 and 2) by 2030, compared to FY2019.</li> </ul>	<p>Pavilion REIT reports its owned or controlled generator sets usage as Scope 1 emission, contributing approximately 51.2 tCO<sub>2</sub>e in FY2025.</p> <p>FY2019 is Pavilion REIT's base year for Scope 2 emissions, recalculated to include Pavilion Bukit Jalil, with FY2024 used as a proxy for this asset. The recalculated base year total is 125,585 tCO<sub>2</sub>e. In FY2025, Scope 2 emissions were 72,194 tCO<sub>2</sub>e, representing an approximate 42% reduction, driven by adoption of renewable electricity via Malaysia's GET program.</p> <p>In FY2025, Pavilion REIT achieved a GHG emission intensity of 0.19 tCO<sub>2</sub>e/m<sup>2</sup>, reflecting an improvement from 0.22 tCO<sub>2</sub>e/m<sup>2</sup> in FY2019, which represents an 14% reduction in emission intensity. Excluding Scope 3 emissions, the GHG emission intensity decreases further to 0.10 tCO<sub>2</sub>e/m<sup>2</sup>, representing a 55% reduction.</p>

# PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
	Energy Management	<ul style="list-style-type: none"> <li>3% reduction in landlord electricity consumption by 2030 vs FY2019</li> <li>50% renewable electricity by 2040 by all Pavilion REIT assets under operational control</li> </ul>	<p>Overall landlord energy consumption across all properties showed a decrease of 14% compared to FY2019.</p> <p>Achieved 33% renewable electricity usage across REIT properties, driven by GET subscriptions at Pavilion Kuala Lumpur Mall and Intermark Mall.</p>
	Waste Management	<ul style="list-style-type: none"> <li>FY2024: Target of diverting 5% of waste from landfills as compared to FY2019.</li> <li>FY2025 - FY2027: Accelerate progress, reaching a 10% landfill diversion rate.</li> </ul>	Pavilion REIT diverted 7% of waste from landfills in FY2025.
	Water Management	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019	Overall landlord water consumption across all properties showed a decrease of 16% as compared to FY2019.
<b>A: ACCLAIMING TRUSTED BRAND REPUTATION</b>	Brand Value and Recognition	To be a responsible corporate citizen, with the aim to increase brand value and recognition within the REIT industry via higher tenant satisfaction and unitholder investment.	<p>Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded an impressive 64 accolades to date (up from 58 in 2024) by esteemed local and international councils and associations.</p> <p>A shopper satisfaction survey reaffirmed its commitment to providing a sustainable and enjoyable shopping experience. By gathering shopper feedback, the Manager can enhance mall operations and collaborate closely with tenants to create a more engaging retail environment. A better shopping experience ultimately strengthens tenant performance and adds value for unitholders. The shopper satisfaction score for Pavilion REIT malls stands at 81%.</p> <p>Tenant satisfaction survey was also conducted to assess service quality and identify opportunities for improvement with overall satisfaction score of 80%.</p>

## PAVILION REIT'S SUSTAINABILITY STATEMENT

Cont'd

Sustainability Pillars	Material Matters	Targets	Current Progress against Targets
C: CARING FOR LOCAL COMMUNITY	Community & Stakeholder Engagement	Targets by FY2030 including: <ul style="list-style-type: none"> <li>Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties;</li> <li>Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and</li> <li>Achieving 1,000 hours of employee volunteerism.</li> </ul>	In 2025, the Manager raised and contributed RM0.7 million in cash and in-kind donations, benefiting 6,483 individuals. During these community engagement events, employees and non-employees contributed a total of 10,004 volunteer hours.  Additionally, the total number of people engaged throughout the year, including shoppers and the wider community, was approximately 18,002.
T: TRANSFORMING TALENT MANAGEMENT	Talent Attraction and Retention	To develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all	In 2025, the Manager maintained a steady influx of new talent with a 3.6% new hire rate and employee retention climbed to 100%.
	Training and Development	To develop its employees' talents and maximise their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations.	Recorded an increase of 10.3% in total training hours compared to the previous financial year
	Human Rights Management	Zero tolerance approach to abuse of human rights	Zero complaints concerning human rights violation since adoption of Human Rights Policy
	Diversity and Equal Opportunity	<ul style="list-style-type: none"> <li>At least 30% female participation in leadership roles at management level</li> <li>At least 30% female participants at board level</li> </ul>	<ul style="list-style-type: none"> <li>36% of Board of Directors in 2025 were women, which is higher than 30% recommendation by the MCCG</li> <li>67% of leadership roles are held by women at the management level in 2025</li> <li>68% of the Manager's employees in 2025 were female</li> </ul>
	Health and Safety	<ul style="list-style-type: none"> <li>Zero fatality annually</li> <li>Maintain zero work-related injuries</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatality reported in 2025</li> <li>2 injuries reported in 2025 due to oversight of the injured parties. Thorough investigations were conducted and prevention measures were defined to avoid recurrence.</li> </ul>

# I : INVESTING STRATEGICALLY

## ECONOMIC PERFORMANCE

### Why It Matters and Approach

Pavilion REIT remains committed to creating long-term financial value for all its stakeholders. As one of the largest real estate investment trusts in Malaysia, Pavilion REIT contributes to the Malaysian economy through our strategic investment strategy which involves a diversified portfolio of income-producing real estate assets across Malaysia.

The Manager oversees operating cash flows, financing arrangement, investment, and debt maturity profile to ensure the generation of economic value through its performance.

In addition, Pavilion REIT has observed various positive indirect socio-economic impacts derived from its operations which include the growth of small-medium enterprises within its properties which led to an increase in job opportunities for the surrounding neighbourhoods in the areas where it operates.

Separately, the Manager has also held various community development and enhancement programmes for the local community. These philanthropic programmes aim to support the underprivileged communities, which include youth and women, to improve their welfare. More information on how Pavilion REIT creates indirect economic value for its stakeholders can be found in the "Caring for the Community" section.

### Progress

#### Creating Economical Values for Stakeholders

The Manager aims to develop strategic key initiatives to create economical values which can lead to better economic performance. The table below shows the key initiatives that was implemented by Pavilion REIT with the economical values created:

Key Initiatives	Value Created
<b>Corporate rating to Medium Term Notes Programme</b>	Rating enable Pavilion REIT to target larger pool of debt capital market investors besides being able to negotiate more favourable financing terms of rates and tenure
Corporate rating by RAM Rating Services Berhad	
<b>Proactive lease management</b>	Pavilion REIT enhances properties occupancy and tenant mix
Through proactive lease management, new tenants are brought in	
<b>Marketing promotions and activities</b>	Pavilion REIT brings in shoppers into the malls through marketing and promotional activities, thus increasing retail sales and car park income which will lead to higher revenue
Formed partnerships for events or be a venue sponsor for events	
<b>Managing operating cost</b>	Pavilion REIT ensures regular maintenance to mitigate downtime, reduce cost and reduce the probability of a major breakdown or equipment failure
Efficiency in operational management with regular upkeep	
<b>Asset enhancement</b>	Pavilion REIT utilizes asset enhancements to increase revenue and property value by upgrading or creating new spaces in the mall to lease out
Space reconfiguration to convert under-utilized areas and tenant remix to align with current trend for malls.	
Properties' facilities being regularly managed or upgraded via installations of energy efficient equipment, water saving and harvesting fixtures and energy efficient LED lightings	Upgrading the properties' facilities provide a comfortable atmosphere and improves the satisfaction of shoppers, tenants and other stakeholders.

# I : INVESTING STRATEGICALLY

Cont'd

## Direct economic value generated and distributed

Economic Performance	FY2023 (RM'000)	FY2024 (RM'000)	FY2025 (RM'000)
<b>Direct Economic Value Generated</b>			
• Revenue <sup>(1)</sup>	735,216	860,662	916,193
<b>Economic Value Distributed</b>			
• Operating Costs	275,035	333,516	346,965
• Employee Wages and Benefits <sup>(2)</sup>	-	-	-
• Payments to Capital Providers <sup>(3)</sup>	439,939	503,722	544,754
• Payments to Government	20,223	23,473	24,496
<b>Total</b>	<b>735,197</b>	<b>860,711</b>	<b>916,215</b>
<b>Economic Value Retained/(Deficit)</b>	<b>19</b>	<b>(49)</b>	<b>(22)</b>

### Notes:

(1) Includes gross revenue and interest income.

(2) Not applicable, as all employees are under the Manager.

(3) Includes borrowing costs and income distribution. The proposed final income distribution is payable in the following financial year.

Deficit in economic value is due to current year distribution of the balance undistributed amount from the previous year.

## MACROECONOMIC ISSUES

### Why It Matters and Approach

Pavilion REIT operates within an environment that is highly influenced by global and domestic macroeconomic conditions. Factors such as interest rate movements, inflationary pressures, foreign exchange volatility, trade policies and shifts in consumer sentiment can have a direct and indirect impact on tenant performance, consumer spending patterns, operating costs, property valuations and overall investment returns.

For Pavilion REIT, external economic trends and disruptions may affect rental sustainability, tenant sales productivity, financing costs and long-term asset values. Proactively monitoring and responding to these macroeconomic developments is therefore essential to safeguard financial resilience, maintaining operational stability and ensuring the delivery of sustainable returns to unitholders.

Through Pavilion REIT's materiality assessment, macroeconomic issues were identified as a new material sustainability matter, reflecting their increasing relevance and potential impact on Pavilion REIT's long-term value creation. This matter is closely linked to its ability to manage financial risks, adapt to changing market conditions and remain competitive within the capital market.

The Manager's approach focuses on:

- Continuous monitoring of global and local economic developments;
- Integrating macroeconomic considerations into enterprise risk management, capital management and strategic planning; and
- Implementing mitigation strategies to manage potential adverse impacts on operations, cash flow and asset performance.

This sustainability matter is embedded within its overall risk governance and strategic decision-making framework, rather than managed as a standalone matter.

# I : INVESTING STRATEGICALLY

Cont'd

## Progress

Progress on managing macroeconomic issues is disclosed through the Manager's existing risk and strategic sections, as follows:

- **Section 4.2: Our Operating Landscape – Key Trend 1: Macroeconomy**

This section discusses significant macroeconomic developments during FY2025, their impacts on Pavilion REIT's operations and performance, as well as the actions taken to mitigate risks or capitalise on emerging opportunities. These include adaptive leasing strategies, active tenant engagement, disciplined cost management and ongoing review of financing structures.

- **Section 4.5: Our Risks and Opportunities**

This section outlines key macroeconomic-related risks identified during the year, including interest rate risk and the potential impact of U.S. tariff measures on operating costs. It also explains how these risks are assessed, monitored and mitigated through financial management strategies, cost controls and prudent capital allocation.

Together, these disclosures demonstrate how Pavilion REIT identifies, evaluates and responds to macroeconomic risks and opportunities, as well as how such considerations are integrated into Pavilion REIT's operational and strategic responses.

## ASSET ACQUISITION AND MANAGEMENT

### Why It Matters and Approach

Pavilion REIT's core activity is to invest in income-producing real estate assets, which are solely used predominantly for retail purposes in Malaysia and other countries within the Asia-Pacific region, with the objective of providing its unitholders with regular and stable distributions while achieving long-term growth in the net asset value based on an appropriate capital structure.

### Achieving Investment Objective Through Various Strategies

The primary objective of Pavilion REIT is to provide unitholders with regular and stable distributions and achieve long-term growth in net asset value per unit and maintaining an appropriate capital structure, while balancing stakeholders needs.

The Manager intends to achieve the investment objective of Pavilion REIT through the following strategies:

- (i) **Actively pursuing acquisition opportunities in accordance with the authorised investments of Pavilion REIT**
  - acquire yield accretive income-producing properties
  - explore repositioning opportunities
- (ii) **Pursuing an efficient capital management strategy**
  - diversify sources of debt funding
  - maintaining a reasonable level of debt service capability
  - securing favourable terms of funding
  - managing financial obligations
  - managing the exposures arising from adverse market interest rates through appropriate hedging strategies.
  - actively managing the range of maturities to reduce refinancing risk and optimise the cost of capital
- (iii) **Proactively managing the properties and implementing asset enhancement strategies**
  - maximise quality shopper traffic, especially at Pavilion Malls
  - active management of tenant base in order to optimise tenant mix and maintain high occupancy rates
  - continued asset enhancement initiatives to increase net lettable area and rental potential
  - improving operational efficiency and cost effectiveness
  - commitment to sustainability to have positive impact on brand recognition, reputation and lessen environmental impact

# I : INVESTING STRATEGICALLY

Cont'd

## ESG Due Diligence for New Acquisitions

Pavilion REIT is committed to integrating sustainability considerations into its investment decision-making process. In line with this commitment, ESG due diligence is embedded into the asset acquisition framework to identify, assess and manage material ESG risks and opportunities associated with new acquisitions.

Standardised, asset-level environmental and social risk assessments are conducted for all prospective acquisitions. These assessments cover a comprehensive range of ESG factors, including but not limited to procurement and supply chain practices, business ethics and regulatory compliance, data privacy and cybersecurity, climate change risks and mitigation measures, energy management and efficiency, waste and water management, building safety, health and well-being, indoor environmental quality, biodiversity and habitat considerations, tenant management and community engagement.

Pavilion Bukit Jalil illustrates the application of this approach, where ESG due diligence was undertaken to evaluate both transitional and operational sustainability risks and opportunities prior to acquisition.

For the recently acquired hotel assets, ESG assessments were similarly conducted. From an environmental perspective, Pavilion Hotel Kuala Lumpur is equipped with rainwater harvesting system. As the hotels are acquired under operating lease arrangements and continue to be managed by Banyan Tree, the implementation of day-to-day ESG initiatives remains primarily driven by the operator. Post-acquisition, Pavilion REIT actively engages the hotels to participate in food waste recycling initiatives and to encourage alignment with the REIT's sustainability objectives and standards.

Post-acquisition, Pavilion REIT remains committed to the continuous improvement of sustainability performance across its portfolio. During the due diligence process, preference is given to assets with green building features and designs, including rainwater harvesting systems, energy-efficient LED lighting and, where feasible, the potential for renewable energy installations such as solar panels.

In addition, location-specific environmental and climate-related risks are evaluated as part of the acquisition assessment. These include accessibility to public transportation networks, exposure to physical climate risks such as flooding and potential environmental or safety hazards arising from adjacent properties or land use. The outcomes of these assessments inform acquisition decisions, risk mitigation strategies and capital planning to enhance long-term asset resilience and value creation.

## Progress

In line with Pavilion REIT's mission of generating sustainable returns for unitholders through strategic asset acquisitions, Pavilion REIT completed the RM2.2 billion acquisition of Pavilion Bukit Jalil during FY2024. This iconic shopping mall, located in the prime Bukit Jalil district, expanded the REIT's footprint into the vibrant Bukit Jalil area and enhanced portfolio diversification.

Subsequent to FY2024, and building on the successful acquisition of Pavilion Bukit Jalil, Pavilion REIT announced on 5 December 2024 the proposed acquisition of two prestigious hospitality assets in Kuala Lumpur, namely Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, in a transaction valued at RM480 million. These hotel acquisitions which were completed on 20 June 2025 further enhances Pavilion REIT's portfolio diversification.

## Sustainable Building Certifications & ESG Recognition

Pavilion REIT is committed to integrating sustainability considerations into the management and enhancement of its property portfolio, with a focus on improving environmental performance, operational efficiency and long-term asset resilience. Certifications, index inclusions and awards obtained in prior reporting periods that remain valid during the year continue to support Pavilion REIT's sustainability strategy and provide continuity and comparability in sustainability performance.

In this regard, Pavilion Tower achieved LEED Gold Certification from the U.S. Green Building Council on 31 October 2024, which remained in effect during the reporting period. Pavilion REIT was also included in the FTSE4Good Bursa Malaysia Index in FY2024 and continued to maintain its inclusion in FY2025, reflecting ongoing compliance with the index's ESG criteria.

# I : INVESTING STRATEGICALLY

Cont'd

During the current reporting year, Pavilion Kuala Lumpur Mall was awarded the Green Energy Stewardship Gold Award at the National Energy Awards 2024, organised by the Malaysian Green Technology and Climate Change Corporation (MGTC), on 27 February 2025, recognising initiatives undertaken to improve energy efficiency and support lower-carbon operations. On 17 July 2025, Pavilion REIT received the ESG Leadership Award – Company of the Year (REIT) at the Sustainability & CSR Awards 2025.

Subsequently, Pavilion Kuala Lumpur Mall received Platinum recognition under Category C (Top Sustainability Practices) for the event of Pavilion Loves Sustainability 2025 at the Malaysia Shopping Mall Association Awards on 27 August 2025, and achieved LEED Gold Certification from the U.S. Green Building Council on 26 September 2025, reflecting continued efforts to enhance the environmental performance of the Group's retail assets.

## Green Building Certification Overview

Metrics	Unit	FY2024	FY2025
Properties certified under a recognized green building standard	Number	1	2
Total properties in Pavilion REIT's portfolio	Number	6	8
Percentage of certified properties	%	17	25

By prioritising sustainability in its portfolio, Pavilion REIT is taking significant steps toward responsible property management and contributing to a greener built environment.

## FTSE4GOOD Bursa Malaysia Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirmed in December 2024 that Pavilion REIT had been independently assessed against the FTSE4Good criteria and met the requirements for inclusion in the FTSE4Good Index Series. Pavilion REIT continued to maintain its constituent status in December 2025, reflecting ongoing compliance with the index's ESG requirements.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

## PROCUREMENT AND SUPPLY CHAIN

### Why It Matters and Approach

At Pavilion REIT, the Manager understands the importance to ensure ethical and transparent behaviour and responsible dealings with vendors by promoting best practices. The Manager includes ESG consideration in its vendor evaluation process as part of the strategic plan to create sustainable impact. The approach applies to all business partners that contributes to Pavilion REIT's business and maintenance of its assets, including vendors who offer services such as property management, building maintenance, landscaping, security, marketing and promotions of products or services.

Pavilion REIT has established a Vendor Code of Conduct which outlines its expectation to ensure business integrity and ethics, human rights as well as responsibility towards the environment, health, safety and labour practices. Vendors are expected to maintain ethical and professional conduct in all business dealings with integrity, honesty, transparency and accountability for the services provided.

The Manager also strives to promote best practices and maintain a zero-tolerance approach against all forms of bribery and corruption. All Pavilion REIT vendors are required to comply with Pavilion REIT's ABC SOP and Policy by acknowledging "Declaration of Integrity". Vendors are also encouraged to report all misconduct through an independent platform operated by a third party.

Pavilion REIT also requires all its vendors to respect human rights and labor standards. The Manager has a robust human rights policy in place and conducts regular audits to ensure compliance.

# I : INVESTING STRATEGICALLY

Cont'd

## Progress

Pavilion REIT upholds the highest ethical standards in its business dealings and is committed to maintaining them. The Manager actively monitor its suppliers and take prompt action if they violate Pavilion REIT’s Vendor Code of Conduct. In FY2025, there were zero (0) cases of non-compliance incidents recorded resulting from Vendor Code of Conduct.

Non-compliance incidents recorded resulting from Vendor Code of Conduct	Number of cases		
	FY2023	FY2024	FY2025
	0	0	0

## Vendor Screening and Assessment

To enhance transparency in vendor selection and promote a sustainable value chain, the Manager has integrated ESG factors into the assessment framework for both existing and new vendors. All vendors must undergo a pre-evaluation process and a ‘Know Your Customer’ (KYC) background check to verify financial stability and ensure ethical business practices. Due diligence is conducted based on the following key criteria:

Quality & Compliance	Price	Prompt Delivery	Service	Support	ESG Factors
Technical expertise, adherence to specifications and product certification.	Competitiveness pricing structures and resilience to potential cost variations.	Consistent reliability in meeting delivery timelines.	Alignment with requirements, suitability and a proven track record.	Capabilities in after-sales service and ongoing operational support.	Preference will be given to vendors who align with Pavilion REIT’s ESG expectations, including commitments to climate action, fair labor practices, data privacy, and community development.

Assessment of existing vendors’ will be conducted once every 2 years. Vendors who failed the evaluation (with a score of less than 50 marks) will either be suspended or removed from the approved vendor list. To proactively identify and address risks in the supply chain, Pavilion REIT conducts supplier sustainability assessments at the onset of vendor relationships. This ensures potential risks are mitigated early in the collaboration process, reinforcing Pavilion REIT’s commitment to sustainable supply chain management. For new vendors, completing the supplier sustainability assessment is mandatory prior to onboarding, with a minimum passing score of 50%. This process rolled out by Pavilion REIT in December 2024, will undergo periodic reviews to ensure continuous improvement. Based on assessments conducted during FY2024 and FY2025, the Manager did not identify any material negative environmental or social impacts within Pavilion REIT’s supply chain that required corrective action.

In instances of significant non-compliance with ESG criteria, vendors will be required to provide a clear explanation of the non-compliance issue as well as take corrective actions to address and resolve the identified concerns. This comprehensive approach reflects Pavilion REIT’s dedication to fostering long-term partnerships with vendors who share its commitment to sustainability, transparency, and ethical business practices.



# I : INVESTING STRATEGICALLY

Cont'd

## Progress

	FY2024	FY2025
% of new vendors that were screened using environmental criteria	100% <sup>(1)</sup>	100%
Number of existing vendors assessed for environmental impacts	216	216 <sup>(2)</sup>
% of new vendors that were screened using social criteria	100% <sup>(1)</sup>	100%
Number of existing vendors assessed for social impacts	216	216 <sup>(2)</sup>

### Note:

- (1) The statistics in this analysis are based on data collected in December 2024, the month in which Pavilion REIT commenced the rollout of its new supplier sustainability assessment.
- (2) In line with Pavilion REIT's practice of conducting assessments of existing vendors on a biennial basis, the next assessment cycle is scheduled for FY2026. Accordingly, there was no change in the number of existing vendors assessed in FY2025.

## Local Procurement

Pavilion REIT is committed to supporting local companies as part of its efforts to contribute to a stable local economy and establishing good relations with the local business community through local procurement. In FY2025, out of RM608 million spent on procurement, more than 99% of its vendor services are procured locally, with the remaining spent on international service providers for information technology, marketing and promotional purposes. The proportion of spending on local suppliers is similar to last year.

## Progress

### Total procurement from local suppliers

	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	>99%	>99%	>99%

## Integrated Sustainable Procurement and Green Leasing Approach

Pavilion REIT is committed to embedding sustainability across its operations through both responsible procurement practices and sustainable leasing agreements.

Pavilion REIT encourages suppliers and vendors to adopt responsible procurement practices that align with its sustainability values. This initiative serves as a communication tool to promote awareness and foster continuous improvement in environmental and social performance across the supply chain.

To further extend sustainability into property management, Green Lease clauses have been incorporated into tenancy agreements since 2024. These clauses set clear guides for tenants on what Pavilion REIT envision, covering areas such as energy efficiency, water conservation, waste reduction and sustainable operations within the leased spaces.

# M : MAINTAINING GOOD GOVERNANCE

## BUSINESS ETHICS AND COMPLIANCE

### Why it Matters and Approach

The Manager recognises that upholding strong governance, ethics and integrity is essential to Pavilion REIT’s long-term success, which is founded on building and safeguarding the Trust that the unitholders and stakeholders have placed in Pavilion REIT. Whilst complying with the applicable laws and regulations, Pavilion REIT is committed to high standards of governance, ethics, and integrity, as well as adopt a zero-tolerance stance on bribery, corruption, and fraud. Hence, the Manager has developed and implemented relevant policies throughout Pavilion REIT’s operations.

As part of its commitments, the Manager prohibits all forms of bribery, corruption and facilitation payments to or from third parties. Communication is crucial in creating awareness of the policies amongst employees, third parties and business acquaintances.

Pavilion REIT periodically reviews and enhances its governance policies to ensure their continued relevance, effectiveness and alignment with regulatory requirements and industry best practices. These policies are overseen by the relevant Board Committees and approved by the Board.

The effectiveness and relevance of the policies are subject to periodic review, taking into account regulatory developments, stakeholder expectations and emerging sustainability and governance risks. During the review cycle, selected policies were revised with the Whistleblowing Policy being enhanced on 22 July 2025 to strengthen reporting mechanisms and governance safeguards.

All governance policies are publicly accessible and are communicated to relevant internal and external stakeholders, including employees and business partners. The policies are available on Pavilion REIT’s website at [www.pavilion-reit.com](http://www.pavilion-reit.com).

	<p><b>ABC Policy</b></p> <ul style="list-style-type: none"> <li>sets out relevant statements against bribery and corrupt practices which extends to the Board, employees, tenants, vendors, and suppliers.</li> <li>the policy shall be reviewed at least once every 3 years.</li> <li>a bribery and corruption risk assessment will be conducted at least twice annually.</li> </ul>
	<p><b>AML/CFT/CPF Policy</b></p> <ul style="list-style-type: none"> <li>aims to establish controls to manage and prevent the risks of Pavilion REIT being used as a conduit for money laundering and terrorism financing activities.</li> <li>the policy shall be reviewed no later than 2 years or as and when required.</li> <li>training sessions will be conducted annually</li> </ul>
	<p><b>Whistleblowing Policy</b></p> <ul style="list-style-type: none"> <li>provides a safe and transparent mechanism for stakeholders to raise concerns about improper conduct.</li> <li>the policy shall be reviewed at least once every 3 years.</li> <li>the Manager will ensure protection against retaliation or discrimination for those reporting in good faith.</li> <li>reports of suspected wrongdoing can be submitted via the dedicated website: <a href="https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9">https://bdoethics.com/v1/r/QxgwQn00Eyx5cz2z6DILFLAGx4xDL6x9</a></li> </ul>
	<p><b>Vendor Code of Conduct</b></p> <ul style="list-style-type: none"> <li>establishes clear guidelines on business integrity, ethical practices, and the Manager’s expectations for vendors. It defines compliance parameters and emphasises vendors’ responsibility towards environmental stewardship.</li> <li>this Code shall be reviewed once every 2 years to ensure it remains relevant and appropriate.</li> </ul>
	<p><b>Code of Conduct &amp; Ethics</b></p> <ul style="list-style-type: none"> <li>serves as guidance for all parties when interacting with Pavilion REIT and promotes the adoption of ethical principles and objectives.</li> <li>a briefing session on the Code will be provided to all new joiners and existing employees as a refresher course.</li> </ul>

Through these measures, Pavilion REIT reaffirms its dedication to maintaining good governance, fostering ethical business practices, and ensuring accountability at all levels of the organisation.

# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## Reducing Our Exposure to Bribery and Corruption Risks

Every half yearly, the Manager will identify and assess its exposure to any emerging bribery and corruption risks. The outcome of this assessment will be documented in Pavilion REIT's enterprise risk register. Any occurrence of bribery or corruption will be documented with the corresponding corruption risk assessment, alongside the impacts, root causes, gaps and rectification measures to prevent a recurrence.

The Manager will not enter into any business dealings with parties which are suspected to be engaging in improper business practices. Prior to entering a business relationship with Pavilion REIT, due diligence is conducted to verify their identity / background and to assess their bribery and corruption risks.

To ensure that all employees and non-employees understand Pavilion REIT's policies and procedures, training materials and trainings were given in both English and Bahasa Malaysia. Non-employees refer to permanent staff that are engaged by Kuala Lumpur Pavilion Sdn Bhd to manage Pavilion REIT properties. The Manager also considers various means to communicate the ABC Policy to employees and non-employees through annual training:

- Communicating issues on bribery and corruption including any relevant laws and regulations;
- Publicizing "lessons learned" out of bribery and corruption cases prosecuted by the authorities;
- Sharing of information on the common bribery and corruption modus operandi (mode of operating)

## Corruption-related training

Throughout the reporting year, the Manager demonstrated a strong commitment to anti-corruption initiatives. Anti-corruption training has been provided to 100% of the board members and 100% of employees and non-employees.

To further reinforce awareness and compliance, the Manager went above and beyond by conducting training sessions despite the trainings can be done at least once every 2 years, ensuring all employees remained informed about the anti-corruption policy and procedures. The anti-corruption training sessions were held on August and October 2025.

Moving forward, the Manager aims for 100% attendance at future anti-corruption training sessions. This dedication to ongoing education reflects the Manager's commitment to ethical conduct and compliance with the Malaysian Anti-Corruption Commission Act 2009. Additionally, the Manager will continue to regularly review and enhance the anti-corruption policy and procedures to ensure their effectiveness and alignment with evolving legal requirements.

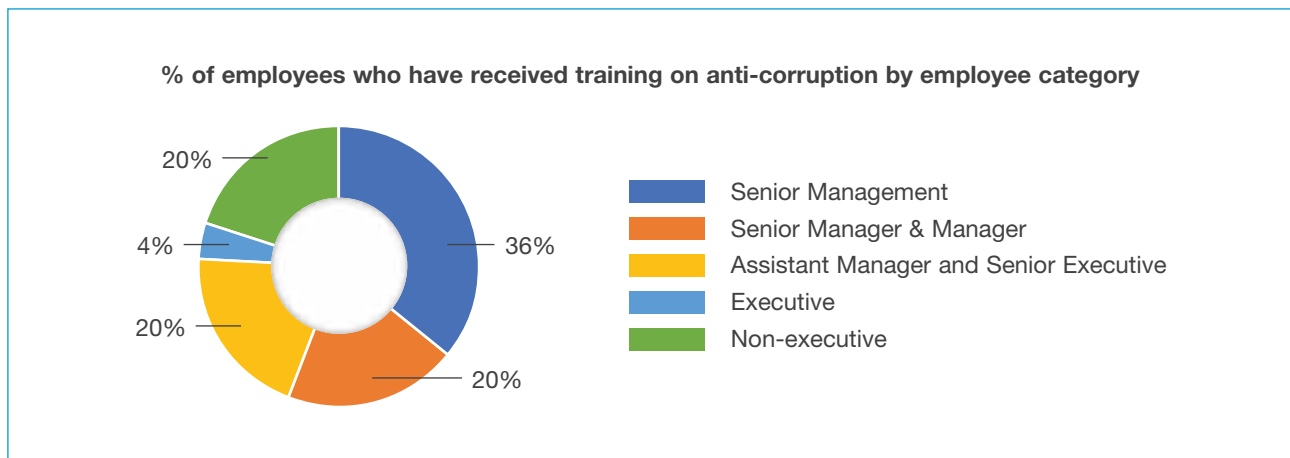
**Target:** Aim to achieve 100% attendance to anti-corruption training.

# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## Progress

Communication and training about anti-corruption policy and procedure		2023	2024	2025
1. For the Board	Number of members	11	10	11
	%	100	100	100
2. For the employees	Number of trainings	1	1	1
	%	100	100	100



## Corruption Risk Assessment

The Manager confirmed that there were no reports of corruptions within the Manager and the operations of Pavilion REIT's properties.

**Target:** 100% of operations assessed for corruption risks.

## Progress

	2023	2024	2025
% of operations that underwent corruption risk assessments	100%	100%	100%

## Corruption incidents

As of 31 December 2025, the Manager recorded zero incidents of corruption across Pavilion REIT's properties' business operations.

**Target:** Zero cases of non-compliance on anti-bribery and corruption.

## Progress

	2023	2024	2025
Number of confirmed corruption incidents	0	0	0

## M : MAINTAINING GOOD GOVERNANCE

Cont'd

To further encourage the reporting of potential corruption concerns, the Manager has strategically positioned suggestion boxes at loading bays and pantries throughout the properties. Employees are strongly encouraged to utilize these channels, as well as the whistleblowing portal and Human Resources Department, to report any suspected instances of corruption.

In FY2025, the Manager also confirmed that:

- No corruption incident reports were submitted through the whistleblowing portal.
- No employees faced dismissal or disciplinary action for corruption-related offenses.
- No contracts with business partners were terminated or not renewed due to corruption violations.
- No public legal cases involving corruption were brought against Pavilion REIT or its employees.
- No any instances of non-compliance with laws and regulations.
- Pavilion REIT did not make any contributions to any political parties for any political reason during the year.

The Manager is committed to promoting a culture of transparency and accountability, as well as ensuring the effectiveness of the implemented reporting mechanisms.

### Conflict of Interest Practices

In line with Pavilion REIT's Code of Conduct & Ethics, the Manager has implemented a Conflict of Interest (COI) Declaration practice to ensure ethical decision-making and uphold responsible governance. All employees are required to complete an annual declaration of any perceived, potential, or actual conflicts of interest through the COI Form.

If a conflict arises outside the annual declaration cycle—whether due to incidental or ad hoc circumstances—employees must declare it within three (3) working days. Declarations must include comprehensive details, such as:

- The nature of the conflict
- The individuals or entities involved
- The potential impact on the company

Failure to disclose a COI constitutes a breach of Pavilion REIT's Code of Conduct & Ethics and will result in disciplinary action in accordance with the company's established conduct and disciplinary procedures. These practices are integral to the Code of Conduct & Ethics and underscore the Manager's commitment to maintaining transparency and accountability across all levels of operation.

## DATA PRIVACY AND CYBERSECURITY

### Why it Matters and Approach

In today's digitally connected world, data privacy and cybersecurity are essential to maintaining business continuity and protecting stakeholder information. As reliance on digital technologies grows, the risk of cyber threats increases, making robust IT governance a strategic priority for Pavilion REIT.

To safeguard Pavilion REIT's business operations and stakeholder information from cyber-attacks, the Manager is actively working to strengthen in-house cybersecurity systems and procedures. This involves enhancing and developing procedures in key areas, including internet and e-mail usage and management, artificial intelligence, change management etc. Pavilion REIT's approach to cybersecurity is governed by its Technology Risk Management Framework and other relevance IT policies and procedures such as anti-virus management, disaster recovery, firewall management, backup and restore and network management.

# M : MAINTAINING GOOD GOVERNANCE

Cont'd

The Manager recognizes that effective cybersecurity governance and a robust IT infrastructure are fundamental to ensuring data privacy. The IT infrastructure and information systems serve as the backbone of Pavilion REIT’s operations. The IT Department ensures that all IT equipment, systems, and data are well-managed and securely protected. Every employee is responsible for safeguarding Pavilion REIT against cybersecurity risks. Employees are strictly prohibited from sharing confidential information with unauthorized external parties. Additionally, any IT-related modifications or system adjustments must be carried out exclusively by certified and professional vendors, with prior authorisation from Pavilion REIT.

To enhance efficiency and sustainability, Pavilion REIT encourages the use of digital tools for document review, approvals and electronic signatures, helping streamline processes while reducing paper usage. A clear understanding of emerging technologies and IT tools enables the organization to streamline business processes and enhance productivity effectively.

Structured policies and SOPs cover areas such as Artificial Intelligence governance, Cyber Incident Management, System Development Life Cycle, Patch Management and Technology Refresh as well as Data Disposal and Sanitisation, providing clear guidance on secure system development, responsible technology use, timely vulnerability remediation and safe data handling throughout its lifecycle.

## Progress and Key Initiatives

The Manager continuously enhances Pavilion REIT’s information security framework to safeguard data integrity, confidentiality and availability. Key initiatives include:

Review and Enhancement of IT Security Policies	Penetration Testing	Cybersecurity Awareness Training	System Security Measures	IT Disaster Recovery Technical Drill
Regular updates to IT security procedures, enhance security measures and end-point protection solutions are carried out to ensure alignment with evolving business requirements and regulatory expectations.	Periodic penetration testing exercises are conducted to identify system vulnerabilities and strengthen overall system resilience against cyber threats.	Annual cybersecurity awareness programs to equip employees with the skills to recognize and respond to cyber threats. In 2025, training sessions were conducted in July and October, attended by all employees.	Periodic reviews of system access privileges, implementation of security patches and use of Multi-Factor Authentication (MFA) and Two-Factor Authentication (2FA) ensure systems remain protected against unauthorized access and potential breaches.	An IT disaster recovery technical drill was conducted to assess the readiness of the disaster recovery infrastructure in meeting the targeted Recovery Time Objective (RTO), being the maximum acceptable system downtime, and Recovery Point Objective (RPO), being the maximum acceptable data loss.

To further enhance cybersecurity awareness, knowledge-sharing articles are disseminated regularly, keeping employees informed about emerging threats and trends in cybersecurity and information technology era. Phishing e-mails are also being sent out by IT on an ad-hoc basis to test the diligence of staff.

# M : MAINTAINING GOOD GOVERNANCE

Cont'd

## Protecting Our Shoppers' Privacy

Pavilion REIT demonstrates a strong commitment to data privacy and security, as evidenced by its consistent compliance with the Personal Data Protection Act (PDPA). Notably, in 2025, Pavilion REIT's properties achieved zero reported of substantiated complaints regarding breaches to shopper/customer privacy or data loss. This achievement reflects the effectiveness of Pavilion REIT's data security framework and its dedication to safeguarding shopper information.

**Target:** Zero reports of complaints concerning breaches of customer privacy and loss of customer data.

	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

This external commitment to shopper privacy aligns with Pavilion REIT's internal focus on cybersecurity and data protection. The Manager's proactive measures to fortify IT infrastructure, train employees, and implement robust cybersecurity protocols ensure that both internal systems and external customer interactions remain secure. Together, these efforts create a comprehensive approach to data privacy and cybersecurity, reinforcing Pavilion REIT's reputation as a trusted and responsible organisation.

## Future Initiatives and Long-Term Plans

Building upon Pavilion REIT's current commitment to data privacy and cybersecurity, the Manager is focused on continuing to strengthen both its internal infrastructure and external data protection efforts. The following long-term plans will ensure that Pavilion REIT remains resilient, efficient, and at the forefront of cybersecurity and data privacy best practices:

Expansion of E-Services	Continuous Improvement	Cloud Migration	Paperless Environment	Optimized IT Asset Ownership
Explore and plan for the implementation of additional e-services to improve productivity and operational efficiency.	Maintain ongoing enhancements in cybersecurity protocols to meet audit compliance standards.	Gradually migrate enterprise-based systems to cloud platforms for improved scalability and resilience.	Promote a paperless business model to drive efficiency and sustainability.	Strategically reduce Pavilion REIT's IT asset ownership to streamline resource allocation and management.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

## CLIMATE CHANGE

### Why it Matters and Approach

Malaysia's target of net-zero GHG emissions by 2050 and renewable energy milestones (31% by 2025, 40% by 2035) align with global efforts under the Paris Agreement. As part of Malaysia's NDC, the country's aim to reduce carbon intensity by 45% by 2030, reinforces the urgency of transitioning to sustainable operations. The Manager recognises that climate change is a pressing issue, impacting livelihoods across Malaysia through increasingly frequent and intense weather changes.

Pavilion REIT acknowledges that while its properties are not directly situated in flood-prone areas, the implications of climate change, ranging from extreme weather to resource scarcity, require a proactive and strategic approach. Energy consumption constitutes a significant portion of Pavilion REIT's environmental footprint, making energy efficiency and emissions reduction pivotal priorities.

To address these challenges, Pavilion REIT integrates sustainable practices across its operations, guided by a Board-level Sustainability Committee that oversees ESG initiatives biannually. Key focus areas include reducing energy and water consumption, minimizing waste and enhancing biodiversity wherever possible around its properties. Initiatives such as exploring renewable energy options, implementing smart energy systems, and encouraging recycling and water-saving measures contribute to operational efficiency and environmental stewardship. Regular climate risk assessments and adherence to green building standards further bolster resilience and align Pavilion REIT with global sustainability objectives.

By embedding sustainability into its operations, Pavilion REIT not only reduces costs, such as through lower energy consumption, but also strengthens its reputation as a responsible and forward-thinking organisation. These efforts support Malaysia's broader sustainability goals, ensuring long-term resilience and creating a positive impact on the environment, tenants, and surrounding communities. Through this balanced approach, Pavilion REIT safeguards its future while contributing meaningfully to the nation's climate ambitions.

### Pavilion REIT's Commitment to Carbon Reduction and Net Zero (Scope 1 & 2)

Pavilion REIT is committed to reducing its carbon footprint and enhancing climate resilience across its operations.

#### Targets:

- **20% Carbon Reduction by 2030:** Pavilion REIT aims to achieve a 20% reduction in Scope 2 carbon emissions by 2030, using FY2019 as the baseline year.
- **50% Renewable Energy by 2040:** Pavilion REIT targets sourcing 50% of its total electricity consumption from renewable energy sources by 2040, supporting its long-term carbon reduction goals.
- **Net Zero Carbon <sup>(1)</sup> by 2050 (Scope 1 & 2 Operational Emissions):**
  - o Pavilion REIT is committed to achieving net zero carbon emissions across Scope 1 (direct operational emissions) and Scope 2 (indirect emissions from purchased electricity) by 2050.

For Scope 2 emissions, FY2019 has been established as the baseline year for existing properties. Newly acquired properties will adopt the first full financial year of operations as their baseline, where applicable. Properties over which Pavilion REIT does not have operational control, such as the acquired hotels or any property under master lease or master tenancy, do not impact the baseline or progress measurement.

For Scope 1 emissions, Pavilion REIT is in the process of strengthening data completeness and measurement methodologies across its portfolio. Accordingly, a baseline year for Scope 1 has not yet been established and will be defined once a complete and reliable Scope 1 emissions inventory is available.

The Net Zero target currently covers Scope 1 and Scope 2 operational emissions only. Pavilion REIT intends to progressively expand the target to include Scope 3 value chain emissions as data availability and inventory maturity improve.

#### Note:

- (1) *Achieving net zero carbon emissions means that Pavilion REIT will balance the carbon it emits (Scope 1 & 2) with an equivalent amount of carbon removal or offsetting measures, ultimately resulting in no net increase of carbon dioxide in the atmosphere from its direct and indirect operations.*

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Sustainability targets are adjusted based on annual progress across indicators where applicable, reflecting Pavilion REIT's dynamic commitment to continuous improvement.

This commitment will be delivered primarily through:

- Continuous energy efficiency improvements and operational optimisation across all properties; and
- Increased procurement of renewable electricity where possible, including participation in Malaysia's Green Electricity Tariff ("GET") through "Tenaga Nasional Berhad ("TNB").

Where residual emissions remain that cannot be technically or economically eliminated, Pavilion REIT may consider the use of credible carbon offsets as a last resort, in line with prevailing standards and regulatory guidance.

Pavilion REIT will periodically review its decarbonisation pathway to reflect changes in technology, the electricity grid, regulations and best practice, ensuring its net zero ambition remains achievable and credible.

## Biodiversity

The Manager is dedicated to preserving and promoting biodiversity across its properties and surrounding areas whenever possible. Pavilion REIT's properties are situated within urban environments, where the direct impact on natural ecosystems is minimal. As none of these properties are located within protected areas, no material biodiversity risks have been identified.

Nonetheless, the Manager remains committed to implementing sustainable practices that support urban biodiversity. This includes incorporating green spaces, adopting eco-friendly landscaping and collaborating with stakeholders to minimize ecological impacts wherever needed. The Manager continues to monitor environmental developments and explore initiatives that enhance biodiversity and contribute to a sustainable urban ecosystem.

## Climate Transition Strategy

To navigate this path towards net zero carbon, the Manager has developed a comprehensive climate transition strategy. This strategy, alongside its policies such as Sustainability Policy and Environmental Policy, acts as a roadmap for Pavilion REIT's decarbonization efforts. It rests on three key pillars:

### 1. Managing Pavilion REIT's Emissions

- **Enhancing Energy Efficiency**
  - o Implementing measures like LED lighting and new / upgrade chiller system that are more energy efficient to reduce electricity consumption across its properties.
  - o Subscribing to TNB's GET scheme for cleaner energy sources.
  - o Conducting regular energy audits to identify and address energy waste.
- **Integrating Sustainable Practices**
  - o Encouraging responsible waste management and water conservation initiatives.
  - o Partnering with green suppliers and service providers.

### 2. Investing in Low Emissions and Green Technologies

- **Embracing Clean Technologies**
  - o Implementing smart building systems to optimize energy usage.
  - o Providing electric vehicle charging infrastructure to support clean transportation.
  - o Exploring innovative solutions for low-carbon technologies.
- **Prioritizing Green Buildings**
  - o Targeting green building certifications for its properties.
  - o Employing sustainable construction practices and materials in new renovations and asset enhancement exercises.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

### 3. Leveraging on Partnerships and Collaboration

- **Engaging Stakeholders:**
  - o Partnering with tenants, suppliers, and industry players to promote climate action.
- **Participating in Sustainability Initiatives:**
  - o Collaborating with relevant organizations and associations to advance sustainable practices.

#### Progress

#### Upholding Our Commitments Towards Climate Change

Pavilion REIT actively pursues its strategic pillars, placing a strong emphasis on driving real progress in emission reduction and contributing to a cleaner, more sustainable future. The Manager demonstrates this commitment through several initiatives implemented during the year:

- **Installed sensor-activated lighting systems throughout all staircases and carparks of Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This not only reduces energy consumption but also enhances user convenience and safety.
- **Upgraded LED lighting within Pavilion Kuala Lumpur Mall and Elite Pavilion Mall.** This energy-efficient technology further minimizes greenhouse gas emissions while maintaining optimal lighting levels.
- **EV charging stations at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil and DA MEN Mall.** This promotes sustainable transportation, attracting environmentally conscious shoppers and tenants.
- **Subscribed to TNB's GET scheme for Pavilion Kuala Lumpur Mall and Intermark Mall.** This proactive step signifies a pivotal shift towards green energy, diversifying Pavilion REIT's energy portfolio and aligning with Malaysia's renewable energy goals.

Recognizing the increased risk of flooding due to climate change, Pavilion REIT has implemented comprehensive SOPs for managing flash floods around its properties. These SOPs include:

- **Floodgate activation:** Identifying key car park ramp entrances (e.g., Pavilion Kuala Lumpur Mall, DA MEN Mall) and promptly activating floodgates to prevent water ingress.
- **Floodwater removal:** Utilizing vacuum and flushing systems to efficiently remove floodwater within properties.
- **Sandbagging:** Deploying sandbags at vulnerable property entrances for additional protection.
- **Patron evacuation:** Guiding patrons to the nearest exit if the situation worsens.

These measures demonstrate Pavilion REIT's proactive approach to climate resilience, ensuring the safety of its stakeholders and the continued operation of its properties. Initiatives will be progressively enhanced, balancing between target set, cost impact as well as the benefit and sustainability of implementation.

#### Supporting Clean Transportation

Pavilion REIT is committed to supporting sustainable transportation through the installation of EV charging stations across its properties. As of FY2025, a total of 26 EV charging stations are operational at Pavilion Kuala Lumpur Mall, Pavilion Bukit Jalil and DA MEN Mall. Among these, 16 are Tesla Superchargers, marking the first Tesla Supercharging stations in Malaysia.

In the preceding financial year (FY2024), the EV charging stations across Pavilion REIT's properties recorded 17,505 charging sessions. During FY2025, charging activity increased to 23,653 sessions, representing a year-on-year increase in utilisation, reflecting continued uptake and growing demand for EV charging facilities at its malls.

The provision of EV charging infrastructure forms part of Pavilion REIT's response to climate-related transition trends, regulatory development and evolving stakeholder expectations, supporting the continued attractiveness and functionality of its retail assets. While the availability of EV charging infrastructure may facilitate the adoption of lower-emission transportation options, Pavilion REIT does not currently quantify emissions reductions associated with EV charging usage, as such impacts depend on external factors including electricity generation mix and user behaviour.

This initiative aligns with Pavilion REIT's sustainability strategy and Malaysia's national aspiration to achieve net-zero greenhouse gas emissions by 2050, while enhancing on-site accessibility and convenience for EV users across its properties and meeting the needs of environmentally conscious employees, tenants and shoppers.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Sustainable Connectivity: Free Shuttle Bus Services

For the convenience of stakeholders, Pavilion Bukit Jalil offers a daily free shuttle service connecting LRT Awan Besar to the mall. The shuttle bus services are available daily, with the designated pick-up and drop-off point at Pavilion Bukit Jalil located at the Park Entrance.

Building on its strong utilisation in the previous year, the free shuttle service continued to record robust patronage in FY2025. From January to December 2024, the service recorded an impressive 529,603 riders, reflecting its popularity and utility among mall patrons and employees. In FY2025, total ridership increased to 625,404 riders, representing an approximately 18% year-on-year increase, demonstrating sustained demand and a growing preference for shared transport options to access the mall.

This initiative not only enhances convenience but also contributes to reducing commuting-related emissions, by encouraging a shift away from private vehicle usage, supporting Pavilion REIT's broader sustainability objectives. By providing a reliable and accessible alternative to driving, the shuttle service improves accessibility for customers and employees who may have limited access to direct public transportation or personal vehicles.

Furthermore, the shuttle bus service helps alleviate traffic congestion in the surrounding area, contributing to improved urban mobility and a more pleasant visitor experience at Pavilion Bukit Jalil. This initiative aligns with Pavilion REIT's ongoing efforts to promote sustainable connectivity while delivering a seamless and customer-focused shopping experience.

## Innovative Transit: Solar-Generating Bus Stop

Pavilion Bukit Jalil continues to champion sustainability and convenience by constructing solar-generating public bus stop. This innovative facility not only enhances access to the mall but also underscores Pavilion Bukit Jalil's commitment to environmentally friendly initiatives. Equipped with solar panels, the bus stop harnesses renewable energy to power lighting and other basic features, reflecting the mall's dedication to promoting clean energy solutions. The total investment for this project amounts to RM165,000.

This bus stop adds significant value for shoppers, tenants, and the surrounding community by improving connectivity to the mall and making commuting more convenient. The integration of solar technology aligns with Pavilion Bukit Jalil's broader sustainability goals, providing a tangible example of how small yet impactful changes can contribute to a greener future.

Additionally, RapidKL bus services commenced operations at this location since 2024, further enhancing accessibility for the public. These services provide a reliable and cost-effective transportation option, encouraging the use of public transit and reducing reliance on private vehicles. By facilitating sustainable and efficient transit options, Pavilion Bukit Jalil continues to support the community's mobility needs while addressing environmental concerns such as traffic congestion and carbon emissions.

## Scope 1 Greenhouse Gas (GHG) Emissions

Pavilion REIT's Scope 1 GHG emissions represent direct greenhouse gas emissions from diesel generator (genset) operations at managed properties where Pavilion REIT has operational control. In FY2025, total Scope 1 emissions from gensets amounted to 51.2 tCO<sub>2</sub>e.

FY2025 emissions were estimated based on diesel fuel consumption, calculated using genset technical specifications and standard operating hours for periodic testing. During the reporting period, there were no significant electricity supply interruptions and genset operations were therefore minimal and primarily limited to routine testing activities.

Emissions were calculated in accordance with the GHG Protocol Corporate Standard, applying the stationary combustion method for diesel fuel with an emission factor of 0.00295 tCO<sub>2</sub>e per litre, as set out in the Simplified ESG Disclosure Guide (SEDG) Greenhouse Gas Emissions Calculator issued by Capital Markets Malaysia.

The emission factors and Global Warming Potentials (GWPs) applied in the SEDG calculator are aligned with the GHG Protocol Emission Factors from Cross-Sector Tools (Version 2.0, March 2024) and the IPCC Sixth Assessment Report (AR6). Where necessary, volume-to-weight conversions were made using average fuel densities from sources like the U.S. Environmental Protection Agency (EPA).

Pavilion REIT continues to evaluate opportunities to reduce direct emissions, including improving genset efficiency, reducing reliance on diesel generators through enhanced power reliability and exploring lower-carbon or renewable alternatives with the long-term objective of eliminating emissions from genset operations.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Change in Scope 1 Emissions Methodology

In FY2025, Pavilion REIT refined its methodology for calculating Scope 1 emissions from diesel generator operations by transitioning from a fuel purchased-based approach to fuel consumption-based approach, reflecting improvements in data availability and measurement accuracy.

Scope 1 emissions for FY2023 and FY2024 were calculated based on diesel purchased, as historical data on actual fuel consumption was not available. These prior-year emissions have not been restated, as retrospective application of the revised methodology would require significant assumptions regarding fuel inventory levels and consumption patterns, which could adversely affect data reliability.

As a result, Scope 1 emissions for FY2025 are not directly comparable with those of prior years. The revised methodology will be applied consistently in future reporting periods.

Properties	Scope 1 GHG emissions (fuel consumption for genset) (tCO <sub>2</sub> e)		
	FY2023 <sup>(1)</sup>	FY2024 <sup>(1)</sup>	FY2025 <sup>(5)</sup>
Pavilion Kuala Lumpur Mall	8.9	0	8.9
Elite Pavilion Mall	4.6	0	6.7
Pavilion Tower	22.1	0	0.2
Intermark Mall	0	7.3	0.5
DA MEN Mall	Refer to Note <sup>(3)</sup>		
Pavilion Bukit Jalil	0.1 <sup>(2)</sup>	0 <sup>(2)</sup>	34.9
Pavilion Hotel Kuala Lumpur			Refer to Note <sup>(4)</sup>
Banyan Tree Kuala Lumpur			Refer to Note <sup>(4)</sup>
<b>Total</b>	<b>35.7</b>	<b>7.3</b>	<b>51.2<sup>(6)</sup></b>

### Notes:

- (1) Emissions were calculated using an emission factor of 10.21kg CO<sub>2</sub> per gallon of diesel, based on US EPA Emission Factors for Greenhouse Gas Inventories (2023). The emission factor was applied due to the absence of locally published gallon-based emission factors and is considered conservative.
- (2) Pavilion Bukit Jalil measures genset usage in kWh and applies an emission factor of 0.758 tCO<sub>2</sub>e/MWh, based on Malaysia Energy Commission (2021). Data availability for FY2023 covers the period from June to December 2023, following the acquisition on 1 June 2023.
- (3) The genset is owned and managed by DA MEN Management Corporation. Pavilion REIT does not have operational control over the genset and therefore emissions are excluded from Pavilion REIT's Scope 1 inventory boundary. From April 2025, Pavilion REIT leased DA MEN Mall to Easyhome International, with operations managed by the tenant; emissions arising from tenant activities fall outside Pavilion REIT's operational control.
- (4) Pavilion REIT acquired Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur on 20 June 2025 and leased both properties to Harmoni Perkasa Sdn Bhd. As operations are managed by the tenant, emissions arising from their activities fall outside Pavilion REIT's Scope 1 boundary.
- (5) FY2025 emissions are calculated using a refined methodology based on estimated fuel consumption and are not directly comparable with prior years.
- (6) The Scope 1 GHG emission data arising from fuel consumption for genset in FY2025 has been assured externally by KPMG.

Pavilion REIT has set a long-term target to achieve net zero carbon emissions for Scope 1 and Scope 2 by 2050. While Scope 2 emissions are tracked against a FY2019 baseline, Scope 1 emissions measurement is being progressively enhanced. Formal Scope 1 baselines and interim reduction targets will be established once emissions coverage, including additional direct emission sources such as fugitive emissions, is sufficiently complete to support meaningful target-setting.

The Manager remains committed to enhancing the transparency, consistency and comprehensiveness of Scope 1 emissions disclosures, reinforcing Pavilion REIT's dedication to environmental accountability.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Scope 2 GHG Emissions

### Scope and Boundary

Pavilion REIT's Scope 2 GHG emissions comprise purchased electricity consumed in landlord-controlled common areas, including Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall, Pavilion Bukit Jalil and Pavilion Tower.

### Measurement Methodology and Emission Factors

Scope 2 GHG emissions are calculated using electricity consumption data and grid emission factors published by the Malaysia Energy Commission.

During the reporting period, Pavilion REIT enhanced its data collection processes and refined its Scope 2 calculation methodology to improve data completeness, accuracy and consistency across the portfolio. As part of this methodological improvement, a consistent grid emission factor approach has been applied using the 2022 grid emission factor of 0.774 tCO<sub>2</sub>e/MWh.

Accordingly, Scope 2 emissions data for FY2023 and FY2024 have been restated to reflect these methodological enhancements and to ensure comparability across reporting periods,

### Scope 2 GHG Emissions (Purchased Electricity)

Scope 2 GHG emission (tCO <sub>2</sub> e) <sup>(3)</sup>	FY2019 (Base Year) <sup>(4)</sup>	FY2023 <sup>(2)</sup>	FY2024 <sup>(2)</sup>	FY2025
Market-based <sup>(1)</sup>	123,585	96,757	80,725	72,194 <sup>(1)</sup>
Location-based	123,585	116,950	116,469	107,693

#### Notes:

- (1) Scope 2 GHG emissions (market-based) data for FY2025 have been assured externally by KPMG PLT.
- (2) Scope 2 emissions data for FY2023 and FY2024 have been restated to reflect methodological enhancements and improved data quality.
- (3) Location-based Scope 2 emissions are disclosed in accordance with IFRS S2 and reflect average grid emission factors, while Pavilion REIT's emission reduction performance is assessed using the market-based method.
- (4) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for Scope 2 GHG emissions.

Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio. In accordance with the GHG Protocol requirements on structural changes, the base year has been recalculated to include Pavilion Bukit Jalil to enable meaningful like-for-like comparison across the enlarged portfolio.

As historical electricity consumption data for Pavilion Bukit Jalil prior to acquisition is not available, FY2024, being the first full financial year of operations, has been used as a proxy baseline for this asset. Scope 2 emissions for Pavilion Bukit Jalil in FY2024 amounted to 39,957 tCO<sub>2</sub>e.

Accordingly, the recalculated base year Scope 2 emissions are:

- Original FY2019 base year emissions: 83,628 tCO<sub>2</sub>e
- Adjustment for Pavilion Bukit Jalil: 39,957 tCO<sub>2</sub>e
- Recalculated base year total: 123,585 tCO<sub>2</sub>e

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Scope 2 Emissions and Renewable Electricity

Pavilion REIT applies the market-based method for Scope 2 emissions in accordance with the GHG Protocol Scope 2 Guidance and IFRS S2. Electricity procured under TNB's GET is treated as a contractual instrument and applied only to the relevant subscribed properties. GET certificates are tracked and retired in accordance with applicable programme requirements.

During FY2025, Pavilion REIT subscribed to GET for Pavilion Kuala Lumpur Mall and Intermark Mall, supporting the procurement of electricity from certified renewable sources. Across the portfolio, approximately 33% of landlord electricity consumption was sourced from renewable electricity under the GET program. Individually:

- Pavilion Kuala Lumpur Mall sourced 70% of its landlord electricity consumption under GET
- Intermark Mall sourced 34% of its landlord electricity consumption under GET

The renewable electricity procured under the GET program is supported by Malaysia Renewable Energy Certificates issued by TNB, which certify that the electricity supplied originates from renewable sources. This enables Pavilion REIT to reflect lower Scope 2 market-based emissions for electricity consumption associated with GET subscriptions.

In accordance with IFRS S2 requirements, Pavilion REIT also discloses Scope 2 location-based emissions, which are calculated using the average grid emission factor of the Malaysian electricity system. The Manager primarily monitors performance and progress against emission reduction targets using the market-based method, as it reflects renewable electricity procurement decisions.

Currently, Pavilion Kuala Lumpur Mall and Intermark Mall participate in the GET program. The Manager plans to expand renewable electricity adoption across other properties where feasible. These initiatives support Pavilion REIT's long-term renewable energy target of 50% by 2040 and demonstrate a transition toward cleaner energy consumption.

## Performance Against Base Year

Based on market-based Scope 2 emissions, Pavilion REIT recorded emissions of 72,194 tCO<sub>2</sub>e in FY2025. Compared against the recalculated base year emissions of 123,585 tCO<sub>2</sub>e, this represents an approximate 42% reduction. The reduction was primarily driven by:

- Increased use of renewable electricity through Malaysia's Green Electricity Tariff (GET) via Pavilion Kuala Lumpur Mall and Intermark Mall; and
- Reduced landlord-controlled electricity consumption at DA MEN Mall, following the leasing of the whole mall to Easyhome International (M) Sdn Bhd from April 2025.

## Targets and Outlook

The significant reduction in Scope 2 emissions demonstrates the effectiveness of Pavilion REIT's energy management initiatives and indicates that the target of a 20% reduction in carbon emissions has been exceeded.

The Manager will continue to monitor Scope 2 emissions, expand renewable electricity procurement where feasible, and implement further energy efficiency measures to sustain and enhance emissions reductions, in line with Pavilion REIT's long-term sustainability strategy and national climate objectives.

## Scope 3 GHG Emissions

Scope 3 GHG emissions represent indirect emissions that occur across Pavilion REIT's value chain and are not included in Scope 1 or Scope 2. While these emissions are largely outside Pavilion REIT's direct operational control, they are influenced by the property's activities, procurement decisions and engagement with tenants, employees and service providers.

During the year, Pavilion REIT enhanced its Scope 3 GHG emissions reporting to broaden coverage and improve transparency in accordance with transition relief applied under IFRS S2 Climate-related Disclosures and NSRF. This reflects the Manager's ongoing commitment to strengthening sustainability reporting and providing stakeholders with a more comprehensive view of Pavilion REIT's indirect environmental impacts.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

For the current reporting period, Pavilion REIT has prioritised Scope 3 categories that are considered most relevant to its business model, where data is available and where emissions are expected to be material. These include emissions associated with energy use, tenant operations, employee activities and waste generated in the course of operations.

Recognising that Scope 3 emissions estimation involves a higher degree of uncertainty and reliance on assumptions compared to Scope 1 and Scope 2, the Manager has adopted a phased and pragmatic approach to Scope 3 reporting. Data quality and methodological robustness will continue to be enhanced over time, and additional Scope 3 categories will be assessed for inclusion in future reporting cycles as data availability improves.

- **Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)**, relating to purchased electricity that is sold to end users;
- **Category 5: Waste generated in operations;**
- **Category 6: Business travel;**
- **Category 7: Employee commuting;** and
- **Category 13: Downstream leased assets**, primarily relating to electricity consumption by tenants

## Scope 3 – Category 3: Fuel- and Energy-Related Activities (*Not Included in Scope 1 or Scope 2*)

Scope 3 Category 3 emissions represent purchased electricity that is sold to end users that are not reported under Scope 1 or Scope 2. This includes electricity procured by Pavilion REIT and subsequently supplied to end users where Pavilion REIT remains the contractual electricity account holder.

In prior reporting periods, electricity consumption supplied to certain end users was disclosed under Scope 3 Category 13 (Downstream Leased Assets). During FY2025, Pavilion REIT conducted a review of contractual arrangements, operational responsibility and electricity procurement practices. As a result, and in alignment with the GHG Protocol Scope 3 Standard, these emissions have been reclassified to Scope 3 Category 3, as they relate to purchased electricity that is sold to end users rather than the downstream operation of leased assets.

Accordingly, electricity consumption supplied to Pavilion Hotel Kuala Lumpur and Pavilion Suites is reported under Scope 3 Category 3 where Pavilion REIT procures the electricity and recharges the consumption to the respective end users.

For Pavilion Hotel Kuala Lumpur, electricity consumption from January 2025 up to the day prior to the acquisition date of 20 June 2025 is classified under Scope 3 Category 3, as Pavilion REIT remained the electricity account holder during this period. Electricity consumption from the acquisition date is classified under Scope 3 Category 13 (Downstream Leased Assets), reflecting the change in ownership and operational arrangements.

For Pavilion Suites, electricity consumption was reported under Scope 3 Category 3 as its electricity was billed by Pavilion REIT. During FY2025, Pavilion Suites progressively transitioned to having its own electricity account with Tenaga Nasional Berhad. Thereafter, no electricity consumption was reported under Scope 3 Category 3 for Pavilion Suites in FY2025.

Electricity-related emissions were calculated using the Malaysia Grid Emission Factor of 0.774 tCO<sub>2</sub>e/MWh, based on the latest available national grid emission factor published for Malaysia (2022). This represents an update from the previously applied emission factor of 0.758 tCO<sub>2</sub>e/MWh. The revised emission factor has been applied to FY2023 to FY2025 to enhance accuracy, consistency and alignment with national and international reporting practices. Minor differences arising from the update in emission factors and rounding are not considered material. The table below summarises electricity consumption supplied to end users and reported under Scope 3 Category 3:

Electricity-Related Emissions (tCO <sub>2</sub> e)	FY2023	FY2024	FY2025
Pavilion Hotel Kuala Lumpur	6,091	6,099	2,868
Pavilion Suites	3,745	2,162	-
<b>Total</b>	<b>9,836</b>	<b>8,261</b>	<b>2,868</b>

The reduction in Scope 3 Category 3 emissions reported in FY2025 reflects:

- the partial-year inclusion of Pavilion Hotel Kuala Lumpur up to 19 June 2025;
- the transition of Pavilion Suites to a separate electricity account by Tenaga Nasional Berhad.

Prior-year figures have been restated to reflect the reclassification and updated emission factor. These changes improve the accuracy, consistency, and comparability of Pavilion REIT's emissions reporting and do not affect total Scope 3 emissions. Pavilion REIT will continue to apply this methodology consistently in future reporting periods.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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## Scope 3 – Category 5: Waste Generated in Operations

Scope 3 GHG emissions from waste generated in operations comprise indirect emissions arising from the treatment and disposal of waste generated across Pavilion REIT’s properties. This includes waste generated from landlord-controlled common areas and tenant-occupied spaces, where waste streams are operationally comingled and managed collectively at the property level. These emissions are classified as Scope 3 as waste treatment activities are undertaken by third-party service providers and are outside the Manager’s direct operational control.

FY2025 represents the first year that Pavilion REIT has disclosed Scope 3 GHG emissions for waste generated in operations. The reported figures are based on the best available data and reasonable assumptions at this stage and may be subject to refinement in future reporting periods as data coverage, data quality and estimation methodologies continue to improve.

For FY2025, Scope 3 emissions from waste generated in operations amounted to 4,489 tCO<sub>2</sub>e, primarily attributable to waste disposed of at landfill, which remains the main contributor due to its higher carbon intensity. Emissions associated with recycling and food waste composting were comparatively low.

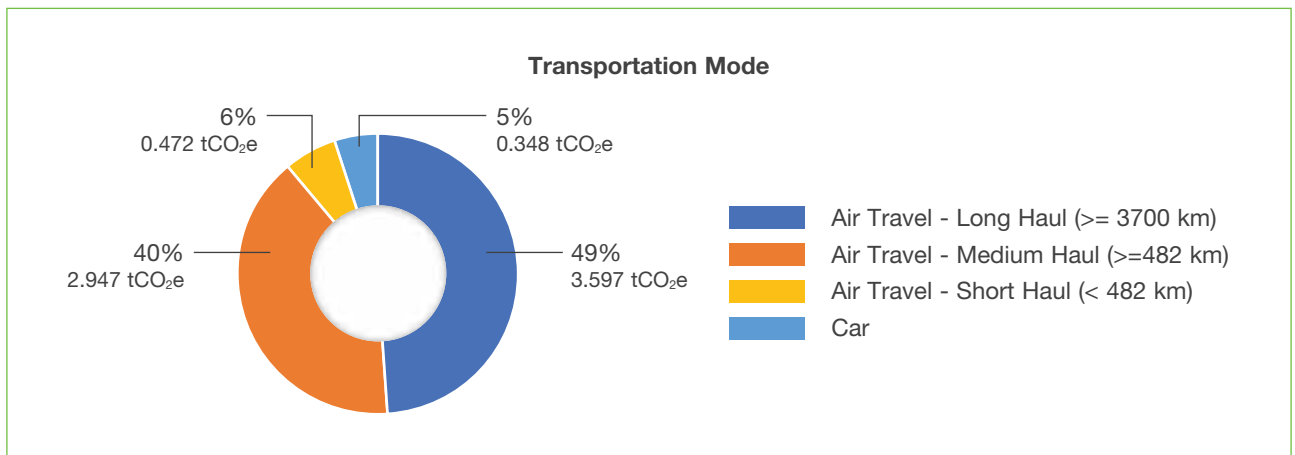
Emissions were estimated based on waste quantities by treatment method, using emission factors from the UK Department for Environment, Food & Rural Affairs (DEFRA) 2023, in the absence of locally available emission factors.

The Manager continues to work with the property manager and waste contractors to enhance waste segregation practices, increase recycling rates and explore opportunities to divert waste from landfill, with the aim of reducing Scope 3 emissions over time.

Waste Treatment Method	Scope 3 Emission (tCO <sub>2</sub> e) FY2025
Landfill	4,477
Food Waste Composting	2
Recycling (Metal, Plastic, Paper)	10
<b>Total</b>	<b>4,489</b>

## Scope 3 – Category 6: Business Travel

### Business Travel Emissions by Transportation Mode



tCO <sub>2</sub> e	FY2024	FY2025
Total Emissions	19.70	7.36

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.

## P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Pavilion REIT identifies Scope 3 Category 6 (Business Travel) as a relevant source of GHG emissions, arising from employee travel undertaken for business purposes. These emissions fall outside the Manager's direct operational control but are monitored to provide a comprehensive view of Pavilion REIT's climate-related impacts.

The reporting boundary for business travel emissions includes all the Manager's employee business travel undertaken during the financial year and excludes travel by tenants, contractors, or third parties. Emissions are categorised by transportation mode, including air travel (short-, medium- and long-haul), car travel, motorcycles and public transport such as bus and LRT/MRT where applicable.

Business travel emissions are calculated using activity-based data obtained from employee travel claim forms, supported by invoices and receipts for verification. Travel distances and modes are mapped against updated emission factors from the US EPA GHG Emission Factors Hub (2025), ensuring alignment with globally recognised methodologies and enhancing the accuracy and consistency of reported data. Minor rounding differences may occur but are not considered material to the overall emissions profile.

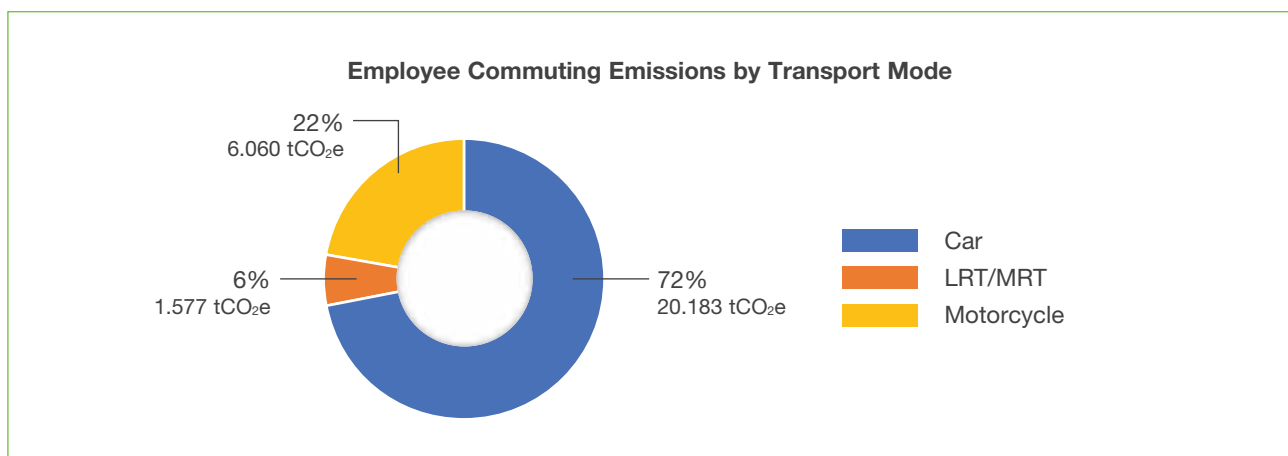
For FY2025, total business travel emissions amounted to 7.36 tCO<sub>2</sub>e, compared to 19.70 tCO<sub>2</sub>e in FY2024. The year-on-year reduction was primarily attributable to:

- Lower reliance on long-haul air travel compared to the previous year,
- Reduced frequency of business travel,
- The application of updated emission factors.

Air travel remains the primary contributor to business travel emissions, particularly from medium- and long-haul flights, reflecting the higher emission intensity associated with air transportation. No emissions were recorded from buses, motorcycles or rail-based public transport during the reporting period.

Pavilion REIT continues to monitor business travel emissions as part of its broader climate risk management approach. The Manager encourages the use of more sustainable travel options where feasible and promotes alternatives such as virtual meetings to minimise travel-related emissions. These efforts support Pavilion REIT's ongoing commitment to reducing its carbon footprint and managing climate-related transition risks.

### Scope 3 – Category 7: Employee Commuting



tCO <sub>2</sub> e	FY2024	FY2025
Total Emissions	22.90	27.82

Please note that minor percentage differences may occur due to rounding in calculations. These differences are not material and do not affect the overall accuracy of the reported data.

Scope 3 Category 7 emissions comprise GHG emissions generated from employees' daily commuting to and from the workplace. Pavilion REIT recognises employee commuting as a relevant source of indirect emissions, as commuting patterns and transport choices contribute to the organisation's overall carbon footprint and may present transition-related risks over time.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

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The organisational boundary for this category is limited to the Manager's employees and excludes tenants, contractors and outsourced service providers.

For FY2025, Pavilion REIT conducted an employee commuting survey to collect data on commuting modes and estimated daily travel distances. The survey was administered by the Human Resources department and achieved a 100% response rate, ensuring full employee coverage and enhancing the completeness, reliability and representativeness of the data used for emissions estimation.

Employee commuting emissions were calculated using distance-based emission factors obtained from the US EPA GHG Emission Factors Hub, with emission factors updated from 2024 to 2025 to reflect the latest available data and to maintain alignment with internationally recognised methodologies. Minor differences due to rounding are not considered material and do not affect the overall accuracy of the reported emissions.

In FY2025, total employee commuting emissions amounted to 27.82 tCO<sub>2</sub>e, compared to 22.90 tCO<sub>2</sub>e in FY2024. The increase was primarily attributable to:

- A higher proportion of commuting via private cars and motorcycles, which remain the main contributors to emissions due to their higher emission intensity; and
- Improved data accuracy resulting from the full implementation of the employee commuting survey.

Car travel and motorcycle use accounted for the majority of commuting emissions, while public transport usage (LRT/MRT) contributed a smaller share of total emissions, reflecting its lower emission intensity.

Pavilion REIT continues to monitor employee commuting emissions as part of its broader climate-related risk management approach. The Manager recognises that employee commuting patterns may be influenced by future regulatory, infrastructure and cost-related changes associated with transport decarbonisation. Measures such as promoting public transport usage, flexible work arrangements and employee awareness initiatives will be considered to support the reduction of commuting-related emissions over time.

## Scope 3 – Category 13: Downstream Leased Assets

*(Tenant Electricity Consumption)*

Scope 3 Category 13 emissions comprise GHG emissions arising from the operation of downstream leased assets, specifically electricity consumed by tenants in Pavilion REIT properties. The reporting scope includes Pavilion REIT properties where tenant electricity consumption is recorded under Scope 3 Category 13:

- Pavilion Kuala Lumpur Mall
- Elite Pavilion Mall
- Pavilion Bukit Jalil
- Pavilion Tower
- Pavilion Hotel Kuala Lumpur
- Banyan Tree Kuala Lumpur
- DA MEN Mall

Scope 3 Category 13 emissions were calculated using the Malaysia Grid Emission Factor of 0.774 tCO<sub>2</sub>e/MWh, based on the latest national grid emission factor published for Malaysia (2022). This updated factor has been applied to FY2023 to FY2025 to improve accuracy, consistency and alignment with national and international reporting practices.

## Scope 3 Category 13 Emissions Summary

tCO <sub>2</sub> e	FY2023	FY2024	FY2025
Total Emissions	29,239	41,994	64,791 <sup>(1)</sup>

### Note:

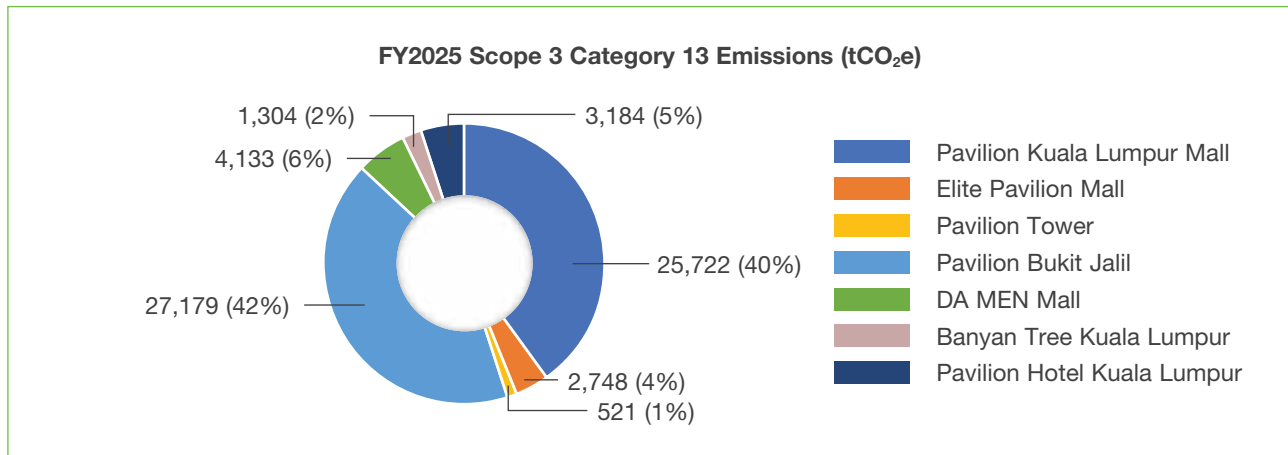
(1) Scope 3 GHG emissions (Category 13) data for FY2025 have been assured externally by KPMG PLT.

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In FY2025, total Scope 3 Category 13 emissions increased as compared to the prior year, primarily due to:

- electricity consumption data for DA MEN Mall that is reported under this category upon change into master tenancy agreement, and upon acquisition and master leases of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur; as well as
- full-year electricity consumption for Pavilion Bukit Jalil.



Tenant electricity consumption at Intermark Mall is excluded from Scope 3 Category 13, as tenants are billed directly by electricity suppliers and Pavilion REIT does not have access to the consumption data. The Manager will continue to explore feasible avenues to obtain this data in future reporting periods.

Prior-year figures have been restated to reflect the updated Malaysia Grid Emission Factor. The emission factor update improves the accuracy, consistency and comparability of Pavilion REIT's emissions reporting and does not affect the total Scope 3 boundary. Pavilion REIT will continue to apply this methodology consistently in future periods.

### GHG Emission Intensity

Pavilion REIT is committed to responsible operations and reducing its environmental impact. A key measure of this commitment is GHG emission intensity, which tracks the amount of GHG emissions released per unit of activity or output. This metric allows Pavilion REIT to monitor progress toward sustainability goals, benchmark performance over time and identify opportunities for improvement.

### Methodology

GHG emission intensity is calculated as tons of CO<sub>2</sub> equivalent per square meter of gross floor area (tCO<sub>2</sub>e/m<sup>2</sup>). Normalising emissions to GFA ensures fair and consistent comparisons, even as the portfolio grows or evolves. A lower GHG intensity indicates greater operational efficiency and reduced environmental impact.

The GHG emission intensity metric includes:

- **Scope 1:** Emissions from generator fuel consumption
- **Scope 2:** Emissions from landlord electricity consumption
- **Scope 3 – Category 13:** Tenant electricity consumption in downstream leased assets

### GHG Emission Intensity Performance (Total Portfolio)

Total GHG Emission Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	FY2019	FY2023	FY2024	FY2025
		0.22	0.18	0.17

Total emissions for FY2025 were 132,548 tCO<sub>2</sub>e, normalised by a GFA of 696,413 m<sup>2</sup>. Compared to the baseline FY2019 (0.22 tCO<sub>2</sub>e/m<sup>2</sup>), this represents a reduction of 14%, highlighting Pavilion REIT's ongoing energy efficiency and sustainability efforts.

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## GHG Emission Intensity – Scope 1 & 2 Only

To illustrate the impact of emissions directly under operational control, GHG emission intensity excluding Scope 3 emissions is presented below:

Total GHG Emission Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	FY2019	FY2023	FY2024	FY2025
Scope 1 and 2 only	0.22	0.14	0.11	0.10

This shows a significant reduction in GHG emission intensity, reflecting the effectiveness of energy efficiency initiatives directly under Pavilion REIT's operational control. Compared to the baseline year FY2019 (0.22 tCO<sub>2</sub>e/m<sup>2</sup>), Scope 1 & 2 intensity has reduced by 55% in FY2025. Pavilion REIT has set a target to reduce carbon intensity from its direct and indirect operations (Scopes 1 and 2) by 20% by 2030, using FY2019 as the baseline year. This target underscores Pavilion REIT's commitment to decarbonising its operations while continuing to monitor and improve emissions across its portfolio.

## Climate-Related Financial Disclosures

Pavilion REIT recognises that climate change presents both risks and opportunities that may influence the performance, resilience, and long-term value of its portfolio. To provide transparent, decision-useful information, the Manager's disclosures are in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

The disclosures cover Pavilion REIT's approach to governance, strategy, risk management, scenario analysis, transition planning and climate-related metrics and targets.

### Governance

Roles and responsibilities related to sustainability for the Board, sustainability committee, sustainability working committees, senior management and working-level teams are clearly defined within the Sustainability Policy, ensuring accountability and effective implementation across all levels.

The Board Committee's Terms of Reference explicitly include climate-related matters, reinforcing the Board's commitment to addressing environmental risks and opportunities.

Additionally, the Board engages in ongoing training on ESG-related topics, ensuring that directors remain informed of emerging sustainability issues, regulatory developments and best practices.

*For further details, on the sustainability governance structure, please refer to Sustainability Governance section in this report.*

### Strategy

Climate change is central to Pavilion REIT's strategic priorities. The Manager recognises that climate-related risks and opportunities may impact operating costs, asset performance, tenant experience, stakeholder trust and long-term value creation. To proactively manage these impacts, Pavilion REIT has integrated climate considerations into its enterprise risk management framework, asset management, and corporate strategy.

To navigate the path towards net-zero carbon, the Manager has developed a Climate Transition Strategy. This strategy, alongside policies such as the Sustainability Policy and Environmental Policy, serves as a roadmap for Pavilion REIT's decarbonisation efforts and rests on three key pillars:

#### 1. Managing Pavilion REIT's Emissions

##### Enhancing Energy Efficiency

- Implementing energy-saving measures such as LED lighting and new/upgraded chiller systems to reduce electricity consumption across properties
- Subscribing to TNB's GET scheme to increase the share of cleaner energy sources
- Conducting regular energy audits to identify and address energy inefficiencies

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## Integrating Sustainable Practices

- Encouraging responsible waste management and water conservation initiatives
- Partnering with green suppliers and service providers to ensure sustainability throughout the supply chain

## 2. Investing in Low-Emission and Green Technologies

### Embracing Clean Technologies

- Implementing smart building systems to optimise energy usage
- Providing electric vehicle charging infrastructure to support low-carbon transportation
- Exploring innovative solutions for low-carbon and renewable technologies

### Prioritising Green Buildings

- Targeting green building certifications for properties
- Employing sustainable construction practices and materials in new renovations and asset enhancement projects

## 3. Leveraging Partnerships and Collaboration

### Engaging Stakeholders

- Partnering with tenants, suppliers, and industry peers to promote climate action and knowledge sharing

### Participating in Sustainability Initiatives

- Collaborating with relevant associations and organisations to advance sustainable practices, share best practices, and enhance industry-wide impact

This strategy reduces exposure to energy cost volatility, enhances tenant and stakeholder satisfaction and strengthens long-term asset value. Progress is tracked via energy consumption, GHG emissions, renewable energy adoption and green building certifications.

*For further details, please refer to Climate Change sections in this report.*

## Risk Management

Pavilion REIT assesses climate-related risks through the ERM framework, considering physical and transition risks. The Manager assesses climate-related risks and opportunities across three time horizons aligned with its business planning cycles:

- Short-term (0–12 months): Operational impacts, compliance and immediate energy cost management
- Medium-term (1–5 years): Energy efficiency improvements, decarbonisation initiatives and capital planning
- Long-term (>5 years): Asset resilience, climate adaptation and strategic positioning in a low-carbon economy

Risks are assessed both qualitatively and quantitatively, considering their potential impacts on the business model, value chain and financial performance.

The Manager also conducts regular risk assessments with cross-departmental risk owners to identify, evaluate and mitigate climate risks across all operating assets. These assessments consider both physical risks (e.g., storms, floods, droughts and wildfires) and transition risks (e.g., policy shifts, technological advancements and reputational risks) to ensure a proactive approach to climate resilience.

### Physical Risks

Physical risks relate to climate events that may physically damage Pavilion REIT properties or disrupt operations, including flash floods, extreme rainfall and rising temperatures. These risks may affect tenant operations, energy demand, maintenance requirements and asset value.

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## Physical Climate-Related Risks

Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Flash floods & extreme rainfall	Operational disruption, water ingress, structural damage	Short : 0-12 months	Temporary closures, tenant disruption, maintenance requirements, reputational impacts	<b>Direct:</b> Flood gates, drainage, preventive maintenance, emergency response <b>Indirect:</b> Staff/tenant/contractors training on safety protocols, insurance coverage	<b>Current:</b> Minor operational increase, periodic repairs <b>Anticipated:</b> Medium/long-term increase in operation & capital expenditure increase, potential revenue disruption
Rising temperatures/heat stress	Increased cooling demand, HVAC strain	Medium : 1-5 years	Higher energy costs, tenant discomfort, potential impact on asset attractiveness	<b>Direct:</b> HVAC upgrades, energy efficiency initiatives <b>Indirect:</b> Tenant guidance, operational monitoring	<b>Current:</b> Increased electricity costs <b>Anticipated:</b> Higher medium/long-term energy costs, possible capital expenditure for resilient systems

## Transition Climate-Related Risks

Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Policy & Legal (carbon pricing, regulations)	Future carbon pricing, environmental regulations, reporting obligations	Medium : 1-5 years	Increased compliance, operating costs, potential impact on tenant/investor expectations	<b>Direct:</b> Regulatory monitoring, energy efficiency, GET adoption, capital planning <b>Indirect:</b> Stakeholder engagement, transparent reporting	<b>Current:</b> Minimal impact in Malaysia <b>Anticipated:</b> Potential increase in operation cost and capital expenditure if regulations/carbon pricing implemented
Technology	Low-carbon/energy-efficient technology adoption or obsolescence	Short : 0-12 months	Potential higher costs, reduced competitiveness if assets are not upgraded	<b>Direct:</b> System upgrades, adoption of low-carbon technology <b>Indirect:</b> Tenant collaboration, industry monitoring	<b>Current:</b> Incremental operational cost <b>Anticipated:</b> Medium-term capital expenditure for upgrades and long-term efficiency gains
Market	Tenant, investor, and shopper expectations for sustainable buildings	Medium : 1-5 years	Potential revenue and occupancy impacts	<b>Direct:</b> Green building certifications, sustainability programs <b>Indirect:</b> Tenant engagement, marketing low-carbon initiatives	<b>Current:</b> No material impact <b>Anticipated:</b> Medium-term influence on rental rates, occupancy, and valuation

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Risk Category	Description	Time Horizon	Current & Anticipated Effects on Business Model & Value Chain	Mitigation Measures	Current & Anticipated Effects on Financial Position, Performance & Cash Flows
Reputation	Stakeholder perception on climate performance and ESG commitment	Medium : 1-5 years	Brand perception, stakeholder trust, investor confidence	<b>Direct:</b> Transparent reporting, renewable energy adoption, emission targets <b>Indirect:</b> Stakeholder engagement, public disclosure	<b>Current:</b> Limited effect <b>Anticipated:</b> Potential long-term revenue and valuation impact

## Climate Scenario Analysis

In line with IFRS S2 Climate-related Disclosures, Pavilion REIT has undertaken a climate scenario analysis to assess the resilience of its strategy and property portfolio under different plausible climate futures. The analysis supports the identification and management of climate-related risks and opportunities that may affect Pavilion REIT's financial performance, position, and long-term value creation.

The scenario analysis focuses on transition risks associated with the shift to a low-carbon economy and physical risks arising from climate change impacts. Given the nature of Pavilion REIT's operations, the assessment prioritises areas considered most material, including electricity consumption, operating costs, asset resilience and capital expenditure planning.

### Scenario Selection and Reference Framework

The scenario analysis was referenced to widely recognised external sources, including the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and International Energy Agency (IEA) climate and energy transition scenarios. These references guided assumptions on temperature outcomes and transition dynamics without relying on detailed climate modelling.

The analysis focuses on the short to medium term horizon up to 2030, which aligns with Pavilion REIT's strategic planning and decarbonisation initiatives.

### Scenarios Considered

- Orderly Transition Scenario (1.5–2.0°C Pathway)**
  - Assumes stronger climate policies, accelerated renewable energy adoption, higher expectations for low-carbon buildings and moderate increases in electricity costs.
- Delayed Transition/Higher Physical Risk Scenario (>3.0°C Pathway)**
  - Assumes slower policy action, higher exposure to physical climate risks and increased long-term operating and maintenance costs.

## Qualitative Scenario Analysis

### Transition Risks and Opportunities

Under the orderly transition scenario, Pavilion REIT may face higher electricity costs and increased expectations to decarbonise its operations. However, these risks are partially mitigated by:

- Ongoing energy efficiency initiatives across the portfolio
- Increasing adoption of renewable electricity through Malaysia's Green Electricity Tariff (GET) program
- A target to reduce Scope 1 and Scope 2 carbon intensity by 20% by 2030 from a FY2019 baseline

These actions position Pavilion REIT to benefit from lower long-term energy intensity and improved asset competitiveness.

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## Physical Risks and Opportunities

Under the delayed transition scenario, Pavilion REIT may experience increased exposure to physical climate risks, including higher cooling demand, extreme weather events, and potential disruption to operations. These risks may result in higher maintenance costs, increased insurance premiums or short-term business interruptions.

Pavilion REIT manages these risks through:

- Preventive maintenance programmes
- Asset resilience and refurbishment planning
- Portfolio diversification across multiple locations
- Comprehensive insurance coverage

Overall, Pavilion REIT considers its portfolio to be reasonably resilient under both scenarios, with no immediate threat to business continuity identified.

## Quantitative Scenario Sensitivity Analysis

To complement the qualitative assessment, Pavilion REIT conducted a brief quantitative sensitivity analysis to illustrate potential financial impacts under each scenario. The analysis is indicative and based on management estimates.

### Illustrative Climate Scenario Sensitivities

Risk Driver	Orderly Transition Scenario	Delayed Transition Scenario
Electricity costs	Lower increase due to grid decarbonisation and renewable adoption	Higher increase due to inefficiencies and physical disruptions
Carbon-related costs (proxy)	Increased compliance and reporting costs	Limited near-term impact; higher long-term exposure
Capital expenditure	Moderate increase for energy efficiency and upgrades	Higher spending required for upgrades
Operating cost volatility	Low to moderate	Moderate to high

Based on the scenario analysis, Pavilion REIT believes its business model and strategy remain resilient under both climate scenarios. Transition risks are being actively managed through decarbonisation initiatives and renewable energy adoption, while physical risks are monitored and mitigated through asset management and operational controls.

Pavilion REIT recognises that climate scenario analysis is an evolving process. The Manager intends to progressively enhance the analysis in future reporting periods by incorporating more detailed asset-level physical risk assessments and refined quantitative analysis as data availability and modelling capabilities improve.

*For further details, please refer to Our Risk and Opportunities and Climate Change sections in this report.*

## Metrics & Targets

The metrics and targets are detailed in the Section 5 “Creating Sustainable Impact” section of this Report. Pavilion REIT actively monitors and tracks emissions across its properties and is committed to transparent disclosure of its environmental performance in the integrated annual report.

Pavilion REIT will continue to refine its metrics, methodologies and disclosures in line with the IFRS and evolving best practices to ensure consistency, comparability and decision-useful information for stakeholders.

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## ENERGY MANAGEMENT

### Why it Matters and Approach

Pavilion REIT’s properties are proactively working towards operating sustainably in line with the Manager’s sustainability commitments which include minimizing any adverse impact on the environment by adopting sustainable energy management measures to reduce energy consumption and use green energy as an energy source.

Each property’s facilities and operations have implemented operational procedures to ensure the energy consumption of its properties are managed efficiently and comply to the relevant regulations.

<h3>Measure and Inspect</h3> <p>Conducting regular inspections, tests and calibration of electrical installations to ensure they are operating efficiently and smoothly. Energy consumption at each property is measured and monitored on a regular basis for any anomaly. In the effort to prevent excessive energy losses involving piping insulation and duct system insulation and to prevent condensation under certain conditions, random inspections are conducted to ensure there are no air leakage and water leakage under any circumstances. These procedures ensure optimum usage and reduce any impact to environment due to wastage of resources.</p>	<h3>Fix and Maintain</h3> <p>Upon detection of any anomaly, investigation and corrective action will be promptly taken to resolve any issues. Energy maintenance has been implemented, which is maintenance of all systems that uses or affects energy usage. The energy maintenance includes routine maintenance tasks such as yearly chiller oil change, using thermography infrared for electrical installation as well as cleaning and servicing of electrical components.</p>
<h3>Monitor</h3> <p>Building Automation System (BAS) is used to monitor system performance for air conditioning system efficiency. BAS also monitors the sub-metering of building systems to track energy consumption of major equipment and other end use application, for example, by categorizing load into building systems such as chillers, tenant and landlord.</p>	<h3>Compliance</h3> <p>Ensuring all electrical installations are in compliance with the Electricity Supply Act 1990 (Act 447) and Electricity Regulations 1994 with relevant certificates and licenses for their operation. Regular inspections are conducted at each property by an independent Certified Supervising Engineer who is registered with Energy Commission. All properties are managed by certified Chargeman and Energy Manager which is required in accordance with the Electricity Supply Act 1990 (Act 447).</p>

### Progress

#### Key Initiatives related to Energy Management

As energy management is closely intertwined with climate change – emission management, detailed information about strategies and initiatives can be found in the “Climate Change” section of this report. The energy consumption data presented here reflects landlord electricity usage, including renewable energy sourced through green electricity programs.

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## Electricity Consumption by Landlord

Metrics	FY2019	FY2023	FY2024	FY2025	Target	Progress
Landlord Electricity Consumption (kWh)	161,952,659 <sup>(2)</sup>	125,009,245	150,121,209	139,137,796 <sup>(1)</sup>	3% reduction in landlord electricity consumption by 2030 vs FY2019	As compared to FY2019, achieved a 14% reduction in landlord electricity consumption
Green Electricity Usage (kWh)	-	25,888,000	45,825,600	45,864,000	-	-
% of Renewable Electricity	-	21%	31%	33%	50% renewable electricity by 2040 by all Pavilion REIT assets under operational control	Achieved 33% renewable electricity usage in FY2025

### Note:

- (1) The electricity data in FY2025 has been assured externally by KPMG PLT.  
 (2) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for landlord electricity consumption. Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio.

In accordance with the GHG Protocol requirements on structural changes, the base year has been recalculated to include Pavilion Bukit Jalil in order to enable a meaningful like-for-like comparison across the enlarged portfolio. Accordingly, electricity consumption data have been adjusted on a consistent basis.

As historical electricity consumption data for Pavilion Bukit Jalil prior to its acquisition are not available, FY2024, being the first full financial year of operations under Pavilion REIT, has been used as a proxy baseline for this asset. Electricity consumption for Pavilion Bukit Jalil in FY2024 amounted to 51,624,583 kWh. Accordingly, the recalculated base year are:

- Original FY2019 electricity consumption for landlord: 110,328,076 kWh
- Adjustment for Pavilion Bukit Jalil: 51,624,583 kWh
- Recalculated base year total: 161,952,659 kWh

## Performance Against Base Year

Landlord electricity consumption is a material driver of Pavilion REIT's Scope 2 emissions and a key focus area within its energy management strategy. The Manager closely monitors electricity usage across the portfolio to improve operational efficiency, manage costs, and reduce carbon intensity.

Landlord electricity consumption decreased from 161,952,659 kWh in the FY2019 base year to 139,137,796 kWh in FY2025, representing a 14% reduction. This improvement reflects the cumulative impact of energy-efficiency initiatives, including chiller system upgrades, LED retrofits, installation of sensor activated lighting, enhanced building management systems and proactive energy monitoring across the portfolio. On a year-on-year basis, electricity consumption declined by 7% as compared to FY2024, primarily attributable to DA MEN Mall being leased to Easyhome International (M) Sdn Bhd, which reduced landlord-controlled electricity usage.

The Trust has set a target to achieve a 3% reduction in landlord electricity consumption by 2030 as compared to FY2019. As at FY2025, Pavilion REIT has exceeded the required reduction trajectory, demonstrating continued progress towards its long-term energy efficiency objective.

### Renewable Electricity Adoption

Pavilion REIT has made steady progress in increasing the share of renewable electricity, primarily through participation in TNB's GET programme. In FY2025, renewable electricity usage of 45.9 million kWh accounts for 33% of total landlord electricity consumption, up from 31% in FY2024. This reflects the higher penetration of GET subscriptions at Pavilion Kuala Lumpur Mall and Intermark Mall, as well as the strategic allocation of renewable electricity within the portfolio.

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These results demonstrate clear progress against Pavilion REIT's energy management and decarbonisation strategy, supporting its commitment to:

- Reducing exposure to electricity price volatility
- Lowering Scope 2 emissions and carbon intensity
- Enhancing the long-term resilience and attractiveness of its assets

While renewable electricity adoption may result in incremental operating costs, the Manager views this as a strategic investment that supports long-term value creation, regulatory preparedness and stakeholder expectations.

## Electricity Consumption by Tenants and End Users

The Manager began collecting data on tenant and end-user electricity consumption in FY2023 to enhance visibility over electricity usage across Pavilion REIT's value chain. This disclosure covers electricity consumption at Pavilion Kuala Lumpur Mall (including Pavilion Hotel Kuala Lumpur and Pavilion Tower), Elite Pavilion Mall and starting from FY2024, Pavilion Bukit Jalil.

Electricity consumption is disclosed only for properties where Pavilion REIT acts as the direct electricity supplier and subsequently recharges electricity consumption to tenants or end users. Accordingly, the reported electricity consumption forms part of Pavilion REIT's Scope 3 GHG emissions, representing emissions associated with the generation of purchased electricity that is resold to end users.

Tenant electricity consumption at Intermark Mall is excluded, as tenants are billed directly by the national electricity vendor, Tenaga Nasional Berhad and Pavilion REIT does not have direct access to this data. The Manager will continue to explore feasible avenues to obtain this information to progressively enhance Scope 3 emissions coverage and data completeness.

### FY2025 Scope Expansion

For FY2025, tenant and end-user electricity consumption includes data from Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, DA MEN Mall, Pavilion Bukit Jalil, Pavilion Tower, Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur. This expanded coverage reflects improved data availability and changes in electricity supply arrangements. Prior-year figures are not fully comparable due to the narrower scope of properties included in the earlier reporting periods.

Metrics	FY2023	FY2024	FY2025
Tenant & End User Electricity Consumption (kWh)	50,484,242	64,928,307	87,439,836 <sup>(1)</sup>

### **Note:**

(1) The electricity data in FY2025 has been assured externally by KPMG PLT.

Tenant and end-user electricity consumption increased in FY2025 compared to prior years, primarily due to electricity consumption data for DA MEN Mall based on master tenancy agreement, with Banyan Tree Hotel Kuala Lumpur and Pavilion Hotel Kuala Lumpur upon their acquisitions and commencement of master leases.

The increase reflects expanded data coverage rather than a deterioration in energy efficiency. These disclosures enhance transparency and provide a more complete view of Pavilion REIT's Scope 3 emissions from tenants and end users electricity usage.

## Building Energy Intensity (BEI): Measuring Efficiency and Progress

BEI is a key metric used by Pavilion REIT to measure energy efficiency across its portfolio. It is calculated as the total annual energy consumption per square meter of gross floor area (kWh/m<sup>2</sup>/year). BEI enables consistent comparisons across buildings of different sizes, supports benchmarking against industry standards such as the Green Building Index (GBI) and provides insight into energy-related operational efficiency and climate-related risk exposure.

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Sector	GBI's BEI Baseline	Building Energy Intensity (kWh/m <sup>2</sup> /year)		
		FY2023	FY2024	FY2025
Retail	350	250	307	317
Office	150	100	103	119
Hotels	290	-	-	227
	<b>Overall BEI</b>	<b>246</b>	<b>301</b>	<b>307</b>

The increase in retail BEI in FY2025 is primarily due to the addition of tenant electricity consumption at Pavilion Bukit Jalil. Hotel sector BEI includes newly reported Banyan Tree Hotel Kuala Lumpur and Pavilion Hotel Kuala Lumpur. Due to this expanded scope, BEI comparisons across years may not be entirely consistent. However, the Manager is committed to transparency and strives to provide the most comprehensive data possible.

BEI is compared against GBI baseline minimums for retail, office and hotel sectors to provide context on operational performance relative to industry standards. Pavilion REIT's FY2025 overall BEI remains well within the GBI thresholds, demonstrating a sustained commitment to energy efficiency.

The Manager remains committed to reducing energy consumption and improving BEI across its portfolio through initiatives including:

- Energy audits and optimization measures across Pavilion REIT's properties to identify and eliminate energy waste.
- Investment in energy-efficient technologies and equipment such as upgraded chillers, LED lighting and enhanced building management system.
- Collaboration with tenants on energy-saving practices.
- Integration of renewable energy sources, including subscriptions to TNB's Green Electricity Tariff (GET) program.

## WATER MANAGEMENT

### Why it Matters and Approach

The Manager understands the importance of water conservation in Malaysia due to water shortages, dry seasons and river pollution. Water is essential for daily operations to maintain functionality and meet health and safety regulations.

Efficient water management is a key sustainability strategy that the Manager is committed to implementing within Pavilion REIT properties to reduce water waste and minimize environmental impact. The Manager has implemented procedures to optimize water usage, minimize environmental impact and detect potential leakages in water pipes.

Operations monitor water consumption at each property daily for anomalies. If an anomaly is detected, an investigation is launched, and corrective action is promptly taken. Water-efficient fittings, such as sensor-activated sink faucets, have been installed during the progressive refurbishment of toilets at all its properties to further reduce water wastage.

The Manager has implemented new strategies to optimize water usage and minimize disruptions within Pavilion REIT. These initiatives include the installation of rainwater harvesting systems at Pavilion Kuala Lumpur Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. Additionally, air handling unit (AHU) condensate water recycling systems have been installed at Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil. The Manager remains committed to evaluating the feasibility of extending these installations to other properties.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Water Management Data

### Water Withdrawal and Consumption

The Manager recognises that water is a critical natural resource and is committed to managing Pavilion REIT's water use responsibly to minimise operational risks and environmental impact. Pavilion REIT sources water primarily from municipal water suppliers and discharges wastewater through municipal sewerage systems.

Pavilion REIT's properties are located in urban areas and are not situated in water-stressed locations. Nevertheless, water availability and cost remain important operational considerations. To enhance resilience, contingency arrangements are in place in the event of supply disruption. This includes access to SYABAS water supply from Pavilion Hotel, which is connected to the suction tank of Pavilion Kuala Lumpur Mall, as well as the ability to procure water from third-party water service providers where required.

During FY2025, there were no incidents of water supply disruption across any of Pavilion REIT's properties. All assets continued to operate without interruption, reflecting the effectiveness of the Manager's water management practices, preventive maintenance programmes and contingency planning.

### Scope and Boundary

Water data is reported based on **operational control** and includes:

- **Landlord water consumption**, covering common areas.
- **Tenant water consumption**, where Pavilion REIT measures and monitors usage within tenant premises or where water costs are recharged.

For FY2025, tenant water consumption data is disclosed for the following properties:

Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Intermark Mall, DA MEN Mall, Pavilion Bukit Jalil, Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur.

Water usage at Pavilion Tower is minimal and is classified under landlord consumption, as tenants usage is managed as part of the landlord's facilities.

Water Withdrawn from Third Party Water Service Providers – Municipal Supplier	Volume (m <sup>3</sup> )				Target	Progress
	FY2019	FY2023	FY2024	FY2025 <sup>(1)</sup>		
Water Consumption (Landlord)	1,262,973 <sup>(2)</sup>	1,055,816	1,186,053	1,060,242	To achieve 2% reduction in landlord water consumption by 2030 compared to FY2019	16% reduction achieved
Water Consumption (Tenant)	435,215	599,750	790,019	927,277	-	-

#### Notes:

(1) The water data in FY2025 has been assured externally by KPMG PLT.

(2) Base Year and Structural Change Adjustment

FY2019 has been selected as Pavilion REIT's base year for landlord water consumption. Pavilion Bukit Jalil was not part of the Pavilion REIT portfolio in FY2019 and was subsequently added to the portfolio.

As of this year, the base year for landlord water consumption target has been recalculated to include Pavilion Bukit Jalil in order to enable a meaningful like-for-like comparison across the enlarged portfolio. Accordingly, water consumption data have been adjusted on a consistent basis.

As historical water consumption data for Pavilion Bukit Jalil prior to its acquisition are not available, FY2024, being the first full financial year of operations under Pavilion REIT, has been used as a proxy baseline for this asset. Water consumption (landlord) for Pavilion Bukit Jalil in FY2024 amounted to 455,565 m<sup>3</sup>. Accordingly, the recalculated base year are:

- Original FY2019 water consumption for landlord: 807,408 m<sup>3</sup>
- Adjustment for Pavilion Bukit Jalil: 455,565 m<sup>3</sup>
- Recalculated base year total: 1,262,973 m<sup>3</sup>

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Total landlord water consumption in FY2025 amounted to 1,060,242 m<sup>3</sup>, as compared to 1,262,973 m<sup>3</sup> in the FY2019 base year, representing a 16% reduction and exceeding Pavilion REIT's interim water efficiency target. The decrease was partly attributable to the master tenancy of DA MEN Mall to Easyhome International (M) Sdn Bhd, which reduced landlord-controlled water usage. Additional improvements were driven by ongoing water efficiency and conservation initiatives across the portfolio.

Tenant water consumption increased as compared to FY2019, primarily due to the inclusion of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur within the reporting boundary, as well as master tenancy of DA MEN Mall to Easyhome International (M) Sdn Bhd, under which water usage is now classified as tenant consumption.

## Water-Related Risks and Mitigation

While Pavilion REIT does not operate in water-stressed areas, water availability, cost volatility and service disruptions represent potential operational risks. These are managed through:

- Preventive maintenance of plumbing and water infrastructure;
- Water-efficient fixtures and fittings in asset enhancement initiatives;
- Monitoring and metering of landlord and tenant water usage; and
- Contingency planning for supply disruptions.

These measures support operational continuity and contribute to long-term resource efficiency.

## Water Intensity

	Water Intensity (m <sup>3</sup> /m <sup>2</sup> /year)			
	FY2019	FY2023	FY2024	FY2025
Retail	3.5	2.4	2.9	2.8
Office	1.1	0.7	0.8	0.9
Hotel	-	-	-	1.7
Overall Water Intensity	3.3	2.3	2.8	2.7

Water intensity is calculated as total water consumption divided by GFA (m<sup>3</sup>/m<sup>2</sup>/year). Using GFA provides a standardised and comparable metric across assets of different sizes and property types and supports assessment of water efficiency, operational performance and exposure to water-related physical risks.

Despite the inclusion of Pavilion Bukit Jalil and expanded tenant water consumption data, retail water intensity improved, decreasing from 3.5 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 2.8 m<sup>3</sup>/m<sup>2</sup>/year in FY2025.

Office water intensity also demonstrated a positive long-term trend, declining from 1.1 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 0.9 m<sup>3</sup>/m<sup>2</sup>/year in FY2025.

FY2025 marks the first year of hotel water intensity disclosure, with a recorded intensity of 1.7 m<sup>3</sup>/m<sup>2</sup>/year, following the inclusion of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur.

Overall water intensity across Pavilion REIT's portfolio improved from 3.3 m<sup>3</sup>/m<sup>2</sup>/year in FY2019 to 2.7 m<sup>3</sup>/m<sup>2</sup>/year in FY2025, reflecting more efficient water use across the portfolio.

The improvement in water intensity is attributable to ongoing water efficiency and conservation initiatives, including:

- Installation of rainwater harvesting systems at selected properties;
- Implementation of AHU condensate recovery and reuse systems;
- Preventive maintenance to reduce leakage and system inefficiencies; and
- Increased monitoring of landlord and tenant water usage.

These initiatives contribute to lower operating costs, reduced exposure to water-related physical risks, and improved long-term asset resilience, in line with Pavilion REIT's sustainability strategy.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Demonstrating Commitment to Water Conservation

Water Withdrawal from secondary source	Volume (m <sup>3</sup> )		
	FY2023	FY2024	FY2025
Fresh Surface Water			
• Rain Water Harvesting	226	15,974	2,300
Recycled/Reused Water			
• Condensate Harvesting	2,912	3,153	3,191
Ground Water	165	462	1,446
<b>TOTAL</b>	<b>3,303</b>	<b>19,589</b>	<b>6,937</b>

This table showcases Pavilion REIT's commitment to water conservation by utilizing secondary water sources, contributing to a 16% reduction in overall landlord's water usage as compared to FY2019. Initiatives like rainwater harvesting and AHU condensate recycling play a crucial role in achieving this reduction. Rainwater harvesting dropped due to weather whereby rain water collected were less.

### Rainwater Harvesting

Pavilion REIT's rainwater harvesting systems optimize water usage across various properties by repurposing collected rainwater for non-potable needs:

- Pavilion Kuala Lumpur Mall: Used for cleaning loading bays toilets and driveway as well as washing compactor rooms.
- Pavilion Tower: Used to top up the cooling tower water.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.
- Pavilion Hotel Kuala Lumpur: Used to top up the cooling tower water.

### AHU Condensate Harvesting

Condensate recycling systems in AHU further enhance water efficiency by repurposing condensate for cleaning and maintenance:

- Pavilion Kuala Lumpur Mall & Elite Pavilion Mall: Used for loading bays and washing compactor rooms.
- Intermark Mall: Utilised for washing grease traps and refuse chambers.
- DA MEN Mall: Used for external landscaping and refuse chamber cleaning.
- Pavilion Bukit Jalil: Applied for cleaning loading bay driveways.

### Groundwater Utilisation

- Pavilion Kuala Lumpur Mall: Groundwater is collected and piped to lifting station rooms for weekly cleaning activities.

These proactive measures demonstrate Pavilion REIT's dedication to environmental sustainability and responsible water management. By actively seeking alternative water sources and implementing efficient recycling practices, the Manager strive to minimize its reliance on municipal water and contribute to a more sustainable future.

### Water Reduction Target

Pavilion REIT is actively pursuing water conservation goals to minimize its reliance on freshwater and environmental impact. The Manager is committed to achieving a 2% reduction in landlord water consumption by 2030 as compared to FY2019. To achieve this, the Manager has implementing various initiatives:

- **Rainwater and AHU Metering installation:** Pavilion Bukit Jalil installed meters to accurately track rainwater and AHU water usage, ensuring precise monitoring and reporting.
- **AHU Condensate Water Recycling System Installation:** System was installed at DA MEN Mall, which is expected to reduce overall water consumption and reliance on freshwater sources.
- **Continuous improvement:** The Manager regularly reviews and explores new water-saving technologies and methods to enhance water management efficiency across all properties.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

Beyond its current target, the Manager will continue to actively seek innovative ways to reduce water consumption. This includes:

- **Promoting Water Conservation Awareness:** The Manager is committed to educating tenants, shoppers/customers and employees about water conservation practices and encouraging their participation in its initiatives.
- **Regular Monitoring and Maintenance:** Consistent monitoring systems and timely maintenance protocols are in place to identify and repair water leakages, ensuring efficient water use.

There has been no fine or sanction imposed on Pavilion REIT for any non-compliance with the local environmental laws and regulations during the reporting year.

Through these initiatives, Pavilion REIT demonstrates its commitment to responsible water management and environmental sustainability. By adopting innovative solutions and maintaining a continuous focus on improvement, the Manager aims to minimize reliance on municipal water sources, reduce environmental impact, and contribute to a sustainable future.

## WASTE MANAGEMENT

### Why it Matters and Approach

According to Solid Waste Management and Public Cleansing Corporation (SWC), Malaysia faces a growing challenge in waste management. Every day, Malaysians throw away about 39,078 tonnes of solid waste, equivalent to about 1.17kg per person, with food, plastic, and paper constituting the bulk. This puts pressure on landfills and highlights the need for sustainable solutions.

### Playing Our Part in Waste Reduction

Recognizing the national challenge of waste management, Pavilion REIT is committed to responsible practices. The Manager actively implements the 3Rs (Reduce, Reuse, Recycle) principle across Pavilion REIT's properties, minimizing waste generation and diverting materials from landfills.

Beyond individual actions, the Manager collaborate with industry partners and public authorities to explore innovative solutions, including transforming organic waste into fertilizer. The Manager's goal is to contribute to a more sustainable future for Malaysia, where efficient waste management becomes a cornerstone of national progress.

The Manager continuously improve its efforts across all properties, playing its part in reducing waste. This includes maintaining a proper waste management workflow, setting up convenient recycling bins at its properties, and engaging authorized waste contractors for responsible collection and disposal at designated landfills approved by the relevant authorities.

### Waste Minimisation Initiatives

As part of its waste minimisation efforts, Pavilion REIT has implemented umbrella drying facilities at selected mall and property entrances to reduce reliance on single-use plastic umbrella bags. The umbrella dryers allow shoppers to remove excess water from umbrellas before entering indoor areas, encouraging drying and reducing the need for disposable plastic coverings to be sent to landfill.

In addition to supporting waste avoidance, this initiative contributes to improved housekeeping efficiency and the properties safety by minimising water ingress into common areas. This reduces incidences of wet floor conditions and potential slip risks. These operational benefits complement Pavilion REIT's broader waste management approach by supporting cleaner, safer and more efficient property operations.

The adoption of practical, low-impact measures such as umbrella dryers reflects Pavilion REIT's ongoing commitment to waste reduction and responsible resource use across its properties, while maintaining a positive and convenient customer experience.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Progress

### Waste Disposal Data

Pavilion REIT is consistently exploring ways to reduce the amount of waste generated and sent to disposal across all its properties. The Manager is also focused on increasing the diversion of waste from landfills, with a particular emphasis on food waste recycling.

	Weight of waste (Tonnes)			
	FY2019	FY2023	FY2024	FY2025
Waste generated	5,368.8	5,445.2	9,650.0	9,253.5
Waste directed to disposal	5,172.2	5,198.0	9,022.4	8,603.9
Waste diverted from disposal	196.6	247.2	627.6	649.6

Waste generation at Pavilion REIT properties includes both non-hazardous waste (general waste) and hazardous waste (scheduled waste). Waste directed to disposal is managed by licensed waste contractors and sent to landfills, while waste diverted from disposal is calculated based on the weight of hazardous and non-hazardous waste recovered for reuse and recycling. The data presented in the table reflects waste management activities across Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, DA MEN Mall, Pavilion Bukit Jalil whereas reference to Intermark Mall and Pavilion Hotel Kuala Lumpur is only on food waste.

In FY2025, total waste generated across these properties reached 9,253.5 tonnes. This figure includes 0.1 tonnes of hazardous waste processed through recovery operations and 649.5 tonnes of non-hazardous waste recycled, encompassing materials such as plastics, paper, metal and food waste.

In FY2025, 649.6 tonnes of waste were successfully diverted from landfills, an increase compared to previous years. There is a decrease in the volume of landfilled waste to 8,603.9 tonnes from 9,022.4 tonnes, the overall landfill diversion rate rose to 7.0%, up from 3.7% in FY2019. This progress underscores Pavilion REIT's commitment to enhancing its waste management practices and reducing its environmental footprint.

The Manager also engages DOE-licensed contractors as and when required for the disposal of scheduled waste to authorized recycling and/or disposal facilities in accordance with the Environmental Quality (Scheduled Waste) Regulations enforced by the Department of Environment (DOE), Malaysia.

### Pavilion Loves E.A.R.T.H. Initiative

This year, Pavilion REIT introduced the Pavilion Loves E.A.R.T.H. platform with the launch of its Food Compost Initiative at Pavilion Bukit Jalil. This initiative promotes sustainable food waste management. The Pavilion Loves E.A.R.T.H. initiative is built on the principles of Environment, fostering Awareness, driving Renewal, inspiring Transformation, and cultivating Hope. Its goals include responsible resource management, carbon reduction, and biodiversity protection.

The Food Compost Initiative represents a key step in embedding sustainability into Pavilion REIT's operations by diverting food waste from landfills and transforming it into compost. This process reduces overall waste and minimises the carbon footprint of Pavilion REIT's properties.

Key Features of the Food Compost Initiative:

- **Daily Collection:** Food waste is collected from supermarkets, food courts, and F&B outlets at Pavilion REIT malls.
- **Composting Technology:** Food composting machines convert food waste into fertiliser suitable for plants
- **Water Reuse:** The water generated during composting is utilised for cleaning the loading bay driveway and watering plants.
- **Rainwater Harvesting:** A nearby water harvesting tank collects AHU water and rainwater for cleaning purposes, further supporting the sustainability cycle.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

The Food Waste Recycling program is being rolled out across Pavilion REIT properties. In FY2025, Pavilion REIT malls collected 188.6 tonnes of food waste, resulting in the composting of 17.6 tonnes of fertiliser. Shoppers can redeem and collect fertiliser at designated locations, such as concierge counters and near autopay stations. Banners throughout the malls raise awareness and shoppers to Pavilion Bukit Jalil can explore the food composting area. This initiative supports waste management, sustainability education and community engagement in the REIT's eco-friendly efforts.

## Waste Diverted from Disposal

### Hazardous Waste

	Weight of hazardous waste (tonnes)			
	FY2019	FY2023	FY2024	FY2025
Other recovery operations	1.3	0.3	1.0	0.1

The data in the table represents hazardous waste generated by Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower and Pavilion Bukit Jalil. As shown in the table, the weight of hazardous waste processed through other recovery operations was 0.1 tonnes in FY2025. This improvement reflects a successful shift toward more responsible and sustainable disposal practices for hazardous materials.

### Non-Hazardous Waste (Total Waste Recycled)

Category	Subcategory	Weight of non-hazardous waste (tonnes)			
		FY2019	FY2023	FY2024	FY2025
Non-Hazardous Waste Recycling	Plastic	1.7	4.3	17.3	26.1
	Paper	191.9	239.5	412.8	426.1
	Metal	1.7	3.1	3.8	8.7
	<b>Total</b>	<b>195.3</b>	<b>246.9</b>	<b>433.9</b>	<b>460.9</b>
Food Waste Recycling	Food Waste Collected			193.7	188.7
	Compost Produced			23.2	17.6
<b>Total Waste Recycled</b>				<b>627.6</b>	<b>649.6</b>

The data represents non-hazardous waste recycled across Pavilion REIT properties, including Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall (food waste only), DA MEN Mall, Pavilion Bukit Jalil and Pavilion Hotel Kuala Lumpur (food waste only).

Pavilion REIT continues to prioritize the reduction and recycling of non-hazardous waste. In FY2025, Pavilion REIT malls recycled a total of 649.6 tonnes of waste.

Plastic recycling exhibited the most significant growth, increasing from 1.7 tonnes in FY2019 to 26.1 tonnes in FY2025, with a 51% YoY growth from FY2024 to FY2025. Paper recycling also increased, reaching 426.1 tonnes in FY2025, while metal recycling rose to 8.7 tonnes.

Food waste recycling resulted in the collection of 188.7 tonnes of food waste, with 17.6 tonnes converted into compost, supporting Pavilion REIT's commitment to circular economy practices.

This consistent focus on responsible waste management has significantly reduced landfill contributions and highlights Pavilion REIT's role as a sustainability leader. The Manager is confident that ongoing innovation and partnerships will continue driving progress towards a greener future.

# P : PRACTICING RESPONSIBLE ENVIRONMENT STEWARDSHIP

Cont'd

## Demonstrating Progress in Waste Prevention

Pavilion REIT remains committed to minimizing its environmental footprint through waste prevention and landfill diversion initiatives. These efforts are integral to achieving sustainable operations and aligning with global environmental goals.

	Unit of measurement	FY2019	FY2023	FY2024	FY2025
Total Waste Generated	tonnes	5,368.8	5,445.2	9,650.0	9,253.5
Waste Prevented	tonnes	196.6	247.2	627.6	649.6
% Diversion from landfill	%	3.7	4.5	6.5	7.0

In FY2025, Pavilion REIT successfully prevented 649.6 tonnes of waste. This growth was driven by enhanced waste management practices such as food waste recycling initiatives that was also introduced to Pavilion Hotel Kuala Lumpur. Over time, the landfill diversion rate has also shown steady improvement, rising from 3.7% in FY2019 to 7.0% in FY2025, with a 7.7% YoY increase from FY2024 when the rate was 6.5%. These achievements highlight Pavilion REIT's proactive approach to waste reduction and recycling.

The Manager had set a target to achieve a 5.0% landfill diversion rate in FY2024. Through focused efforts, expanded recycling programs and the integration of innovative waste management solutions, the Manager exceeded expectations by reaching a 6.5% diversion rate for FY2024 and 7.0% diversion rate in FY2025, showcasing the success of its comprehensive strategies.

Year-over-year trends further underscore the significant progress Pavilion REIT has made. For instance, the landfill diversion rate steadily increased from 4.5% in FY2023 to 6.5% in FY2024 and 7.0% in FY2025, reflecting the impact of operational enhancements and broader property inclusion.

## Our Future Plans for Waste Reduction

Looking ahead, Pavilion REIT aims to further its sustainability efforts. The Manager has set a progressive target to achieve a 10% landfill diversion rate by FY2027, with plans to expand recycling programs and explore innovative waste management solutions. For the long term, the Manager will reevaluate its goals to ensure feasibility while striving to achieve ambitious yet practical outcomes, such as a 20% diversion rate.

By integrating innovation, collaboration, and ongoing reviews of its strategies, Pavilion REIT is well-positioned to continue driving impactful progress in waste management. These initiatives not only benefit the environment but also create value for its stakeholders, reinforcing Pavilion REIT's leadership in sustainability.

# A : ACCLAIMING TRUSTED BRAND REPUTATION

## BRAND VALUE AND RECOGNITION

### Why it Matters and Approach

The Manager is committed to be a responsible corporate citizen and pledge commitment towards fulfilling United Nations Sustainable Development Goals (UNSDGs), with the aim to increase brand value and recognition within the REIT industry and lead to new tenant penetration and unitholder investment.



In 2025, Pavilion REIT leveraged on innovative marketing campaigns, strategic collaborations and targeted sponsorships to significantly increase footfall and tenant sales across its malls. These initiatives have not only delivered tangible outcomes but also bolstered Pavilion REIT’s brand reputation and strengthened trust among stakeholders.

The Manager is confident that ongoing marketing efforts will further position Pavilion Malls as Malaysia’s premier destination for fashion, dining and urban leisure. Pavilion Kuala Lumpur Mall, a testament to this commitment, has been awarded with an impressive 64 accolades to date (up from 58 in 2024) by esteemed local and international councils and associations. These honors reflect the mall’s unwavering focus on delivering exceptional experiences to its shoppers.

### Progress

#### Accolades and Achievements in FY2025

##### Pavilion REIT

- **Sustainability & CSR Awards 2025 – ESG Leadership Award: Company of the Year (REIT)**



- **The Edge Billion Ringgit Club 2025 – REIT Sector: Highest Growth in Profit After Tax Over Three Years**



- **Inclusion in the FTSE4Good Bursa Malaysia Index**

# A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

## Property-Level Recognition

- **Pavilion Tower** – Leadership in Energy and Environmental Design (LEED) Gold Certification (October 2024)
- **Pavilion Kuala Lumpur Mall** – National Energy Awards (NEA) 2024, Gold Award: Green Energy Stewardship
- **Pavilion Kuala Lumpur Mall** – LEED Gold Certification (September 2025)

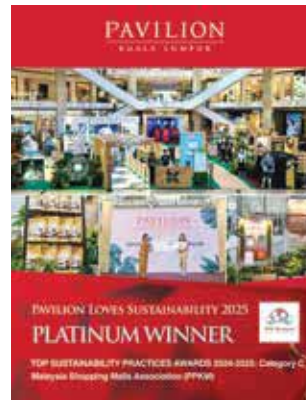


## Pavilion Malls: Marketing Excellence and Industry Leadership

Pavilion Malls continued to set **industry benchmarks** in FY2025, receiving numerous prestigious awards that underscore their commitment to excellence, innovation and sustainability.

Pavilion Kuala Lumpur Mall received multiple recognitions, including:

- **Campaign of the Year “Aloha Summer 2025”** – Awarded by The Walt Disney Company (Southeast Asia) Pte. Limited
- **Top Sustainability Practices 2024–2025** – Platinum Award by PPK Malaysia Shopping Mall Association, **Pavilion Loves Sustainability**
- **Best Experiential Marketing 2024–2025** – Gold Award by PPK Malaysia Shopping Mall Association, **Christmas Enchantment**
- **TripAdvisor Travellers’ Choice Award 2025**
- **Dianping Popular Stores in the Shopping Mall Award 2025**
- **Marketing Excellence (Experiential) 2025** – Gold Award by International Council of Shopping Centers (ICSC) Global MAXI Award, **Dragon Dynasty**



# A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

## Pavilion Bukit Jalil: Sustainable Operations and Innovation

Pavilion Bukit Jalil added to its list accolades with the Building Lighting Award (Commercial Building Category – Shopping Centre) and the Special Award from the Mayor of Kuala Lumpur, conferred by Dewan Bandaraya Kuala Lumpur (DBKL) on 12 November 2025. This recognition underscores Pavilion Bukit Jalil’s commitment to sustainable and efficient building management. The mall utilises a smart Building Control System (BCS) to monitor and optimise energy usage, scheduling and overall system performance.

In support of Pavilion REIT’s climate transition strategy, Pavilion Bukit Jalil is progressing with the installation of solar panels in partnership with TNB. In addition, energy-efficient LED lighting has been fully implemented throughout the mall, reinforcing the Manager’s long-term commitment to environmentally responsible operations and enhanced building performance.



Pavilion Bukit Jalil also received the Best Toilet Award 2025 (Shopping Centre Category) from the Ministry of Housing and Local Government (KPKT), reflecting its focus on high-quality facilities and customer experience.

## **Beyond Retail: Fostering Growth Through Shopper Experiences and Community Engagement**

Pavilion REIT goes beyond traditional retail by creating immersive shopper experiences and meaningful community engagement that strengthen brand equity, drive footfall and support long-term value creation. Through active collaboration with industry associations, government agencies, tenants and community partners, Pavilion REIT continues to position its malls as vibrant lifestyle destinations and cultural hubs.

### Industry and Stakeholder Collaboration

As an active committee member of the Malaysian REIT Managers Association and a member of Persatuan Pengurusan Kompleks Malaysia (PPKM) and the BBKLCC Tourism Association, the Manager works closely with industry peers to promote economic growth, environmental stewardship, good governance and community development.



## A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

The Manager also maintains strong relationships with local and international retail bodies, including the Malaysia Retailers Association (MRA), Malaysia Retail Chain Association (MRCA) and the International Council of Shopping Centers (ICSC). These engagements facilitate knowledge sharing, training, and dialogue on issues of importance to stakeholders.

In addition, the Manager collaborates with federal government agencies (including Tourism Malaysia, the Ministry of Domestic Trade and Consumer Affairs and the Ministry of Tourism, Arts and Culture), local authorities such as Dewan Bandaraya Kuala Lumpur (DBKL), and foreign embassies to deliver high-impact marketing campaigns that elevate Pavilion REIT's brand recognition both locally and internationally.

### Pavilion Kuala Lumpur Mall: A Cultural and Lifestyle Destination

In FY2025, Pavilion Kuala Lumpur Mall reinforced its position as Malaysia's premier shopping and lifestyle destination, hosting a diverse range of cultural, festive and experiential campaigns that celebrated Malaysia's multicultural identity.



The year commenced with the Chinese New Year "Prosperity in Harmony" celebration, featuring traditional lion dance ceremonies, performances by Astro artistes and festive cultural rituals. During Hari Raya, Pavilion Kuala Lumpur partnered with Swarovski to commemorate the brand's 130th anniversary through an immersive activation that blended craftsmanship, heritage and festive elegance.

The Budaya Raya campaign, in collaboration with Istana Budaya, transformed Centre Court into a tribute to Malaysia's cultural richness, highlighted by performances by Dato' Sri Siti Nurhaliza and an Istana Budaya orchestra, culminating in a community buka puasa event.

Cultural celebrations continued with Diya Deepavali, featuring ceremonial traditions and an Indian Cultural Extravaganza by Anhad Studio performers flown in from India, marking their first performance in Malaysia in 15 years.



# A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

## Experiential Retail, Entertainment and CSR

Pavilion Kuala Lumpur also hosted experiential retail campaigns such as Aloha Summer, inspired by Disney’s Lilo & Stitch, transforming the mall into a tropical escape. As part of this campaign, Pavilion REIT organised a CSR initiative that brought together 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children’s Home for a day of activities during the school holidays.

Tokyo Street celebrated its 14th anniversary with the Tokyo Street Matsuri, featuring Southeast Asia’s first Alien Stage pop-up, MetaPark collaborations and curated Japanese cultural experiences.

Under its sustainability platform, Pavilion Loves Sustainability (7–13 July 2025), Pavilion REIT partnered with the Nicol David Organisation to promote sports and mental health as pillars of a sustainable future, reinforcing its commitment to environmental and social well-being.

The mall also hosted numerous meet-and-greet events with international celebrities and artistes, including TVB and Hong Kong film stars, K-pop artistes, Korean actors and international sports personalities, enhancing shopper engagement and global brand appeal.



### **Pavilion Bukit Jalil: Community, Culture and Sustainability**

Pavilion Bukit Jalil hosted the Pavilion REIT Iftar Celebration CSR Event on 9 March 2025, welcoming approximately 600 individuals from the PPR Sri Rakyat B40 community for an immersive and dignified Ramadan experience.

The mall also hosted the 2025 Malaysia Lion Dance Championship, attracting over 50 teams and more than 5,000 visitors daily. Other highlights included:

- B.Duck City Fun, Southeast Asia’s first B.Duck-themed park experience;
- Demon Slayer: Kimetsu no Yaiba Experience, Malaysia’s first official immersive anime pop-up; and
- Hello 12.12 Bazaar, a festive marketplace celebrating year-end shopping.

These initiatives strengthened Pavilion Bukit Jalil’s role as a family-friendly, community-focused and culturally vibrant destination.



# A : ACCLAIMING TRUSTED BRAND REPUTATION

Cont'd

## Intermark Mall: Culture, Sustainability and Community

Intermark Mall delivered a series of curated cultural campaigns, including Vintage Lunar Splendour for Chinese New Year, featuring a fashion show with designer Carven Ong, vintage jazz performances and a festive bazaar.

Other key campaigns included Rhymba Raya, which blended festive traditions with nature and music, and Serasa Merdeka, celebrating Malaysia's Independence Day through gastronomy and cultural unity. Sustainability initiatives included the creation of eco-friendly bags using donated fabric and partnerships with Amanahraya to support orphans and underprivileged communities during Ramadan.

Intermark Mall also introduced the Intermark Herb Garden, converting an outdoor space into a sustainability-focused community garden in partnership with Primrose Hill International School and Jaya Grocer.



## Creating Shared Value

Through these initiatives, Pavilion REIT continues to create shared value for shoppers, tenants, communities and unitholders. By integrating experiential retail, cultural celebration, sustainability and community engagement, Pavilion REIT strengthens brand loyalty, enhances stakeholder trust and reinforces its position as a leading retail REIT in Malaysia.



## C : CARING FOR LOCAL COMMUNITY

### COMMUNITY & STAKEHOLDER ENGAGEMENT

#### Why it Matters and Approach

As one of the largest retail concentrated REIT in Malaysia, the Manager believes on the long-lasting positive impact that can be generated for the local communities in where Pavilion REIT operates. Its malls have actively engaged with the local communities to gauge their needs and organise various events to promote social advancement of its communities.

The Manager is committed in building mutually beneficial relationship with the local communities to ensure sustainable development of Pavilion REIT's business. The initiatives conducted are designed to maximise positive impact to the communities around its properties and align with Pavilion REIT's positioning of becoming the premier shopping destination.

The Manager has set targets from FY2024 to FY2030, which includes:

- Reaching and supporting 1,000 beneficiaries in communities surrounding Pavilion REIT properties;
- Raising and contributing RM1 million (in cash and in kind) towards funding CSR activities; and
- Achieving 1,000 hours of employee volunteerism.

The initiatives will focus on key areas such as Arts & Culture, Education, Environment, Health, and Social Welfare. Additionally, the Manager remains committed to supporting Economic Development and providing Emergency Relief whenever necessary. Furthermore, the promotion of gender equality will be embedded across all five pillars whenever applicable, including initiatives such as job creation for women, opportunities for single mothers and support for individuals with disabilities.

#### Progress

##### Engaging with our local communities

Throughout FY2025, Pavilion REIT actively engaged with local communities through diverse initiatives. These included impactful CSR programs during festive seasons, engaging art and cultural events and events raising awareness on critical social topics. Demonstrating its commitment to social responsibility, Pavilion REIT invested approximately RM0.7 million in community investments in FY2025, addressing important areas such as arts & culture, education, environment, health and social welfare.

FY2024 to FY2030 Target		Unit	FY2024	FY2025
Raised and Contributed in Cash and in Kind	RM1,000,000	RM	297,340	690,979
Beneficiaries	1,000 people	People	1,990	6,483
Hours Contributed by Employees	1,000 hours	Hour	495	10,004
Number of People (e.g. shoppers, community) Engaged Throughout the Year	N/A	People	5,182	18,002

## C : CARING FOR LOCAL COMMUNITY

Cont'd

Pavilion REIT malls hosted a variety of community initiatives, including:

### Arts & Culture



Support for institutions (theaters, museums, public galleries etc.) that promote or protect arts activities, whether visual arts or the performing arts such as music, dance and theater. Also includes activities or organizations that promote or protect 'Heritage' that might be regarded as part of a country's local or national history.

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	04 January 2025
<b>Initiative</b>	Chinese New Year 2025 Lion Dance Extravaganza & Community Lion Donation Programme
<b>Details</b>	<p>In conjunction with Chinese New Year 2025, Pavilion Kuala Lumpur collaborated with Xuan Long Sport Association and 25 tenants to host a large-scale eye-dotting ceremony featuring multiple prosperity lions.</p> <p>As part of its CSR commitment, the newly commissioned lions were donated to local schools and associations to support ongoing cultural training, youth development and traditional lion dance performances.</p>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 25 tenants participated and collectively sponsored 48 prosperity lions, valued at RM96,000 (in-kind).</li> <li>• These were donated to 23 local schools and associations, directly supporting their cultural training and performance programmes.</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Shoppers and mall visitors</li> <li>• 23 local schools and cultural associations</li> <li>• Youth and student performers</li> </ul>
<b>Sustainability Impact</b>	Supports the preservation of intangible cultural heritage by enabling access to lion dance resources for schools and associations. The initiative fosters intergenerational skills transfer, youth engagement in traditional arts, and stronger community ties while promoting inclusive cultural participation in an urban setting.

# C : CARING FOR LOCAL COMMUNITY

Cont'd

## Education

Contributions to educational institutions or organizations or projects that promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise.



<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	14 April 2025 - ongoing
<b>Initiative</b>	Community Herb Garden
<b>Details</b>	Intermark Mall launched a pilot community herb garden at the Level 6 terrace in partnership with tenant Primrose Hill International School. The garden provides students aged 6–16 with hands-on experiential learning, fostering environmental awareness, responsibility and an understanding of sustainable food practices, while reinforcing the mall’s commitment to education and community enrichment.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 190 students participated.</li> <li>• RM612 was invested in supplies and the planting of various herb species at the Level 6 terrace.</li> </ul>
<b>Target Group</b>	Students from Primrose Hill Int School
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Supports experiential environmental education</li> <li>• Promotes awareness of sustainable food systems and biodiversity</li> <li>• Encourages long-term stewardship and environmental responsibility among students</li> </ul>

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	12 June 2025
<b>Initiative</b>	KWAP Inspire Satellite 2025 – Biodiversity in Action
<b>Details</b>	Intermark Mall supported KWAP’s Inspire Satellite 2025 as the main sponsor, contributing to the event through sustainability-focused engagement. The initiative included the distribution of eco-friendly fertiliser and informational materials on the mall’s food waste initiatives, aimed at raising awareness of biodiversity, waste reduction and responsible environmental practices.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 110 packs of eco-friendly fertiliser distributed to 110 participants.</li> <li>• Eight employees and non-employees contributed 32 volunteer hours.</li> <li>• RM900 was spent on banners and printed educational materials related to food waste initiatives.</li> </ul>
<b>Target Group</b>	Corporate partners and event attendees
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Raises awareness of biodiversity and sustainable waste management</li> <li>• Encourages environmentally responsible practices through education</li> <li>• Strengthens collaboration with stakeholders on sustainability initiatives</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	23 July 2025
<b>Initiative</b>	MRANTI Pitch Perfect: Tech-Driven Retail Innovation
<b>Details</b>	Intermark Mall, in collaboration with MRANTI, hosted Pitch Perfect: Tech-Driven Retail Innovation, a pitching session where innovators presented retail-focused technology solutions addressing real-world industry challenges. The event convened startups, mall tenants, venture capitalists, and corporate partners, providing a platform for knowledge exchange, collaboration, and market validation within Malaysia's innovation ecosystem.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• Venue sponsorship and F&amp;B support were provided, including banquet tables and chairs, with a total contribution of RM12,080.</li> <li>• A total of 100 startups and pitchers participated.</li> <li>• Six employees and non-employees contributed 48 volunteer hours.</li> </ul>
<b>Target Group</b>	Startups, innovators, corporate partners, and mall tenants
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Supports innovation and entrepreneurship through knowledge sharing and collaboration</li> <li>• Strengthens the retail innovation ecosystem and market access for startups</li> <li>• Contributes to long-term economic and technological development</li> </ul>



### Environment



Contributions to projects or organizations that advance environmental protection or conservation or through engaging people in activities such as recycling or other aspects of a sustainable lifestyle.

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	4 January 2025 to 16 February 2025
<b>Initiative</b>	Vintage Lunar Splendour Fabric Collection
<b>Details</b>	Intermark Mall placed fabric collection bins at the Concierge, Ground Floor, collecting 30 kg of fabric. The collected fabrics were upcycled by tenant Carven Ong into elegant pouches, supporting sustainability and cultural preservation.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 3 employees and non-employees participated</li> <li>• 20 shoppers engaged.</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Shoppers</li> <li>• Environment (textile waste reduction)</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Reduces textile waste and promotes circular economy</li> <li>• Encourages sustainable consumer habits</li> <li>• Supports cultural preservation through upcycling initiatives</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	4 July 2025 to 31 December 2025
<b>Initiative</b>	Used Clothes Donation Programme
<b>Details</b>	Intermark Mall introduced dedicated clothing donation bins to encourage visitors to donate gently used garments and extend the lifecycle of textiles. The initiative supports waste reduction through reuse while contributing donated items to community partners.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>60 shoppers participated.</li> <li>RM766.09 was invested in donation box structures, signage, and bins.</li> <li>A total of 833.30 kg of used clothing was collected and channelled to SIB Church.</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>Shoppers</li> <li>Community partner (SIB Church)</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Reduces textile waste sent to landfill</li> <li>Promotes reuse and circular economy practices</li> <li>Supports community needs through clothing donations</li> </ul>

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	1 August 2025 - ongoing
<b>Initiative</b>	ReBag Initiative
<b>Details</b>	Intermark Mall launched the ReBag initiative to encourage shoppers to donate unused shopping bags for reuse by other visitors. The initiative promotes responsible consumption by reducing dependence on single-use plastics and fostering sustainable habits within the mall community.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>RM472.70 invested in the setup of the initiative.</li> <li>A total of 92 reusable bags were collected.</li> </ul>
<b>Target Group</b>	Mall shoppers and patrons
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Reduces single-use plastic consumption through reuse</li> <li>Encourages responsible consumer behaviour</li> <li>Promotes circular economy practices within the mall</li> </ul>

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	06 November 2025
<b>Initiative</b>	From Kitchen To Biofuel
<b>Details</b>	Intermark Mall, in partnership with Cypark, FatHopes Energy and KWAP, hosted the annual Used Cooking Oil Collection initiative to encourage responsible disposal of used cooking oil from tenants and the office community. The collected oil was channelled for conversion into biofuel, supporting Malaysia's circular economy and waste-to-energy efforts.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>Seven employees and non-employees contributed 35 volunteer hours.</li> <li>20 tenants participated.</li> <li>Venue and voucher sponsorship valued at RM2,700 were provided.</li> <li>A total of 280 kg of used cooking oil was collected.</li> </ul>
<b>Target Group</b>	Mall tenants and office community; broader community and environment (through responsible waste disposal and biofuel conversion)
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Prevents improper disposal of used cooking oil</li> <li>Supports circular economy through waste-to-energy conversion</li> <li>Reduces environmental pollution and promotes responsible waste management</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	7 July 2025 to 13 July 2025
<b>Initiative</b>	Pavilion Loves Sustainability
<b>Details</b>	<p>Pavilion Loves Sustainability returned as a week-long campaign highlighting Pavilion Kuala Lumpur Mall and tenants' sustainability initiatives. The campaign launched the Pavilion REIT Malls' ESG video and announced a partnership with the Nicol David Organisation to support sports community welfare and mental health, leading up to the Sports &amp; Mental Health Summit at Pavilion Bukit Jalil.</p> <p>The initiative showcased tenant-led sustainability actions, including Kiehl's empty-container recycling programme, National Geographic's environmental advocacy, Royal Selangor's craftsmanship sustainability, JO's Cha's responsible sourcing and Florism De Art's nature-inspired practices. Community engagement activities included recycling collections, income-generation opportunities for single mothers and the distribution of fertiliser produced from Pavilion's food waste recycling programme.</p>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• Venue Sponsorship</li> <li>• Collected 2,104 plastic containers through Kiehl's recycling initiative</li> <li>• Enabled single mothers under PSJKM to generate RM1,882 in sales through product showcases</li> <li>• Distributed 10,000 packs of fertiliser produced from Pavilion's food waste recycling programme to shoppers</li> <li>• 117 employees and non-employees volunteered, contributing a total of 409.5 volunteer hours</li> <li>• Increased public awareness of Pavilion REIT Malls' ESG commitments and tenant sustainability efforts</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Shoppers and mall visitors</li> <li>• Participating tenants and brand partners</li> <li>• Community organisations (Nicol David Organisation, PSJKM single mothers)</li> <li>• Pavilion KL employee volunteers</li> </ul>
<b>Sustainability Impact</b>	Encourages responsible consumption and circular economy practices through recycling, food waste repurposing and sustainability education, while delivering social value by supporting single mothers, community partners and employee volunteerism.



# C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	7 July 2025 to 13 July 2025
<b>Initiative</b>	WWF Tiger Month Awareness Campaign
<b>Details</b>	Venue sponsorship provided to WWF Malaysia to support public outreach and conservation education on the Critically Endangered Malayan Tiger during WWF Tiger Month.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• RM65,604 in projected funds raised, supporting one year of tiger conservation efforts</li> <li>• 12,425 shopper engagements over 7 days</li> <li>• 71 conservation sign-ups</li> <li>• Over 710 meaningful public conversations facilitated</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• WWF - the Critically Endangered Malayan Tiger</li> <li>• Shoppers and general public</li> </ul>
<b>Sustainability Impact</b>	Biodiversity conservation through increased public awareness and funding support for endangered wildlife protection.



<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	22 April 2025 - ongoing
<b>Initiative</b>	ReBag Station (Long-term Waste Reduction Initiative)
<b>Details</b>	Implemented under Pavilion KL Mall's Pavilion Loves Sustainability campaign, the ReBag Station is a permanent infrastructure initiative designed to mitigate waste-related environmental risks by encouraging the reuse of shopping bags. Located at Level 1 near The Food Merchant, the station enables shoppers to donate and reuse clean reusable bags, reducing dependency on single-use plastics. A monthly ReBag Contest supports sustained engagement and positive behavioural change among consumers.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 751 reusable bags collected and redistributed to date</li> <li>• 120 shoppers participated in the ReBag Contest</li> <li>• Continuous daily utilisation by non-contest shoppers, indicating ongoing adoption of reuse practices</li> </ul>
<b>Target Group</b>	Shoppers and mall visitors
<b>Sustainability Impact</b>	Supports circular economy practices and resource efficiency by reducing single-use plastic consumption, mitigating waste generation risks and contributing to climate change mitigation through indirect reduction of plastic production and disposal emissions

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	1 January 2025 - ongoing
<b>Initiative</b>	Free Fertiliser Pavilion Loves E.A.R.T.H (Pavilion Loves Sustainability)
<b>Details</b>	Pavilion Bukit Jalil serves as the central hub for decomposing food waste from tenants across Pavilion Bukit Jalil, Pavilion Kuala Lumpur Mall, Intermark Mall and Pavilion Hotel Kuala Lumpur. The food waste is converted into fertiliser to support circular economy practices.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>15,342 packs of fertiliser produced</li> <li>2 non-employees contributed 5,840 volunteer hours</li> <li>Food waste contributed by 11 tenants</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>Tenants</li> <li>Employees</li> <li>Shoppers/Local Community</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Reduces food waste sent to landfill</li> <li>Supports circular economy initiatives</li> <li>Encourages sustainable consumption and environmental awareness</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	1 September 2025 and ongoing
<b>Initiative</b>	Rebag Station Content
<b>Details</b>	Pavilion Bukit Jalil introduced Rebag Stations at Level 1, Orange Zone to encourage shoppers to reuse paper bags instead of purchasing plastic bags. Shoppers were invited to participate this initiatives as well as participate in a short survey with opportunities to receive cash vouchers as incentives for supporting eco-friendly shopping behaviour.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>Rebag Station implemented at designated location</li> <li>147 shoppers participated in the initiatives</li> </ul>
<b>Target Group</b>	Shoppers
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Reduces reliance on single-use plastic bags</li> <li>Encourages sustainable consumption habits</li> <li>Supports waste reduction and environmental awareness</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	22 March 2025
<b>Initiative</b>	60 Earth Hour
<b>Details</b>	Pavilion Bukit Jalil participated in the global Earth Hour movement by switching off non-essential lighting from 8.30pm to 9.30pm, including full shutdown of outdoor façade lighting and dimming of indoor and car park lighting to 70%, demonstrating commitment to environmental responsibility and climate awareness.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>Non-essential lights switched off for 1 hour</li> <li>Outdoor façade lighting fully switched off</li> <li>Indoor and car park lighting dimmed to 70%</li> <li>Sustainability awareness promoted among shoppers</li> </ul>
<b>Target Group</b>	Shoppers, Tenants, Local Community
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Demonstrates commitment to climate action</li> <li>Promotes energy conservation and environmental awareness</li> <li>Supports global carbon reduction efforts</li> <li>Encourages collective responsibility for sustainability</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

Cont'd

Health



Contributions to hospitals, health trusts and other health related organizations that prevent or relieve sickness, disease or human suffering, as well as promoting health and healthy lifestyles.

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	16 March 2025
<b>Initiative</b>	Blood Donation Campaign 2025
<b>Details</b>	Blood Donation Campaign organised by the Rotary Club of Sri Petaling and Rotaract Club of Xiamen University Malaysia, with support from Pusat Darah Negara Malaysia and Pavilion Bukit Jalil as venue sponsor.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>78 bags of blood collected</li> <li>Estimated to benefit up to 234 patients</li> <li>Pavilion Bukit Jalil as venue sponsorship</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>Patients Supported by National Blood Bank (Malaysia)</li> <li>Shoppers/Community</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Supports national blood supply and healthcare system</li> <li>Contributes to life-saving medical treatments</li> <li>Promotes health awareness and community participation</li> </ul>

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	22 July 2025
<b>Initiative</b>	Blood Donation Drive
<b>Details</b>	Blood donation drive conducted in collaboration with the National Blood Centre. Participation was voluntary and extended to employees and tenants as part of the Group’s ESG and community engagement initiatives.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>64 employees and non-employees participated</li> <li>63 successful blood donors</li> <li>28 tenant participants</li> <li>63 pints of blood collected</li> <li>Estimated 189 lives supported</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>Employees</li> <li>Tenants</li> <li>Healthcare Patients (via National Blood Centre)</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Supports national healthcare system</li> <li>Promotes employee health awareness</li> <li>Strengthens tenant and community engagement</li> <li>Enhances social value creation</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	1 October 2025 and ongoing
<b>Initiative</b>	10,000 Steps Challenge
<b>Details</b>	Pavilion Bukit Jalil introduced the 10,000 Steps Challenge to encourage shoppers to adopt a more active and healthy lifestyle by completing 10,000 steps while exploring the mall, reinforcing its commitment to a health-conscious community.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 3,842 shoppers participated</li> <li>• Two non-employees volunteered</li> <li>• Participating shoppers received RM20 cash vouchers, totaling RM76,840</li> </ul>
<b>Target Group</b>	Shoppers
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes physical activity and healthy lifestyle choices</li> <li>• Encourages regular movement and wellness habits</li> <li>• Supports long-term community health awareness</li> </ul>



<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	15 June to 31 July 2025
<b>Initiative</b>	Mega Shopping Walk: Together Here - 10,000 Steps
<b>Details</b>	Pavilion Bukit Jalil launched the Mega Shopping Walk – Together Here initiative in conjunction with Tourism Malaysia's mega sales campaign to encourage shoppers to adopt a more active lifestyle by completing 10,000 steps while enjoying a healthy and engaging mall experience.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 1,774 shoppers participated</li> <li>• Two non-employees contributed 1,128 hours</li> <li>• RM20 cash vouchers issued to eligible participants</li> <li>• Total voucher value of RM35,480</li> </ul>
<b>Target Group</b>	Shoppers
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes physical activity and healthy lifestyle choices</li> <li>• Encourages wellness through everyday movement</li> <li>• Strengthens community engagement in health initiatives</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

Cont'd

## Social Welfare



Support to organizations or activities that promote or address the interests of those in need in society and facing hardship by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	06 March 2025
<b>Initiative</b>	Rhymba Raya: A Celebration of Heart and Community (Children)
<b>Details</b>	Intermark Mall supported orphaned children from Rumah Kasih Nurul Hasanah through the provision of duit raya and curated gift bags containing lunch bags and stationery. The initiative also included a buka puasa meal hosted at Grandmama's in collaboration with stakeholder AmanahRaya, fostering togetherness during the Ramadan season.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>40 orphaned children benefited.</li> <li>Five employees and non-employees volunteered 17.5 hours.</li> <li>Curated gift bags valued at RM4,000 and duit raya totaling RM800 were distributed.</li> </ul>
<b>Target Group</b>	Children and caretakers from Rumah Kasih Nurul Hasanah
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>Supports the wellbeing of orphaned children during festive periods</li> <li>Promotes social inclusion and community engagement</li> <li>Strengthens partnerships with stakeholders and community organisations</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	20 March 2025
<b>Initiative</b>	Rhymba Raya: A Celebration of Heart and Community (Gig Economy Workers & Shoppers)
<b>Details</b>	In collaboration with event partner AmanahRaya and stakeholder DoubleTree by Hilton Kuala Lumpur, Intermark Mall distributed 2,000 pack of bubur lambuk to gig economy workers and shoppers, extending festive goodwill and community support during Ramadan.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 2,000 gig economy workers and shoppers benefited.</li> <li>• Seven non-employees contributed 21 volunteer hours</li> <li>• Dates (buah kurma) valued at RM253.50 were distributed.</li> </ul>
<b>Target Group</b>	Gig economy workers and shoppers
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Supports the wellbeing of gig economy workers during the festive season</li> <li>• Promotes community care and social inclusion</li> <li>• Strengthens collaboration with partners and stakeholders</li> </ul>

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	04 April 2025
<b>Initiative</b>	Rhymba Raya: A Celebration of Heart and Community (Mall Frontliners)
<b>Details</b>	In the spirit of Ramadan, Intermark Mall provided iftar meals from McDonald's to its 35 mall frontliners as a gesture of appreciation for their dedication and service. The initiative fostered togetherness and recognised the contributions of frontline personnel during the festive season.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 35 mall frontliners benefited. Five non-employees contributed 15 volunteer hours.</li> <li>• Iftar meals valued at RM560 were provided.</li> </ul>
<b>Target Group</b>	Mall Frontliner
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Recognises and supports frontline workers' wellbeing</li> <li>• Promotes inclusivity and appreciation within the mall community</li> <li>• Fosters a positive and supportive workplace environment</li> </ul>

<b>Property</b>	<b>Intermark Mall</b>
<b>Date</b>	6 March 2025 to 6 April 2025
<b>Initiative</b>	Rhymba Raya: Pouches with Purpose
<b>Details</b>	Building on the Vintage Lunar Splendour campaign, 30 kg of collected fabrics were upcycled by designer Carven Ong into 100 repurposed pouches. The pouches were featured in the Rhymba Raya campaign, with proceeds from sales donated to a local charity home.
<b>Outcome</b>	RM493 raised from the sale of repurposed pouches and donated to Rumah Kasih Nurul Hasanah.
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Local charity home (Rumah Kasih Nurul Hasanah)</li> <li>• Shoppers</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes circular economy through textile upcycling</li> <li>• Reduces textile waste while creating social value</li> <li>• Supports community welfare through charitable contributions</li> </ul>

# C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	07 January 2025
<b>Initiative</b>	Refurbishment of Pusat Jagaan Orang Tua Wan Hing
<b>Details</b>	In conjunction with Chinese New Year, Pavilion Bukit Jalil undertook a refurbishment project at Pusat Jagaan Orang Tua Wan Hing as part of its CSR efforts to enhance comfort, safety and well-being for elderly residents.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 20 elderly residents benefited</li> <li>• 38 employees and non-employees volunteered 342 hours</li> <li>• Essential supplies and appliances donated worth RM2,750.60</li> <li>• RM2,288.20 contributed for repairs and tools</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Elderly Residents of Pusat Jagaan Orang Tua Wan Hing</li> <li>• Employees</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Enhances quality of life for the elderly</li> <li>• Improves living conditions and safety</li> <li>• Strengthens community care and inclusion</li> <li>• Encourages employee volunteerism</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	07 March 2025
<b>Initiative</b>	Kemeriahan Bersama Raya Launch 2025
<b>Details</b>	Pavilion Bukit Jalil launched its Raya campaign featuring local cartoon BoBoiBoy, inviting children from Pertubuhan Kebajikan dan Penjagaan Nur Hidayah to celebrate through festive activities, goodies, Duit Raya and a Buka Puasa treat.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 82 children benefited</li> <li>• 30 employees and non-employees volunteered 240 hours</li> <li>• Stationery, candy and Buka Puasa treats worth RM12,004.75</li> <li>• Duit Raya distributed amounting to RM1,640</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Children from Pertubuhan Kebajikan dan Penjagaan Nur Hidayah</li> <li>• Employees</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Enhances children's well-being and festive inclusion</li> <li>• Promotes social inclusion and community support</li> <li>• Strengthens partnerships with welfare organisations</li> <li>• Encourages employee volunteerism</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	09 March 2025
<b>Initiative</b>	Majlis Berbuka Puasa Kemeriahan Bersama Komuniti Sri Rakyat 2025
<b>Details</b>	Pavilion REIT Malls hosted a community iftar at Pavilion Bukit Jalil, welcoming B40 residents from PPR Sri Rakyat through nutritious meals, interactive workshops and cultural performances to foster community connection and cultural appreciation during Ramadan.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 600 B40 community members attended</li> <li>• 50 employees and non-employees volunteered 1,100 hours</li> <li>• Buka Puasa food and beverages worth RM16,628.80</li> <li>• 500 goody bags distributed worth RM10,000</li> </ul>
<b>Target Group</b>	B40 Residents of PPR Sri Rakyat
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Enhances food security and well-being of B40 communities</li> <li>• Promotes social inclusion and cultural connection</li> <li>• Strengthens community engagement and social cohesion</li> <li>• Encourages employee volunteerism</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	13 September 2025
<b>Initiative</b>	Movie Screening: Legasi Bomba with Komuniti Sri Rakyat
<b>Details</b>	Pavilion Bukit Jalil hosted a special movie screening of Legasi Bomba for the Komuniti Sri Rakyat B40 community in conjunction with Merdeka month, providing a meaningful shared experience while promoting patriotism and appreciation of national heroes.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 193 B40 community members attended</li> <li>• 5 non-employees volunteered 15 hours</li> <li>• In-kind contribution worth RM4,825</li> </ul>
<b>Target Group</b>	B40 Community from Sri Rakyat
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes social inclusion and cultural access</li> <li>• Encourages patriotism and national appreciation</li> <li>• Strengthens family and community bonding</li> <li>• Supports employee volunteerism</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	20 November 2025
<b>Initiative</b>	Peanuts Christmas Wonders Launch
<b>Details</b>	Pavilion Bukit Jalil hosted the Peanuts Christmas Wonders launch, welcoming 90 children from Pure Life Society, Rumah Kids and Weilaoshi Classroom. The children met Peanuts characters, received T-shirts and goodie bags, and participated in a tea session. The initiative aimed to spread festive cheer and reinforce Pavilion Bukit Jalil's commitment to supporting underprivileged children.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 90 underprivileged children participated</li> <li>• 30 employees and non-employees volunteered 90 hours</li> <li>• T-shirts, tokens for home caretakers, F&amp;B and goodie bags were provided, totaling RM13,972.80</li> </ul>
<b>Target Group</b>	Children from Pure Life Society and Rumah Kids, Weilaoshi Classroom
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes social inclusion and community engagement</li> <li>• Spreads joy and festive cheer for underprivileged children</li> <li>• Strengthens long-term relationships with community partners</li> </ul>

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	14 December 2025
<b>Initiative</b>	Pavilion REIT: Christmas Day Out with Nicol David Organisation (NDO)
<b>Details</b>	Pavilion Bukit Jalil on behalf of Pavilion REIT Malls hosted a Christmas Day Out for NDO Little Legends and their families. The celebration included a Peanuts Meet & Greet, a movie screening of Zootopia 2, and a festive shopping spree, giving children the opportunity to select gifts and enjoy the holiday spirit.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 213 beneficiaries from NDO, including children and families from B40 households</li> <li>• 27 employees and non-employees volunteered 162 hours</li> <li>• Movie, gifts and food provided, totaling RM40,842.50</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Nicol David Organisation (NDO)</li> <li>• Kids and Family (B40 group)</li> </ul>
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes social inclusion and community engagement</li> <li>• Spreads festive joy and wellbeing among underserved families</li> <li>• Strengthens relationships with community partners</li> </ul>

## C : CARING FOR LOCAL COMMUNITY

Cont'd

<b>Property</b>	<b>Pavilion Bukit Jalil</b>
<b>Date</b>	20 June 2025 and 24 June 2025
<b>Initiative</b>	CSR : Refurbishment of SK Seri Mega
<b>Details</b>	Pavilion Bukit Jalil carried out refurbishment works at SK Seri Mega, focusing on upgrading the school's recitation room to provide a safer, more comfortable and conducive space for students' learning, reflection and religious practices.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 470 students benefited</li> <li>• 42 employees and non-employees volunteered 428 hours</li> <li>• Donated essential supplies and appliances as well as items and tools for repairing works amounting to RM8,069.85</li> </ul>
<b>Target Group</b>	Students of SK Seri Mega
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Enhances students' mental, emotional and spiritual well-being</li> <li>• Improves safety, hygiene and usability of school facilities</li> <li>• Strengthens inclusive community support</li> <li>• Supports long-term sustainability through durable materials and improved water efficiency</li> </ul>

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	09 March 2025
<b>Initiative</b>	Wahine Baju Raya Shopping & Iftar Event with Persatuan Kami Prihatin Anak Yatim dan Miskin (PKPAYDM)
<b>Details</b>	Pavilion REIT, in collaboration with Wahine Capital, supported 20 underprivileged children and 5 caregivers from PKPAYDM in Gombak. The contribution enabled children to purchase festive outfits (Baju Raya) and receive Eid monetary gifts (Duit Raya). The event also included an iftar meal and a shopping trip, fostering joy, a sense of belonging and community bonding during Ramadan.
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• RM5,000 donation for Baju Raya and Duit Raya</li> <li>• Iftar gathering arranged by Nando's Malaysia</li> <li>• Shopping trip to Jakel Mall facilitated by Wahine Capital</li> <li>• Direct impact on 20 children and 5 caregivers</li> </ul>
<b>Target Group</b>	Underprivileged children and caregivers from PKPAYDM
<b>Sustainability Impact</b>	<ul style="list-style-type: none"> <li>• Promotes social inclusion and community engagement</li> <li>• Supports festive wellbeing and cultural celebration</li> <li>• Strengthens relationships with community partners</li> </ul>

<b>Property</b>	<b>Pavilion Kuala Lumpur Mall</b>
<b>Date</b>	04 June 2025
<b>Initiative</b>	Aloha Summer CSR – Children's Community Engagement Programme
<b>Details</b>	<p>Pavilion Kuala Lumpur hosted a fun-filled tropical-themed day out for 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children Home.</p> <p>The programme included a screening of Disney's Lilo &amp; Stitch, lunch, a lively dance workshop, tote bag customisation and ice cream treats, providing a safe, joyful, and enriching experience for the children.</p>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• 120 underprivileged children enjoyed a curated day-out experience at Pavilion KL Mall</li> <li>• 19 employees and non-employees volunteered, contributing a total of 95 volunteer hours</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• 120 underprivileged children from Yayasan Sunbeams and Praise Emmanuel Children Home</li> <li>• Participating Pavilion KL employee volunteers</li> </ul>
<b>Sustainability Impact</b>	Promotes social inclusion and emotional well-being by providing underprivileged children with access to safe recreational, creative and educational experiences. The initiative strengthens community partnerships and fosters employee volunteerism, contributing to positive childhood development and social resilience.

# T : TRANSFORMING TALENT MANAGEMENT

## TALENT ATTRACTION AND RETENTION

### Why it Matters and Approach

Employees are the people who enabled the company to grow into what it is today. The Manager views talent attraction and retention as a key indicator in driving a healthy high-performance working culture. The Manager maintains its commitment to develop values that attract exceptional talents as well as to provide new benefits for the employees to ensure a fair working environment and a healthy work-life balance for all.

This year recorded an employee retention percentage of 100%. Hence, the Manager is proactively developing strategies to maintain high retention percentage. For talent attraction strategy, hiring process is based on merit and credibility of the candidate while being compliant with all local employment laws and regulations.

The Manager ensures all employees are well informed of their employment rights and of any changes to its policies. Any amendments pertaining to the policies or those relating to employment laws are communicated to all employees via email and briefings through their respective managers.

All amendments about employment are updated and communicated in the new employee’s orientation, employee handbook and/or letter of appointment.

### Stepping Up for Our Employees

Employee benefits are crucial to an employee’s wellbeing and the Manager wants its employees to know that they are well taken of. The Manager is proactively improving the current employee-related benefits to ensure the employees are well appreciated.

Benefits	
Free medical and life insurance coverage	Maternity leave
Pre-employment health screening	Paternity leave
Employee health screening	Medical/hospitalization leave
Company trips	Compassionate leave
Festive gatherings/dinners	Marriage leave
Meal allowance	Examination leave
Annual leave	

### Improving Our Benefits

The Manager is proactively reviewing salary structures, employee benefits and company best practices against industry peers with a particular focus on non-executives and senior executives and review their performance increment to meet the rising cost of living.

The Manager is also looking into several initiatives to support the employees in their career growth while fostering a community.



Increase employee engagement activities



Chart career development action plans to retain talents over the long term and to prepare them for future roles



Succession planning for key/leadership/critical roles

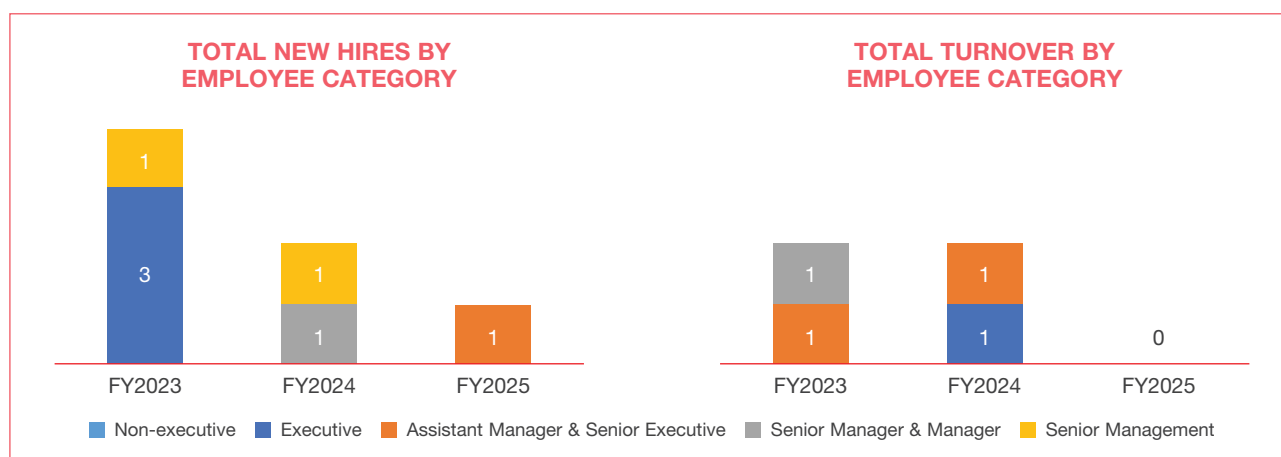
# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Progress

### Employee Retention and Attrition

#### Employee New Hires and Turnover



	2023	2024	2025
New hire rates (%)	15.4	7.1	3.6
Turnover rates (%)	7.7	7.1	Nil
Employee retention rate (%)	92.0	91.3	100

In 2025, Pavilion REIT continued to demonstrate strong workforce performance, with key metrics reflecting stability and progress. The new hire rate decreased from 7.1% in 2024 to 3.6% in 2025, in line with strategic workforce planning. Turnover rates improved, declining from 7.1% in 2024 to nil in 2025, indicating sustained efforts in employee engagement and satisfaction. The employee retention rate reached 100.0% in 2025, up from 91.3% in 2024, reflecting a strong commitment to maintaining a supportive and inclusive workplace.

These results underscore Pavilion REIT’s ability to adapt to evolving workforce dynamics while prioritizing talent management. Workforce stability and retention contribute directly to the organisation’s resilience, reducing operational and talent-related risks and supporting long-term value creation.

### Employee Engagement Survey

Pavilion REIT conducted its Employee Engagement Survey in FY2024 and achieved a 77% response rate.

Designed to be anonymous and conducted internally, the survey ensured candid feedback on key areas such as work environment, job satisfaction, management and leadership, professional development, work-life balance, team dynamics and company culture.

The results revealed a 91% overall satisfaction score, reflecting a strong and positive organizational culture. By engaging 100% of employees, this survey provides a foundation for continuous improvement, strengthening Pavilion REIT’s commitment to creating a thriving and sustainable workplace.

Following the survey, Pavilion REIT implemented a formalised process where the Manager review the results and develop targeted engagement plans and strategies to address key areas of improvement. These efforts are supported by HR-led programs and initiatives aimed at enhancing employee satisfaction.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Programs and Initiatives to Enhance Employee Engagement

Pavilion REIT is committed to fostering a motivated and engaged workforce by implementing strategic programs and initiatives that prioritize employee well-being, development, and recognition. Based on insights from employee surveys, the Manager have outlined several key focus areas:

Enhancing Employee Recognition and Rewards	Improving Communication and Transparency	Investing in Employee Development and Growth	Enhancing Staff Benefits
<p>To celebrate individual and team achievements, the Manager foster a culture of excellence and motivation. Employee appreciation events, such as the annual Staff Christmas Party, also play a crucial role in recognising milestones and strengthening team morale. These initiatives aim to create a positive, inclusive, and engaging work environment that values contributions at all levels.</p>	<p>Employee engagement surveys will be conducted at least once every three years to gather valuable feedback and address concerns effectively. These surveys serve as a foundation for understanding employee perspectives and identifying actionable areas for improvement. Transparent communication about survey results and follow-up initiatives ensures employees feel heard and valued.</p>	<p>The Manager has increased training budget in professional development programs, equipping employees with the skills and knowledge needed to excel in their roles. A notable initiative such as study trips to overseas, where employees explored innovative practices, advanced technologies, and cutting-edge mall designs. Such opportunities not only enhance expertise but also inspire creativity and innovation within the organization.</p>	<p>In an effort to remain competitive and retain top talent, the Manager conducted a thorough review of its employee benefits. Proposals under consideration by top management include upgrading existing benefits and introducing new offerings that aligns with latest industry standards. Notable initiatives under this proposal include complimentary gym memberships and allowances for recreational sports such as badminton and futsal, promoting regular exercise and a balanced lifestyle. These benefits are designed to support physical and mental well-being while reinforcing the Manager's position as an employer of choice.</p>

The Manager's comprehensive approach to employee engagement reflects its commitment to cultivating a supportive and thriving workplace. By prioritizing recognition, communication, development, and wellness, the Manager is well-positioned to enhance employee satisfaction, boost retention, and drive long-term success.

## Parental Leave

In accordance with Malaysia Employment Act 1955, the Manager provides all eligible female employees with 98 days of maternity leave. Eligible male employees are entitled to seven days of paid paternity leave, subject to the conditions such as length of services and marriage verification. There were 2 female employees who took parental leave during the reporting year. For further details, please refer to Sustainability Key Performance Data in this report.

## TRAINING AND DEVELOPMENT

### Why it Matters and Approach

Talent development is a crucial aspect of high-performance work culture. The Manager is committed to developing its employees' talents and maximising their potential by creating a work environment that informs, educates, and inspires employees to achieve their professional and personal goals and aspirations. The Manager also embraces a culture that actively supports participation in learning and upskilling activities and acquiring new knowledge and skills on the job.

### Our Training and Development Initiatives

This year, the Manager has provided learning & development programmes that involve re-skilling and up-skilling programmes for employees and non-employees (that are employed by Kuala Lumpur Pavilion Sdn Bhd and permanently based in Pavilion REIT properties) to ensure they are well prepared for any challenges that may arise. The employees and non-employees were also given training in areas where necessary to ensure there is continued compliance with revised or new government regulations.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

The Manager has conducted the following trainings for all employees and non-employees to ensure everyone is well informed and educated on topics of the trainings:

## ESG-Related Training

Courses related to sustainability, responsible business practices, reporting and well-being that falls under the ESG category.

Training	Description	ESG Pillar
Anti-Bribery & Corruption (ABC), Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT)	Training focused on ethical governance, anti-bribery, and anti-money laundering practices.	Governance
Anti-Bribery Management System Awareness	Awareness training on ABC management systems and corporate compliance.	Governance
Complying With The Malaysian Personal Data Protection (Amendment) Act of 2024	Training on compliance with the updated Personal Data Protection Act, ensuring legal and ethical handling of data.	Governance
Cybersecurity Awareness Talk	Awareness session on cybersecurity threats and best practices for data protection in the workplace.	Governance
Data Protection Officer (DPO) Intensive Training	In-depth training for DPOs on data privacy management and regulatory compliance.	Governance
ISSB-GRI Interoperability Programme	Training on sustainability reporting alignment between ISSB and GRI standards.	Governance/ Environmental
Militant Threat Talk	Training on awareness and preparedness for potential militant threats in the workplace.	Governance/ Social
Preventing & Managing Workplace Harassment	Training on identifying, preventing, and managing harassment at work to ensure a safe and inclusive environment.	Social
Privacy, Protection & Preparedness – Managing Data and Cyber Risks in Your Business	Comprehensive training on managing data, cybersecurity risks, and business continuity.	Governance
Sustainability Reporting Using the ISSB Sustainability Report	Training focused on ISSB sustainability reporting standards and disclosure practices.	Environmental
Team Psychological Safety Conference Asia 2025	Training/conference on promoting psychological safety, well-being, and supportive team culture.	Social
First Aid Training	Practical training on first aid and emergency response to ensure workplace safety.	Social

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Health & Safety Related Trainings

Courses focusing on workplace safety, health and operational compliance are part of the H&S framework.

Training	Description	ESG Pillar
Body Language Skills in Surveillance, Investigation, and Crime Prevention	Training on reading body language for effective security monitoring and crime prevention.	Governance
Bomb Threat Management	Training on identifying, assessing, and responding to bomb threats.	Governance
Critical Infrastructure Protection	Training on safeguarding essential infrastructure against safety and security risks.	Governance
Emergency Response Team (ERT) – Fire & Safety Training	Training for emergency response teams on fire safety, building evacuation, and emergency protocols.	Social
Ergonomic Risk Assessment Training (Advanced)	Training on identifying and mitigating ergonomic risks to prevent workplace injuries.	Social
Safety & Security AI Training (ICETANA)	Training on using AI tools for workplace safety and security monitoring.	Governance
Police/Firearms & Security Handling	Includes “Latihan Menembak (Polis Bantuan), Pepper Spray Training, Operation of Auxiliary Police at Controlled Premises.”	Governance
High Voltage Safety & Voltan Tinggi Training	Safety training for working with or around high voltage equipment.	Social/ Governance
OSHA 1994 Compliance	Training on the latest occupational safety and health regulations under OSHA 1994.	Social
Security & Safety Seminar (Foundation & Advanced Modules)	Comprehensive seminar covering workplace security and safety principles.	Social/ Governance
Fire Safety & Building Safety Training	Includes fire safety protocols, seminars on fire organisation, and safe evacuation practices.	Social
Working Safely at Height	Training on safety procedures and equipment for working at heights.	Social



# T : TRANSFORMING TALENT MANAGEMENT

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## Other Professional Development & Skills Training

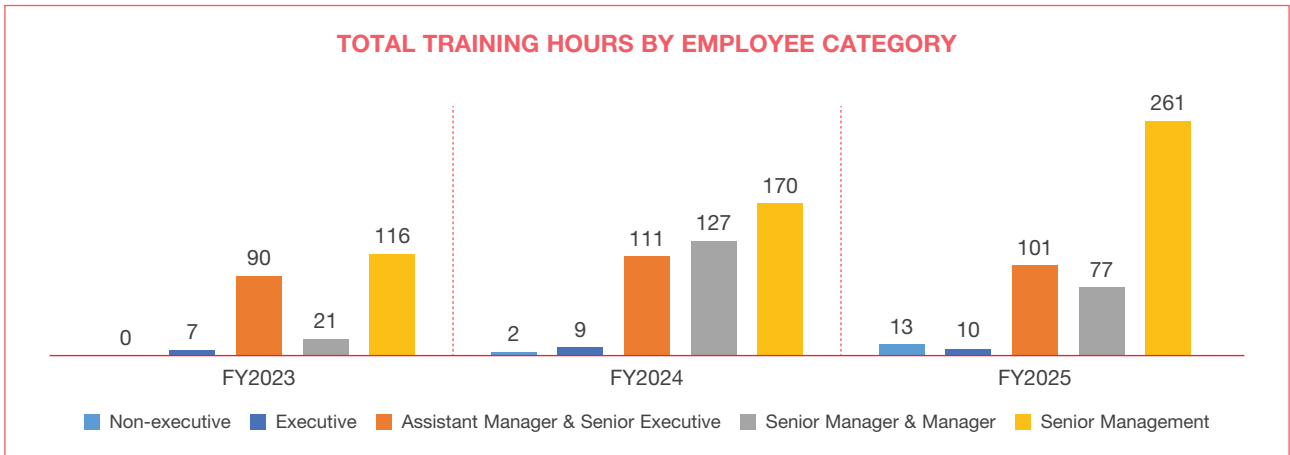
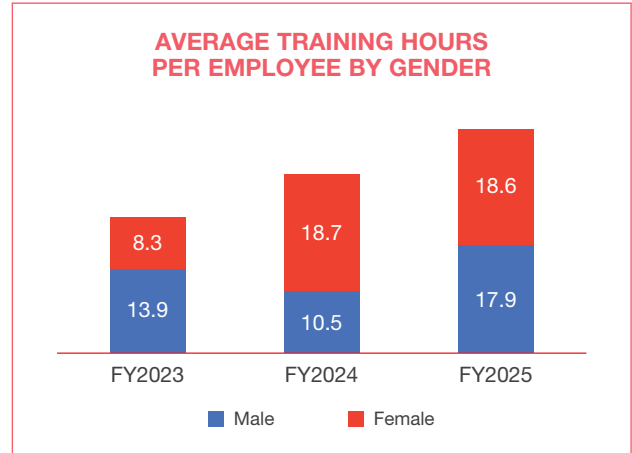
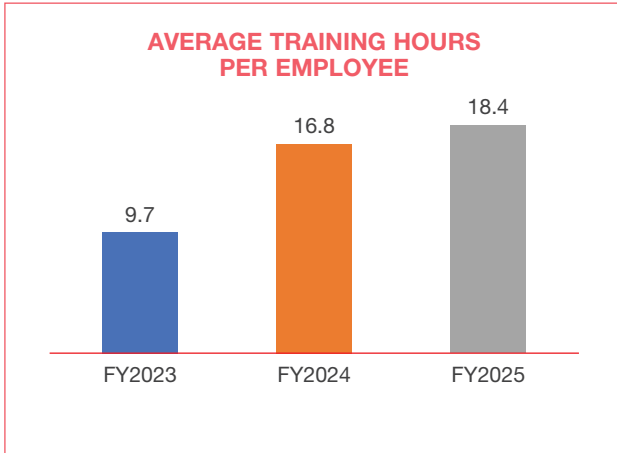
Training	Description	ESG Pillar
ASEAN Investment Conference 2025	Participation in the AIC25 Conference to gain insights on industry trends, leadership, and strategic developments.	Governance/ Social
Best Practices for Managing Staff Reorganisation	Training on effective strategies for managing staff restructuring and organisational change.	Social
Beyond Borders: Adapting Widespread Tariff Increases	Workshop on managing and adapting to tariff changes affecting business operations.	Governance
Engineering Shopping Malls VI	Seminar focused on engineering best practices and innovations for shopping mall management.	Governance
Forum Ekonomi Malaysia 2025	Conference on economic trends and policies in Malaysia, supporting strategic business insights.	Governance
Invest ASEAN – Malaysia Conference 2025	Participation in regional investment conference to explore opportunities and market trends.	Governance
MBRS Financial Statements Training	Training on preparation and analysis of financial statements under MBRS standards.	Governance
Orientation	Onboarding program for new employees to understand company policies, systems, and culture.	Social
Payroll Tax and Employer Tax Obligations	Training on compliance with payroll and employer taxation requirements.	Governance
Retail Forum 2025: Treading the Intricate Retail Landscape	Forum covering retail industry trends, challenges, and strategic insights.	Governance/ Social
Transforming Malls in a Changing World	Workshop on adapting mall operations and management to evolving consumer and market trends.	Governance
Introduction to Microsoft 365 Copilot Business Chat	Training on using Microsoft 365 Copilot tools to enhance productivity and collaboration.	Social/ Governance
Building Management Series 4 – Resilience in Building Management	Training on resilient building management strategies, operational continuity, and risk management.	Governance
HR2000 QuickPay Year-End Webinar	Webinar on HR system updates, payroll processing and year-end procedures.	Governance/ Social

# T : TRANSFORMING TALENT MANAGEMENT

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## Progress

### Training and Development Data



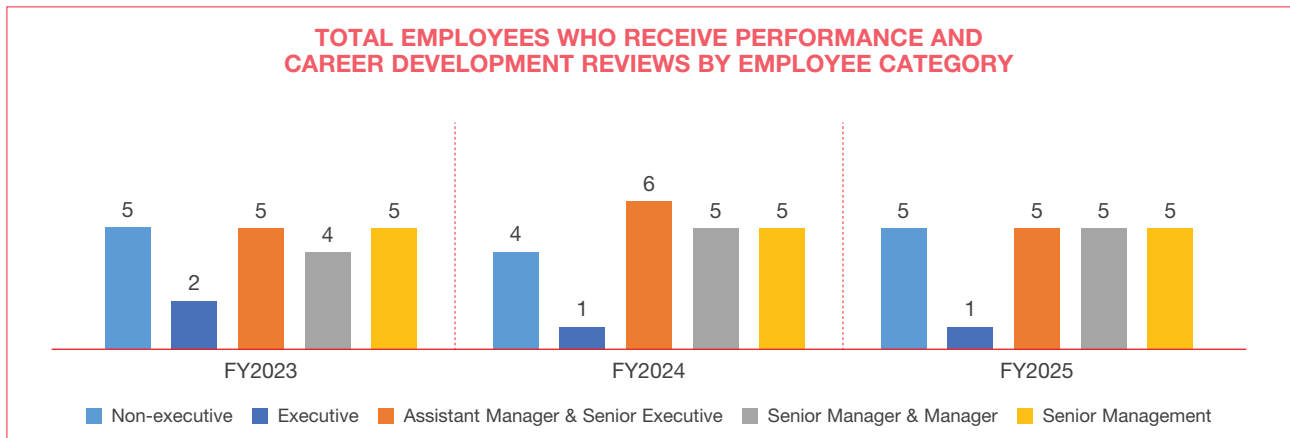
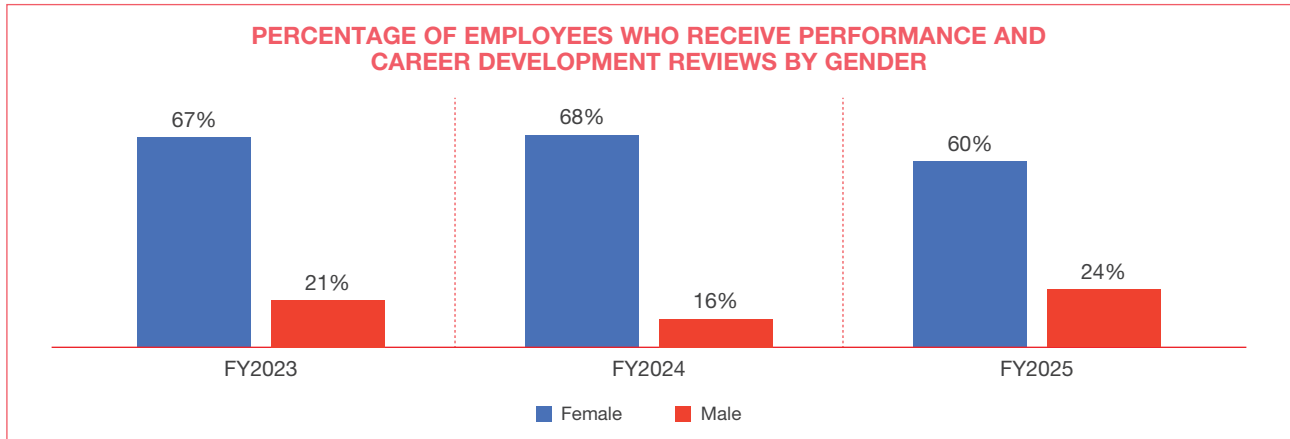
In 2025, 462 hours were spent on trainings, recorded an increase of 10.3% in total training hours compared to previous financial year of 419 hours. The Manager invested RM23,439 in employee’s learning and development.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Annual Performance and Career Development Reviews

Most of the employees have received their annual performance and career development reviews, in which management provides feedback on the performances and areas of improvement. The annual performance review helps the Manager in understanding and meeting the needs of employees, whilst creating an environment that promotes growth and efficiency, which in turn help improving its business operations.



The Manager will continue to expand the number of learning and development programs while focusing on the creation of new skills acquisition initiatives for all employees. These efforts aim to support employees in their career growth and progression.



### Short Term Plans (0 to 12 months)

- Assess the effectiveness of current programs & prioritise areas for improvement.
- Increase webinars/workshops/online courses for employees.
- Engage employees to understand their career goals.



### Medium Term Plans (1 to 5 years)

- Focus on leadership development program to prepare employees for higher roles.
- Build clear career pathways within the organization to enhance employee retention.
- Create a company-wide culture that encourages innovation and continuous learning.
- Recognize and reward employees who actively engage in development programs.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## DIVERSITY AND EQUAL OPPORTUNITY

### Why it Matters and Approach

In today's workplace, diversity and inclusion play a huge role in fostering a positive and inclusive work environment for employees. Research has shown that diversity and inclusion has led to better performances and higher revenue growth. The Manager recognizes the importance of diversity and inclusion and is looking to incorporate more diversity and inclusion practices into Pavilion REIT.

The Manager complies with the following laws to ensure its employees are well protected:

<b>Malaysia Employment Act 1955</b>	<b>Industrial Relations Act 1967</b>	<b>Occupational Safety and Health Act (OSHA) 1994</b>
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The Manager also complies with the Malaysia Employment Act Amendment 2022 which states that an employee cannot work more than 45 hours in a week and the Malaysian Minimum Wages Order 2024 which increases the new minimum wage to RM1,700 per month. It practices equal wage ratio and maintain equal opportunity regardless of gender. The Manager has recorded equal gender ratio of 1:1 for all degree holders since FY2019.

The Manager is also committed in prioritising local employment and embrace merit-based employment policies and promote diversity and equality at work regardless of gender, race, and ethnicity, religion, political opinion or social origin. The Manager does not discriminate those from underprivileged groups including differently-abled people, low-income families or people with no formal education qualifications. Code of Conduct and Ethics govern employees and non-employees to ensure they maintain the highest standard of conduct when dealing with internal and external parties and most importantly, they treat their colleagues with equal respect.

The Manager has enforced a Whistleblowing Policy to report on any unethical practices, discrimination, and harassments. This policy provides a safe avenue for employees/whistleblower to have their voices heard.

### Diversity of the Manager's Board of Directors and Employees

#### Board of Directors Distribution Data

The Board of Pavilion REIT comprises eleven (11) members, including seven (7) men and four (4) women, with five (5) of these members serving as independent directors. Women represent 36% of the Board, surpassing the 30% minimum recommendation outlined in the MCCG. This milestone underscores Pavilion REIT's strong commitment to fostering gender diversity and creating a balanced, inclusive leadership structure.

The Manager has consistently set a target of maintaining at least 30% female representation on the Board and this target was achieved. Moving forward, Pavilion REIT is committed to upholding and exceeding this standard as part of its broader focus on diversity, equity, and inclusion (DEI).

Gender diversity on the Board contributes significantly to Pavilion REIT's ability to make balanced, informed decisions, fostering innovation and resilience within its governance framework. To further strengthen its commitment, the Manager actively evaluate its nomination and governance processes to ensure that opportunities for leadership are equally accessible to qualified candidates, regardless of gender.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

Pavilion REIT recognizes that diverse perspectives are essential to building sustainable value for stakeholders and will continue to align its Board composition with international best practices and evolving corporate governance standards.

Board Diversity by Gender (%)	FY2023	FY2024	FY2025
Male	64%	60%	64%
Female	36%	40%	36%

Board Diversity by Age (%)	FY2023	FY2024	FY2025
<30	0%	0%	0%
30-39	18%	0%	0%
40-50	18%	20%	27%
>50	64%	80%	73%

Board by Ethnicity (%)	FY2023	FY2024	FY2025
Malay	27%	30%	36%
Chinese	37%	40%	36%
Indian	9%	10%	10%
Others	27%	20%	18%

## Employee Distribution Data

### Employee Gender and Age

The Manager promotes inclusivity and employs a diverse range of people that bring different experiences and knowledge to Pavilion REIT, regardless of gender and age.

Total employees of 25 in 2025			
Gender Diversity - Employees (%)	FY2023	FY2024	FY2025
Male	25%	24%	32%
Female	75%	76%	68%
Age Diversity - Employees (%)	FY2023	FY2024	FY2025
<30	12%	8%	8%
30-39	21%	24%	12%
40-50	25%	28%	36%
>50	42%	40%	44%
Ethnic Diversity (%)	FY2023	FY2024	FY2025
Malay	17%	16%	20%
Chinese	83%	84%	80%
Indian	-	-	-
Others	-	-	-

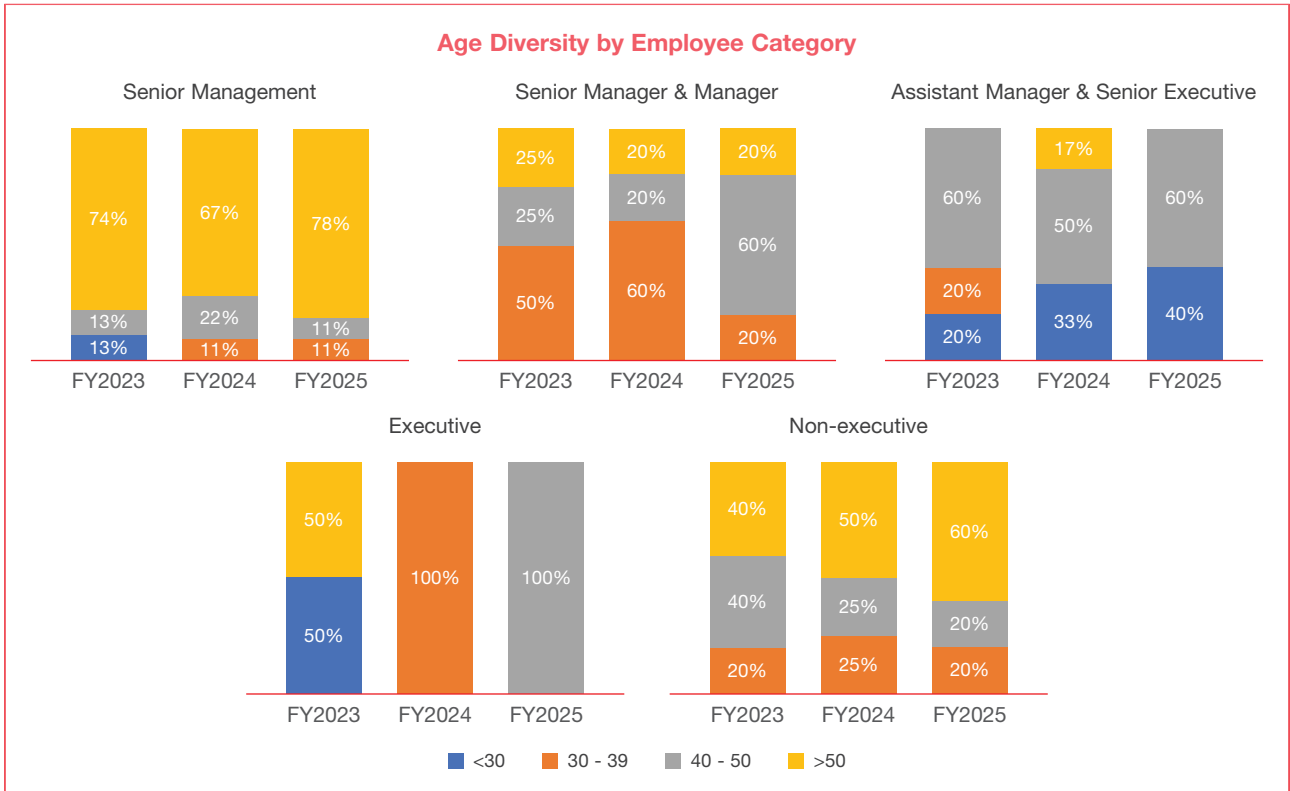
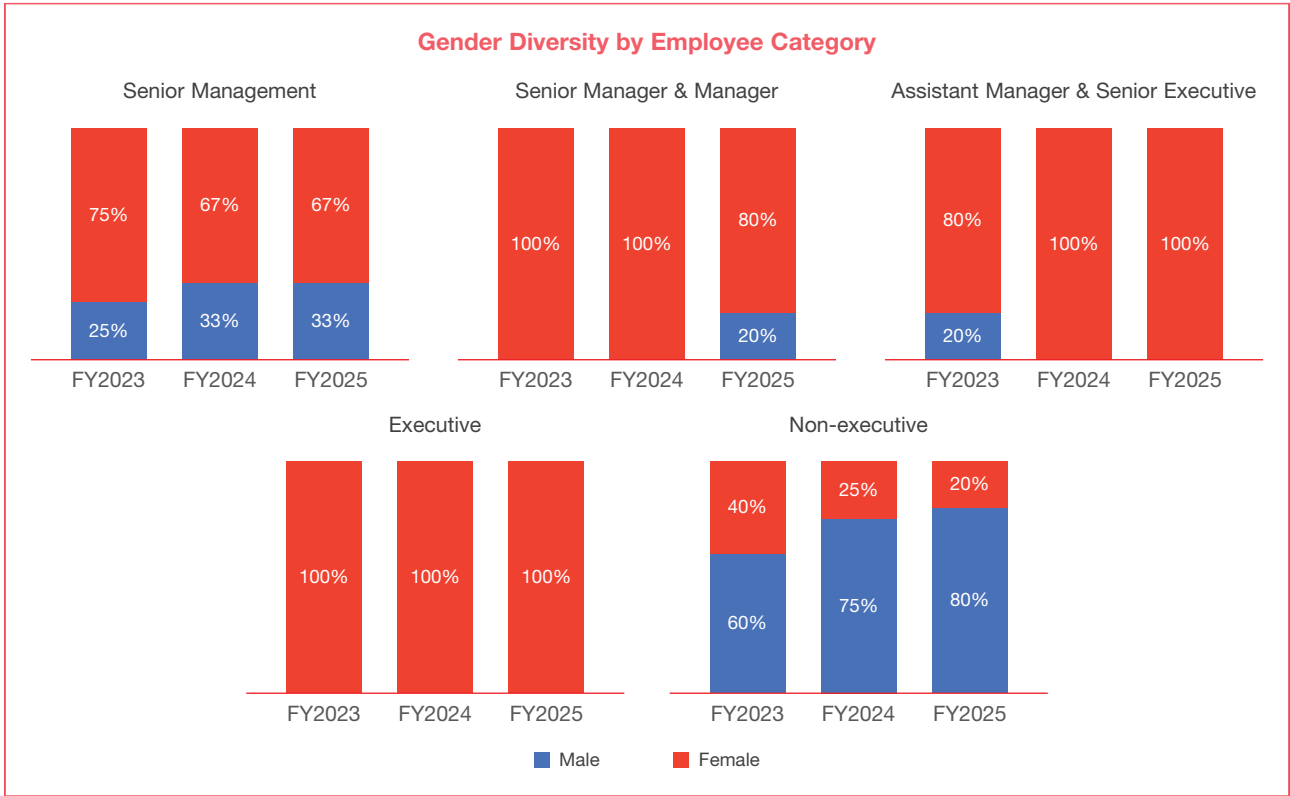
### Employee Composition

The Manager's staff are all permanent employees with no temporary staff.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Gender Diversity by Employee Category



# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## HUMAN RIGHTS MANAGEMENT

### Why it Matters and Approach

Human rights are fundamental rights that every human being has regardless of background. The Manager recognises the importance of human rights' values within an organization to ensure everyone who works directly or indirectly is treated with respect and dignity, regardless of gender, seniority level, etc. Poor condition of workers' accommodation was one of the major cluster outbreaks which claimed many lives in FY2021. The outbreak highlighted the urgency to address human rights practices among companies that provide accommodation for workers.

Since FY2020, the Manager has implemented new initiatives to increase its efforts in upholding human rights principles within Pavilion REIT properties.

Since FY2020, the Manager has conducted quarterly human rights audits at the foreign workers' accommodation of all the security and cleaning service providers. This initiative is to ensure there is proper welfare for all foreign workers who work at Pavilion REIT properties. Some of the social and human rights audit checklist includes:

- No overcrowding;
- Provision of proper facilities/amenities;
- Proper fire safety measures in place;
- Hygienic and safe living conditions;
- Provision of first aid kit;
- Availability of evacuation route.

Due to shortage of manpower, Pavilion REIT service providers required their workers to work additional hours or overtime. The Manager has taken measures to ensure that these service providers are in compliance with requirements without exceeding the maximum statutory overtime hours. The Manager also requires Pavilion REIT service providers (of cleaning and security) to report their respective workers' working hours during their daily roll call. The Manager conducts verifications with the service providers to ensure that these workers are legal and being paid the minimum wage as per the latest government regulations.

### Progress

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	0

### Human Right Policy

The Manager strives to create a workplace where open and honest communication among all employees is valued and respected. Human Resources Department has established a Human Rights Policy which is in accordance with the UN Guiding Principles on Business and Human Rights and aligned with International Labour Organization (ILO) standards, to promote and uphold human rights in the workplace. Effective 1st November 2023, the Human Rights Policy applies to all directors and employees, including full-time, part-time, casual, contract, and interns. The Policy also extends to all Pavilion REIT's business partners.

The Human Rights Policy covers topics such as:

- (a) non-discrimination, workforce diversity and equal opportunity;
- (b) freedom of association and collective bargaining;
- (c) safe and healthy workplace;
- (d) prevention of violence at the workplace;
- (e) compliance to local laws on minimum wage and working hours;
- (f) prevention of forced labour including modern forms of slavery and any form of human trafficking; and
- (g) protection of the rights of children and prohibit the hiring of child labour in all its business operations.

There is also a grievance mechanism for individuals to report suspected policy violations without fear of discrimination or retaliation. In cases of non-compliance or critical concerns, the report ultimately escalates to the CEO of the Manager, who then presents it to an Executive Director, if need arises.

Whistleblowing channel is also available at : <https://bdoethics.com/v1/r/QxgwQn00Ey5cz2z6DILFLAGx4xDL6x9>.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## HEALTH AND SAFETY

### Why it Matters and Approach

Aligned with Pavilion REIT's core values, health and safety are important aspects of Pavilion REIT that the Manager takes every effort to ensure the well beings of all employees, ground staff, mall patrons and other stakeholders are well taken care of.

Incidents at work are a possibility that cannot be ruled out. To prevent or minimise such possibility, there are training programmes held for both employees and non-employees to educate them on safe conduct when working. The Manager is committed in providing a safe working environment for everyone at the properties regardless of their roles.

In light of the Occupational Safety and Health (Amendment) Act 2022 (OSH Amendment Act), effective 1 June 2024, the Manager has revised its Environmental, Safety, and Health (EHS) policies. These updated policies govern safe practices during business activities across all properties, with the aim of preventing incidents and injuries. The updated OSH policy emphasizes prevention measures, continuous improvement, and clearly outlines the duties of employees to ensure adherence to workplace safety requirements.

Additionally, the Environmental Policy has been enhanced to reflect a stronger commitment to sustainable business operations. It now includes provisions for climate change mitigation, water and waste management, energy efficiency, sustainable procurement and fittings and biodiversity preservation. These updates also outline employees' responsibilities in supporting these initiatives.

Effective 7 October 2024, these policies serve as guiding frameworks for all OSH and Environmental initiatives, legal compliance, and operational commitments across Pavilion REIT. The updated policies have been communicated to all employees, contractors, and stakeholders involved in operations. Furthermore, the Manager encourages suppliers, partners, and tenants to adopt these practices to foster a culture of safety and sustainability.

This year, the Safety & Health Committee meetings and bi-weekly Operations meetings incorporated discussions on occupational safety and health matters. These sessions focused on improving ongoing initiatives and briefing heads of departments, OSH representatives, EHS committee members, contractors, service providers, and tenants on the latest requirements. The Manager also held half-yearly meetings to discuss and review potential risks and their ratings under the Enterprise Risk Management process.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

**Progress**

**Joint Management-Worker Meeting**

It was conducted during the quarterly meeting where EHS committees will discuss and monitor all matters that related to environment, health and safety including the worker’s role and responsibilities.

**EHS Committees**

The Environment, Health and Safety (“EHS”) committee works closely with the Emergency Response Team (“ERT”) to ensure the efforts of the Manager is in full compliance with government regulations such as OSHA 1994, Fire Services Act 1988, and Electricity Supply Act 1990.

The EHS committee oversees all safety aspects of all malls, including tenant operations, under Pavilion REIT. There are three (3) areas that EHS oversee:

<p style="text-align: center;"><b>Office</b></p> <ul style="list-style-type: none"> <li>• Conduct safety checks for any potential hazards in the office premises</li> </ul>	<p style="text-align: center;"><b>Tenant operation</b></p> <ul style="list-style-type: none"> <li>• Conduct safety checks on gas and fire safety at the tenants’ premises</li> </ul>	<p style="text-align: center;"><b>External contractor</b></p> <ul style="list-style-type: none"> <li>• Review contractors’ applications for work permits</li> <li>• Ensure safety compliance for those working in high risk work e.g., hot work, lifting operations and work at height</li> </ul>

The EHS department is led by a manager who works closely with the EHS committee to review SOPs and conduct trainings for the workers to be educated and informed on health and safety protocols. The main functions are as follows:

<p style="text-align: center;"><b>SOPs</b></p> <ul style="list-style-type: none"> <li>• Review and update when required to keep updated on the current operations requirements</li> </ul>	<p style="text-align: center;"><b>Training</b></p> <ul style="list-style-type: none"> <li>• Plan and conduct annual training programmes for non-employees to ensure they are updated and well trained to attend and handle any situation</li> </ul>

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Keeping our Employees safe

Pavilion REIT continues its initiatives from previous years while implementing new ones to further enhance safety measures. This reporting year, more trainings focusing on OHS regulations have been given to non-employees to minimize work-related hazards and educate them on the health and safety measures.



Besides the training programmes, the Manager has incorporated Enterprise Risk Management (“ERM”) process into Pavilion REIT’s business operation to address any health and safety related matters, identify and mitigate any potential risks. The ERM process covers all workers at all properties of Pavilion REIT as the Manager is committed in eliminating any possible hazard and minimizing any risks involving all workers.

The Manager has also instituted the Hazard Identification, Risk Assessment and Risk Control (HIRARC) into Pavilion REIT’s business operations where HIRARC assessments are conducted by all departments at each property to identify and mitigate any risk. Pavilion REIT conducted trainings to equip non-employees with knowledge on how to work at height, how to handle chemicals and how to handle first aid cases in the malls.

## Visitor Health and Safety

The Manager views its visitors’ health and safety as top priority and maintains preventive measures to minimise accidents in its properties. In addition to having CCTV surveillance system installed for strategic monitoring, panic buttons are also available in car park and remote public mall areas where there’s less patronage. Wheelchairs, walking aids and disable facilities are also available at all Pavilion REIT’s retail malls to increase shoppers’ comfort.

Prompt investigation will be undertaken immediately followed by corrective action in the event of any threats to its visitor health and safety issues.

## Health and safety training

In 2025, a total of 253 participants were given trainings on health and safety.

Number of employees trained on health and safety training & standards	FY2023	FY2024	FY2025
Employees	5	11	8
Non-employees <sup>(1)</sup>	106	427	245
<b>Total</b>	<b>111</b>	<b>438</b>	<b>253</b>

### Note:

(1) Non-employees refer to Kuala Lumpur Pavilion Sdn Bhd’s staff stationed in Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Tower, Intermark Mall, DA MEN Mall and Pavilion Bukit Jalil.

# T : TRANSFORMING TALENT MANAGEMENT

Cont'd

## Health and Safety Data

	FY2023		FY2024		FY2025	
	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Total Hours Worked	50,752	591,136	52,832	1,000,064	53,248	905,632
Number of Work-Related Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	0	2	0	1	0	2
Lost Time Incident Rate ("LTIR") (1)	0	0.68	0	0.20	0	0.44
Number of work-related illnesses/ill-health	0	0	0	0	0	0

### Note:

(1) The lost time incident rate is calculated based on 200,000 man-hours worked.

### Work-related injuries and illnesses/ill-health

Pavilion REIT remains committed to ensuring that all employees and stakeholders return home safely each day. In FY2025, there were no fatalities or work-related illnesses reported among employees.

During the year, two non-employee incidents were recorded:

- Self-Balancing Device Accident: A security officer lost control of a self-balancing device and fell, requiring medical treatment. The incident was reported to DOSH, investigated and corrective actions were implemented.
- Slip, Trip and Fall: A manager sustained an injury after losing balance while opening a glass office door. Immediate first aid and subsequent medical care were provided. The incident was reported to DOSH, investigated and follow-up measures were taken.

The Manager continues to strengthen safety protocols, enhance compliance monitoring and provide training to reduce the likelihood of workplace incidents, reflecting a sustained commitment to a safe and compliant environment.

### Prevention of Violence and Harassment including Sexual Harassment at the Workplace

Throughout the reporting year, efforts were undertaken by the Manager to proactively raise awareness and promote understanding of violence and harassment prevention, including sexual harassment, in the workplace. This included the establishment of a comprehensive policy outlining procedures and measures to prevent, manage, and respond to such incidents, ultimately aiming to create a safe and inclusive environment for all employees.

Everyone - employees and management alike - plays a crucial role in fostering a work climate free from violence and harassment. All parties are required to read, understand, and comply with the policy. The Human Resources Department readily provides further clarification and assistance as needed.

To ensure continued vigilance and effectiveness, the Manager is mandated to conduct an annual risk assessment within their respective departments. While no specific risks have been identified to date, ongoing proactive measures remain essential to maintaining a positive and safe work environment.

# SUSTAINABILITY KEY PERFORMANCE DATA

## EESG Performance Indicators

### Climate Change

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025
<b>Scope 1 GHG Emission</b>				
<b>Stationary combustion   Generators</b>				
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> e	8.9	0	8.9
Elite Pavilion Mall		4.6	0	6.7
Pavilion Tower		22.1	0	0.2
Intermark Mall		0	7.3	0.5
DA MEN Mall		-	-	-
Pavilion Bukit Jalil		0.1	0	34.9
<b>Total</b>		<b>35.7</b>	<b>7.3</b>	<b>51.2<sup>(1)</sup></b>

**Note:**

(1) The scope 1 GHG emission data arising from fuel consumption for genset in FY2025 has been assured externally by KPMG.

<b>Scope 2 GHG Emission</b>				
<b>Purchased Electricity</b>				
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> e	45,699	15,175	14,367
Elite Pavilion Mall		9,445	9,557	9,680
Pavilion Tower		1,276	935	1,342
Intermark Mall		7,118	5,558	5,383
DA MEN Mall		9,442	9,543	3,478
Pavilion Bukit Jalil		23,777	39,957	37,944
<b>Total</b>		<b>96,757</b>	<b>80,725</b>	<b>72,194<sup>(1)</sup></b>

**Note:**

(1) Scope 2 GHG emissions (market-based) data for FY2025 have been assured externally by KPMG PLT.

<b>Scope 3 GHG Emission</b>				
<b>Category 5: Waste Generated in Operations</b>	tCO <sub>2</sub> e			4,489
<b>Category 6: Business Travel</b>	tCO <sub>2</sub> e		20	7
<b>Category 7: Employees Commuting</b>	tCO <sub>2</sub> e		23	28
<b>Category 13: Downstream leased assets in relation to tenant purchased electricity</b>				
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> e	28,764	25,131	25,722
Elite Pavilion Mall			5,107	2,748
Pavilion Tower		475	486	521
Intermark Mall				
DA MEN Mall				4,133
Pavilion Bukit Jalil			11,270	27,179
Pavilion Hotel Kuala Lumpur				3,184
Banyan Tree Kuala Lumpur				1,304
<b>Total</b>		<b>29,239</b>	<b>41,994</b>	<b>64,791<sup>(1)</sup></b>

**Note:**

(1) Scope 3 GHG emissions (Category 13) data for FY2025 have been assured externally by KPMG PLT.

<b>Total Scope 3 emissions</b>	tCO <sub>2</sub> e	<b>29,239</b>	<b>42,037</b>	<b>69,314</b>
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# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025
<b>GHG Intensity (Scope 1 &amp; 2)</b>				
Pavilion Kuala Lumpur Mall	tCO <sub>2</sub> e/sqm	0.21	0.07	0.07
Elite Pavilion Mall		0.24	0.24	0.25
Pavilion Tower		0.06	0.04	0.07
Intermark Mall		0.23	0.18	0.17
DA MEN Mall		0.14	0.14	0.05
Pavilion Bukit Jalil		0.07	0.12	0.11
<b>Overall GHG Intensity for Scope 1 &amp; 2</b>		<b>0.14</b>	<b>0.11</b>	<b>0.10</b>

## Energy Management

<b>ENERGY MANAGEMENT</b>				
<b>Electricity Consumption (Landlord)</b>				
Pavilion Kuala Lumpur Mall	kWh	59,043,172	61,417,464	60,910,002
Elite Pavilion Mall		12,202,799	12,346,900	12,506,429
Pavilion Tower		1,647,964	1,705,518	1,733,623
Intermark Mall		9,197,162	10,697,511	10,470,173
DA MEN Mall		12,199,083	12,329,233	4,494,160
Pavilion Bukit Jalil		30,719,065	51,624,583	49,023,409
<b>Total</b>		<b>125,009,245</b>	<b>150,121,209</b>	<b>139,137,796<sup>(1)</sup></b>

**Note:**

(1) The landlord electricity data in FY2025 has been assured externally by KPMG PLT.

<b>Electricity Consumption (Tenants &amp; Consumers)</b>				
Pavilion Kuala Lumpur Mall	kWh	49,870,470	43,141,263	33,232,891
Elite Pavilion Mall			6,597,944	3,550,315
Pavilion Tower		613,772	628,049	672,481
Intermark Mall				
DA MEN Mall				5,340,196
Pavilion Bukit Jalil			14,561,051	35,115,265
Pavilion Hotel Kuala Lumpur				7,844,490
Banyan Tree Kuala Lumpur				1,684,198
<b>Total</b>		<b>50,484,242</b>	<b>64,928,307</b>	<b>87,439,836<sup>(1)</sup></b>

**Note:**

(1) The tenant & end user electricity data in FY2025 has been assured externally by KPMG PLT.

<b>Renewable Electricity Consumption (Green Electricity Tariff Subscription)</b>				
Pavilion Kuala Lumpur Mall	kWh	25,068,000	41,812,533	42,348,000
Elite Pavilion Mall				
Pavilion Tower			497,067	
Intermark Mall		820,000	3,516,000	3,516,000
DA MEN Mall				
Pavilion Bukit Jalil				
<b>Total</b>		<b>25,888,000</b>	<b>45,825,600</b>	<b>45,864,000</b>

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

CLIMATE CHANGE	Unit of Measurement	FY2023	FY2024	FY2025	
<b>Building Energy Intensity</b>					
Retail	kWh/m <sup>2</sup> /year	<b>250</b>	<b>307</b>	<b>317</b>	
Pavilion Kuala Lumpur Mall		498	478	461	
Elite Pavilion Mall		308	477	415	
Intermark Mall		293	341	334	
DA MEN Mall		179	181	144	
Pavilion Bukit Jalil		92	198	252	
Office		<b>100</b>	<b>103</b>	<b>119</b>	
Pavilion Tower		100	103	119	
Hotel				<b>227</b>	
Pavilion Hotel Kuala Lumpur				247	
Banyan Tree Kuala Lumpur				165	
<b>Overall Energy Intensity</b>			<b>246</b>	<b>301</b>	<b>307</b>

WATER MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025
<b>Water Withdrawn from Third Party Water Service Providers - Municipal Supplier</b>				
<b>Water Consumption (Landlord)</b>				
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	508,442	464,681	492,888
Elite Pavilion Mall		104,180	118,340	109,196
Pavilion Tower		16,583	17,292	18,231
Intermark Mall		59,011	59,552	62,631
DA MEN Mall		75,659	70,623	28,073
Pavilion Bukit Jalil		291,941	455,565	349,223
<b>Total</b>		<b>1,055,816</b>	<b>1,186,053</b>	<b>1,060,242<sup>(1)</sup></b>

**Note:**

(1) The landlord water consumption data in FY2025 has been assured externally by KPMG PLT.

<b>Water Consumption (Tenants)</b>				
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	292,694	315,345	320,000
Elite Pavilion Mall		72,407	85,327	89,468
Pavilion Tower				
Intermark Mall		54,637	63,800	62,922
DA MEN Mall		37,507	35,650	69,243
Pavilion Bukit Jalil		142,505	289,897	314,809
Pavilion Hotel Kuala Lumpur				53,555
Banyan Tree Kuala Lumpur				17,280
<b>Total</b>		<b>599,750</b>	<b>790,019</b>	<b>927,277<sup>(1)</sup></b>

**Note:**

(1) The tenant water consumption data in FY2025 has been assured externally by KPMG PLT.

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

WATER MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025	
<b>SECONDARY SOURCE</b>					
<b>Water Withdrawn from Fresh Water – Rain Water Harvesting</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	139	64	173	
Elite Pavilion Mall					
Pavilion Tower		87	98	403	
Intermark Mall					
DA MEN Mall			330	1,036	
Pavilion Bukit Jalil			15,482	618	
Pavilion Hotel Kuala Lumpur				70	
<b>Total</b>			<b>226</b>	<b>15,974</b>	<b>2,300</b>
<b>Recycled/Reused Water – Condensate Harvesting</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	2,320	1,758	1,364	
Elite Pavilion Mall		458	528	256	
Pavilion Tower					
Intermark Mall		134	439	383	
DA MEN Mall			325		
Pavilion Bukit Jalil			103	1,188	
<b>Total</b>			<b>2,912</b>	<b>3,153</b>	<b>3,191</b>
<b>Water Withdrawn from Groundwater</b>					
Pavilion Kuala Lumpur Mall	m <sup>3</sup>	165	462	1,446	
Elite Pavilion Mall					
Pavilion Tower					
Intermark Mall					
DA MEN Mall					
Pavilion Bukit Jalil					
<b>Total</b>			<b>165</b>	<b>462</b>	<b>1,446</b>
<b>Water Use Intensity</b>					
<b>Retail</b>	m <sup>3</sup> /m <sup>2</sup> /year	<b>2.4</b>	<b>2.9</b>	<b>2.8</b>	
Pavilion Kuala Lumpur Mall		3.7	3.6	4.0	
Elite Pavilion Mall		4.5	5.1	5.1	
Intermark Mall		3.6	3.9	4.0	
DA MEN Mall		1.7	1.6	1.4	
Pavilion Bukit Jalil		1.3	2.3	2.0	
<b>Office</b>		<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	
Pavilion Tower		0.7	0.8	0.9	
<b>Hotel</b>				<b>1.7</b>	
Pavilion Hotel Kuala Lumpur				1.7	
Banyan Tree Kuala Lumpur			1.7		
<b>Overall Water Use Intensity</b>		<b>2.3</b>	<b>2.8</b>	<b>2.7</b>	

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

WASTE MANAGEMENT	Unit of Measurement	FY2023	FY2024	FY2025
<b>Waste Management</b>				
Total Waste Generated	tonnes	5,445.2	9,650.0	9,253.5
<b>Total Waste Diverted from Disposal</b>				
<b>Hazardous Waste</b>				
Other recovery operations	tonnes	0.3	1.0	0.1
<b>Non-Hazardous Waste (Total Waste Recycled)</b>				
Recycling: Plastic	tonnes	4.3	17.3	26.1
Recycling: Paper		239.5	412.8	426.1
Recycling: Metal		3.1	3.8	8.7
<b>Total</b>		<b>246.9</b>	<b>433.9</b>	<b>460.9</b>
<b>Total Waste Diverted from Disposal</b>	<b>tonnes</b>	<b>247.2</b>	<b>627.6</b>	<b>649.6</b>
<b>Total Waste Directed to Disposal</b>				
Landfilling	tonnes	5,198.00	9,022.4	8,603.9
% diversion from landfill	%	4.5	6.5	7.0

## Social Pillar

	Unit of Measurement	FY2023	FY2024	FY2025
<b>Board of Directors</b>				
Total Board Members	Number	11	10	11
<b>Gender of Board of Directors</b>				
Male	Number	7	6	7
Female		4	4	4
<b>Nationality of Board of Directors</b>				
Malaysian	Number	8	8	9
Foreign		3	2	2
<b>Age group of Board of Directors</b>				
<30	Number	0	0	0
30 to 39		2	0	0
40 to 50		2	2	3
>50		7	8	8
<b>Ethnicity of Board of Directors</b>				
Malay	Number	3	3	4
Chinese		4	4	4
Indian		1	1	1
Others		3	2	2
<b>Employees</b>				
Total Employees	Number	24	25	25

## SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
<b>Total Employees By Category, Age and Gender</b>				
<b>Senior Management - Male</b>				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	1	1
>50		2	2	2
<b>Senior Manager and Manager - Male</b>				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	1
>50		0	0	0
<b>Assistant Manager and Senior Executive - Male</b>				
<30	Number	0	0	0
30 – 39		1	0	0
40 – 50		0	0	0
>50		0	0	0
<b>Executive - Male</b>				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		0	0	0
>50		0	0	0
<b>Non-Executive - Male</b>				
<30	Number	0	0	0
30 – 39		1	1	1
40 – 50		1	1	1
>50		1	1	2
<b>Senior Management - Female</b>				
<30	Number	1	0	0
30 – 39		0	1	1
40 – 50		1	1	0
>50		4	4	5
<b>Senior Manager and Manager - Female</b>				
<30	Number	0	0	0
30 – 39		2	3	1
40 – 50		1	1	2
>50		1	1	1

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators

Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
<b>Assistant Manager and Senior Executive - Female</b>				
<30	Number	1	2	2
30 – 39		0	0	0
40 – 50		3	3	3
>50		0	1	0
<b>Executive - Female</b>				
<30	Number	1	0	0
30 – 39		0	1	0
40 – 50		0	0	1
>50		1	0	0
<b>Non-Executive – Female</b>				
<30	Number	0	0	0
30 – 39		0	0	0
40 – 50		1	0	0
>50		1	1	1
<b>Total Turnover</b>				
<b>Turnover - Gender</b>				
Male	Number	0	1	0
Female		2	1	0
<b>Turnover – Age</b>				
<30	Number	0	0	0
30 - 39		1	2	2
40 - 50		1	0	0
>50		0	0	0
<b>Turnover – Ethnicity</b>				
Malay	Number	0	0	0
Chinese		2	2	0
Indian		0	0	0
Others		0	0	0
<b>Turnover - Category</b>				
Senior Management	Number	0	0	0
Senior Manager and Manager		1	0	0
Assistant Manager and Senior Executive		1	1	0
Executive		0	1	0
Non-Executive		0	0	0

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
<b>Total New Hire</b>				
New Hire - Gender				
Male	Number	1	1	1
Female		3	1	0
New Hires - Age				
<30	Number	2	0	0
30 - 39		1	1	0
40 - 49		1	1	0
>50		0	0	1
New Hires - Ethnicity				
Malay	Number	0	0	1
Chinese		4	2	0
Indian		0	0	0
Others		0	0	0
New Hires - Category				
Senior Management	Number	1	1	0
Senior Manager and Manager		0	1	0
Assistant Manager and Senior Executive		3	0	0
Executive		0	0	0
Non-Executive		0	0	1
<b>Total Temporary Staff</b>				
By gender				
Male	Number	0	0	0
Female		0	0	0
<b>Employee Training Hours</b>				
Average training hours per employee	Hour	9.7	16.8	18.4
Number of Training Hours By Gender				
Male	Hour	84	63	145
Female		150	356	317
Number of Training Hours By Category				
Senior Management	Hour	116	170	261
Senior Manager and Manager		21	127	77
Assistant Manager and Senior Executive		90	111	101
Executive		7	9	10
Non-Executive		0	2	13

# SUSTAINABILITY KEY PERFORMANCE DATA

EESG Performance Indicators  
Cont'd

	Unit of Measurement	FY2023	FY2024	FY2025
<b>Employees Receiving Performance and Career Development Reviews</b>				
By Gender				
Male	%	21	16	24
Female		67	68	60
By Category				
Senior Management	Number	5	5	5
Senior Manager and Manager		4	5	5
Assistant Manager and Senior Executive		5	6	5
Executive		2	1	1
Non-Executive		5	4	5
<b>Total Number of Discrimination Incidents</b>				
Total number of incidents of discrimination during reporting period	Number	0	0	0
Status of incidents and action taken		0	0	0
<b>Parental Leave</b>				
Total number of employees	Number	24	25	25
Employees Entitled for Parental Leave				
Male	Number	6	6	8
Female		18	19	17
Employees that took Parental Leave				
Male	Number	0	0	0
Female		0	0	2
Number of Parental Leave applied				
Paternity Leave	Number	0	0	0
Maternity Leave		0	0	196
Employees return to work after Parental Leave				
Male	Number	0	0	0
Female		0	0	2
Employees that were still employed 12 months after their return to work				
Male	Number	0	0	0
Female		0	0	2
Return to Work Rate				
Male	%	N/A	N/A	N/A
Female		N/A	N/A	100
Retention Rate				
Male	%	N/A	N/A	N/A
Female		0%	N/A	100

# BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-16\_16:38:59  
 FYE 31/12/2025

**Pavilion REIT**  
 IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Senior Management	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Senior Manager & Manager	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Assistant Manager & Senior Executive	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Executive	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of employees who have received training on anti-corruption by employee category—Non-Executive	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Percentage of operations assessed for corruption-related risks	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Business Ethics and Compliance	Confirmed incidents of corruption and detection/taken	Number	—	—	No-assurance

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Pavilion REIT  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Community and Stakeholder Engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Community and Stakeholder Engagement	Total number of beneficiaries of the investment in communities	Number	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Management → 39	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Management → 39-59	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Management → 60-69	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Management → 70	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

**Pavilion REIT**  
IFRS S1

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Manager & Manager ->30	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Manager & Manager ->30-39	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Manager & Manager ->40-59	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Senior Manager & Manager ->60	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Assistant Manager & Senior Executive ->30	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Assistant Manager & Senior Executive ->30-39	Percentage	0	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Pavilion REIT  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Assistant Manager & Senior Executive - 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Assistant Manager & Senior Executive - 50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Executive - 30	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Executive - 30-39	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Executive - 40-50	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Executive - 50	Percentage	0	None	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group, for each employee category - Non-Executive - 30	Percentage	—	—	No assurance

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

**Pavilion REIT**  
 IFRS S1  
 Date & Time: 2026-03-16\_16:38:59  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Non-Executive -30-39	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Non-Executive -40-50	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by age group for each employee category - Non-Executive -50	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group for each employee category - Senior-Management -Male	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group for each employee category - Senior-Management -Female	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group for each employee category - Senior-Manager & Manager -Male	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Pavilion REIT  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Senior Manager & Manager - Female	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Assistant Manager & Senior Executive - Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Assistant Manager & Senior Executive - Female	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Executive - Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Executive - Female	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Non-Executive - Male	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	Percentage of employees by gender group, for each employee category: Non-Executive - Female	Percentage	—	—	No assurance

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

**Pavilion REIT**  
IFRS S1

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by gender group - Male</del>	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by gender group - Female</del>	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by age group - &lt;39</del>	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by age group - 30-39</del>	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by age group - 40-59</del>	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Diversity and Equal Opportunity	<del>Percentage of directors by age group - 50</del>	Percentage	—	≠	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Energy Management	<del>Energy Consumption (tender)</del>	kWh	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Energy Management	<del>Energy Consumption (tenant &amp; end user)</del>	kWh	—	—	No assurance

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Pavilion REIT  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Number of work-related fatalities	Number	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Lost-time incident rate	Rate	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Health and Safety	Number of employees trained on health and safety standards	Number	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Senior Management	Hour	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Senior Manager & Manager	Hour	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Assistant Manager & Senior Executive	Hour	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Executive	Hour	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Training and Development	Total hours of training by employee category: Non-Executive	Hour	—	—	No-assurance

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

**Pavilion REIT**  
 IFRS S1  
 Date & Time: 2026-03-16\_16:38:59  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter Diversity and Equal Opportunity	This row has been deleted. Percentage of employees that are contractors or temporary staff	Percentage	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Senior Management	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Senior Manager & Manager	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Assistant Manager & Senior Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Talent Attraction and Retention	Total number of employee turnover by employee category - Non-Executive	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Human Rights Management	Number of substantiated complaints concerning human rights violations	Number	—	—	No assurance
Footnote Sustainability Matter	This row has been deleted.				

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

## Pavilion REIT IFRS S1

Date & Time: 2026-03-16\_16:38:59  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Procurement and Supply Chain	Proportion of spending on local suppliers	Percentage	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Data Privacy and Cybersecurity	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Water Management	Water Consumption (Landlord)	m <sup>3</sup>	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				
Water Management	Water Consumption (Tenant)	m <sup>3</sup>	—	—	No-assurance
Footnote Sustainability Matter	This row has been deleted.				

# BURSA MALAYSIA PRESCRIBED TABLE

Cont'd

Date & Time: 2026-03-16\_16:38:59  
 FYE 31/12/2025

Pavilion REIT  
 IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate Change	Scope 1 GHG emissions (fuel consumption for genset)	tCO <sub>2</sub> e	51	-	External (Limited)
Climate Change	Scope 2 GHG Emissions (Purchased Electricity)	tCO <sub>2</sub> e	72,194	To achieve a 20% reduction in Scope 2 carbon emissions by 2030, using FY2019 as the baseline year.	External (Limited)
Climate Change	Scope 3 – Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	tCO <sub>2</sub> e	2,868	-	No assurance
Climate Change	Scope 3 – Category 5: Waste Generated in Operations	tCO <sub>2</sub> e	4,489	-	No assurance
Climate Change	Scope 3 – Category 6: Business Travel	tCO <sub>2</sub> e	7	-	No assurance
Climate Change	Scope 3 – Category 7: Employee Commuting	tCO <sub>2</sub> e	28	-	No assurance
Climate Change	Scope 3 – Category 13: Downstream Leased Assets	tCO <sub>2</sub> e	64,791	-	External (Limited)

# SUSTAINABILITY ASSURANCE STATEMENT

To enhance the credibility of Pavilion REIT's sustainability reporting, an independent assurance has been conducted in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and, in respect of GHG emissions, ISAE 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") for selected indicators. The report has also been reviewed and approved by the Company's Sustainability Committee. The scope, subject matters covered, and conclusions are detailed below:

Type of Assurance	Subject Matter ("Selected Sustainability Indicators")	Amount	Boundary	Conclusion
Independent Limited Assurance	Scope 1 Greenhouse Gas ("GHG") emissions (fuel consumption for genset)	51.2 tCO <sub>2</sub> e	All of Pavilion REIT's investment properties	Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in Pavilion REIT's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with Pavilion REIT's definition and calculation methodologies as set out in the Pavilion REIT's Integrated Annual Report 2025 and/or where relevant, the Bursa Malaysia Securities Berhad Sustainability Reporting Guide (3rd Edition).
	Scope 2 GHG emissions (purchased electricity) (market-based)	72,194 tCO <sub>2</sub> e		
	Electricity consumption from non-renewable and renewable source: <ul style="list-style-type: none"> <li>• Landlord; and</li> <li>• Tenant end/user</li> </ul>	<ul style="list-style-type: none"> <li>• 139,137,796 kWh</li> <li>• 87,439,836 kWh</li> </ul>		
	Water withdrawn from third party water service providers – municipal supplier <ul style="list-style-type: none"> <li>• Landlord; and</li> <li>• Tenant end/user</li> </ul>	<ul style="list-style-type: none"> <li>• 1,060,242 m<sup>3</sup></li> <li>• 927, 277 m<sup>3</sup></li> </ul>		
	Scope 3 GHG emissions (Category 13: Downstream leased assets in relation to tenant purchased electricity)	64,791 tCO <sub>2</sub> e	All of Pavilion REIT's investment properties, except for Intermark Mall	

Please refer to pages 187 to 190 for the Independent Limited Assurance Statement provided by KPMG PLT.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd

## INDEPENDENT LIMITED ASSURANCE REPORT



### KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Website www.kpmg.com.my

### MTrustee Berhad (the "Trustee")

(Registration No.: 198701004362 (163032-V))  
Acting as Trustee for and on behalf of  
**Pavilion Real Estate Investment Trust**  
Level 10 Pavilion Kuala Lumpur  
168 Jalan Bukit Bintang  
55100 Kuala Lumpur

**Independent Practitioners' Limited Assurance Report on Pavilion Real Estate Investment Trust's ("Pavilion REIT") Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in its Integrated Annual Report 2025**

### Conclusion

We have performed a limited assurance engagement on whether Pavilion REIT's selected sustainability indicators for the financial year ended 31 December 2025 listed below ("Selected Sustainability Indicators") have been prepared in accordance with Pavilion REIT's definition and calculation methodologies as set out in Pavilion REIT's Integrated Annual Report 2025 and/or where relevant, Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (3rd Edition) ("Applicable Criteria").

Selected Sustainability Indicators		Amount	Boundary
Indicator 1	Scope 1 Greenhouse Gas ("GHG") emissions (fuel consumption for genset)	51.2 tCO <sub>2</sub> e	1. Pavilion Kuala Lumpur Mall 2. Pavilion Tower
Indicator 2	Scope 2 GHG emissions (purchased electricity) (market-based)	72,194.0 tCO <sub>2</sub> e	3. Elite Pavilion Mall 4. Pavilion Bukit Jalil 5. DA MEN Mall 6. Intermark Mall 7. Pavilion Hotel Kuala Lumpur 8. Banyan Tree Kuala Lumpur
Indicator 3	Electricity consumption from non-renewable and renewable source: • Landlord; • Tenant end/user	• 139,137,796 kWh • 87,439,836 kWh	
Indicator 4	Water withdrawn from third party water service providers – municipal supplier • Landlord; • Tenant end/user	• 1,060,242 m <sup>3</sup> • 927,277m <sup>3</sup>	
Indicator 5	Scope 3 GHG emissions Category 13: Downstream leased assets (tenant purchased electricity)	64,791.0 tCO <sub>2</sub> e	1. Pavilion Kuala Lumpur Mall 2. Pavilion Tower 3. Elite Pavilion Mall 4. Pavilion Bukit Jalil 5. Pavilion Hotel Kuala Lumpur 6. Banyan Tree Kuala Lumpur 7. DA MEN Mall

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2025 presented in Pavilion REIT's Integrated Annual Report 2025 are not prepared, in all material respects, in accordance with the Applicable Criteria.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")  
Independent Practitioners' Limited Assurance Report  
on Pavilion REIT's Selected Sustainability Indicators  
for the financial year ended 31 December 2025  
presented in its Integrated Annual Report 2025  
9 February 2026*

## Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and, in respect of GHG emissions, ISAE 3410, Assurance Engagements on Greenhouse Gas Statements. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### *Our Quality Management and Independence*

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

## Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of Pavilion REIT Management Sdn. Bhd. (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Pavilion REIT for any purpose or in any context. Any party other than Pavilion REIT who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk.

Without affecting, adding to or extending our duties and responsibilities to Pavilion REIT or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in Pavilion REIT's Integrated Annual Report 2025, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

## Responsibilities for the Selected Sustainability Indicators

The management of Pavilion REIT Management Sdn. Bhd. (the "Management") is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")  
Independent Practitioners' Limited Assurance Report  
on Pavilion REIT's Selected Sustainability Indicators  
for the financial year ended 31 December 2025  
presented in its Integrated Annual Report 2025  
9 February 2026*

## Inherent limitations

1. Due to the inherent limitations of any internal control structure, it is possible that material misstatement, whether due to fraud or error, may occur and not be detected in the Selected Sustainability Indicators.
2. GHG emissions quantification is unavoidably subject to significant inherent limitations, because of incomplete scientific knowledge used to determine emissions factors and limitations inherent in the nature of and methods used for determining emissions data. The selection by Management of different but acceptable emissions factors or measurement techniques could have resulted in materially different GHG emissions being reported.

## Our responsibilities

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Directors.

## Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in Pavilion REIT's Integrated Annual Report 2025;
- (c) Compared the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2025 to underlying sources on a sample basis; and
- (d) Read the Selected Sustainability Indicators presented in Pavilion REIT's Integrated Annual Report 2025 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Pavilion REIT.

We have performed the following additional procedures for GHG emissions, amongst others:

- (a) Enquired Management to gain an understanding on the determination of Pavilion REIT's inventory boundary, the method of classifying emission sources, and the management's key judgements in estimating emissions, including selection and application of methods, significant assumptions and data; and
- (b) Tested accuracy of activity data, emission factors and global warming potential factors to relevant underlying sources on a sample basis.

# SUSTAINABILITY ASSURANCE STATEMENT

Cont'd



*Pavilion Real Estate Investment Trust ("Pavilion REIT")  
Independent Practitioners' Limited Assurance Report  
on Pavilion REIT's Selected Sustainability Indicators  
for the financial year ended 31 December 2025  
presented in its Integrated Annual Report 2025  
9 February 2026*

## Summary of the work we performed as the basis for our conclusion (cont'd)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Other matters

Our assurance conclusion was with respect to Pavilion REIT's Selected Sustainability Indicators for the financial year ended 31 December 2025 and we have not performed any procedures with respect to earlier periods or any other elements included in Pavilion REIT's Integrated Annual Report 2025 and therefore, we do not express any conclusion thereon. While we are engaged to provide assurance on the Selected Sustainability Indicators above, these indicators do not represent the entire Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions and Pavilion REIT's compliance with IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

Our conclusion is not modified in respect of this matter.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 9 February 2026

# GRI CONTENT INDEX

<b>Statement of use</b>	Pavilion REIT has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>F4GBM ESG Themes</b>	<b>Common Sustainability Matter</b>	<b>UN SDG</b>	<b>LOCATION</b>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details				Section 2: Overview
	2-2 Entities included in the organization’s sustainability reporting				Section 1: Reporting Scope and Boundary
	2-3 Reporting period, frequency and contact point				Section 1: Reporting Scope and Boundary, Feedback and Contact Point
	2-4 Restatements of information				Section 1: Exclusions or Changes in Reporting
	2-5 External assurance				Section 5: Sustainability Assurance Statement  Section 6: Audit Committee Report, Statement on Risk Management and Internal Controls  Section 7: Financials
	2-6 Activities, value chain and other business relationships				Section 4: Our Value Creation Story
	2-7 Employees				Section 5 – T: Diversity and Equal Opportunity
	2-8 Workers who are not employees				Section 5 – T: Health and Safety
	2-9 Governance structure and composition				Section 6: Corporate Governance Overview Statement
	2-10 Nomination and selection of the highest governance body				Section 6: Nominating Committee Report
	2-11 Chair of the highest governance body				Section 6: Corporate Governance Overview Statement
	2-12 Role of the highest governance body in overseeing the management of impacts				Section 6: Corporate Governance Overview Statement
	2-13 Delegation of responsibility for managing impacts				Section 6: Corporate Governance Overview Statement

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
	2-14 Role of the highest governance body in sustainability reporting				Section 5: Sustainability Governance Section 6: Corporate Governance Overview Statement
	2-15 Conflicts of interest				Section 6: Board of Directors' Profile, Key Management' Profile
	2-16 Communication of critical concerns				Section 5: Human Rights Management
	2-17 Collective knowledge of the highest governance body				Section 6: Corporate Governance Overview Statement
	2-18 Evaluation of the performance of the highest governance body				Section 6: Nominating Committee Report
	2-22 Statement on sustainable development strategy				Section 5: Creating Sustainable Impact
	2-23 Policy commitments				Section 5 – I: Procurement and Supply Chain, M: Business Ethics and Compliance, T: Human Rights Management
	2-24 Embedding policy commitments				Section 5 – T: Human Rights Management
	2-25 Processes to remediate negative impacts				Section 5 – T: Human Rights Management
	2-26 Mechanisms for seeking advice and raising concerns				Section 5 – T: Human Rights Management
	2-27 Compliance with laws and regulations				Section 5 – M: Maintaining Good Governance
	2-28 Membership associations				Section 4 - Membership in Associations
	2-29 Approach to stakeholder engagement				Section 4: Our Stakeholders
	2-30 Collective bargaining agreements				Section 5 – T: Human Rights Management
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics				Section 4: Our Material Matters
	3-2 List of material topics				Section 4: Our Material Matters
	3-3 Management of material topics				Section 4: Our Material Matters

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed				Section 5: I— Economic Performance			
	201-2 Financial implications and other risks and opportunities due to climate change				Section 5: P— Climate Change			
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				Section 5: T— Diversity and Equal Opportunity			
	202-2 Proportion of senior management hired from the local community				Section 5 – T: Diversity and Equal Opportunity			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported				Section 5 – I: Asset Management and Acquisition			
	203-2 Significant indirect economic impacts				Section 5 – C: Caring for Local Community			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers*				Supply Chain (Environmental), Supply Chain (Social)	Supply Chain Management	12	Section 5 – I: Procurement and Supply Chain
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption*				Anti-Corruption	Anti-Corruption	16	Section 5 – M: Business Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures							Section 5 – M: Business Ethics and Compliance
	205-3 Confirmed incidents of corruption and actions taken*							Section 5 – M: Business Ethics and Compliance
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization*	Climate Change	Energy Management	7, 13	Section 5 – P: Energy Management			
	302-2 Energy consumption outside of the organization				Section 5 – P: Energy Management			
	302-3 Energy intensity				Section 5 – P: Energy Management			
	302-4 Reduction of energy consumption				Section 5 – P: Energy Management			

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Security	Water	6	Section 5 – P: Water Management
	303-2 Management of water discharge-related impacts				Section 5 – P: Water Management
	303-3 Water withdrawal				Section 5 – P: Water Management
	303-4 Water discharge				Section 5 – P: Water Management
	303-5 Water consumption*				Section 5 – P: Water Management
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions*	Climate Change, Pollution & Resources	Emission Management	13	Section 5: P – Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions*				Section 5: P – Climate Change
	305-3 Other indirect (Scope 3) GHG emissions*				Section 5: P – Climate Change
	305-4 GHG emissions intensity				Section 5: P – Climate Change
	305-5 Reduction of GHG emissions				Section 5: P – Climate Change
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Pollution & Resources	Waste Management	12	Section 5 – P: Waste Management
	306-2 Management of significant waste-related impacts				Section 5 – P: Waste Management
	306-3 Waste generated*				Section 5 – P: Waste Management
	306-4 Waste diverted from disposal*				Section 5 – P: Waste Management
	306-5 Waste directed to disposal*				Section 5 – P: Waste Management
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Supply Chain (Environmental)	Supply Chain (Environmental)/ Supplier Environmental Assessment	8, 11, 12, 13, 15, 16	Section 5 – I: Procurement and Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken				

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover*	Labour Standards, Human Rights & Community	Labour Practices and Standards	5, 8, 10	Section 5 – T: Talent Attraction and Retention
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				Section 5 – T: Talent Attraction and Retention
	401-3 Parental leave				Section 5 – T: Talent Attraction and Retention
<b>GRI 403: Occupational Health and Safety 2018</b>	403-2 Hazard identification, risk assessment, and incident investigation	Health & Safety	Health and Safety	3, 8	Section 5 – T: Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety				Section 5 – T: Health and Safety
	403-5 Worker training on occupational health and safety*				Section 5 – T: Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				Section 5 – T: Health and Safety
	403-9 Work-related injuries*				Section 5 – T: Health and Safety
	403-10 Work-related ill health				Section 5 – T: Health and Safety
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee*	Labour Standards	Labour Practices and Standards	4, 5, 8	Section 5 – T: Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs				Section 5 – T: Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews				Section 5 – T: Training and Development

# GRI CONTENT INDEX

Cont'd

GRI STANDARD	DISCLOSURE	F4GBM ESG Themes	Common Sustainability Matter	UN SDG	LOCATION
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees*	Labour Standards, Corporate Governance	Diversity	5, 8, 10	Section 5 – T: Diversity and Inclusion
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken				Section 8 – Sustainability Key Performance Data
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Human Rights & Community	Community/Society	3 & 11	Section 5 – C: Community & Stakeholder Engagement
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	Supply Chain (Social)	Supply Chain (Social)/ Supplier Social Assessment	8, 10, 11, 12, 16	Section 5 – I: Procurement and Supply Chain
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Risk Management	Data Privacy and Security	8, 9, 12, 16	Section 5 – M: Data Privacy and Cybersecurity

**Note:**

1. \* refers to Common Indicators.



Section 6:  
**CORPORATE  
 GOVERNANCE**

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# BOARD OF DIRECTORS' PROFILE

## BOARD OF DIRECTORS OF THE MANAGER

*Chairman and  
Non-Independent Executive Director*

**Tan Sri Lim Siew Choon**

*Non-Independent Executive Director*

**Puan Sri Tan Kewi Yong**

**Dato' Lee Tuck Fook**

*Non-Independent Non-Executive Director*

**Ahmad Mohammed F Q Al-Khanji**

**Navid Chamdia**

**Abdul Rahim bin Mohamed Ali**

*Independent Non-Executive Director*

**Dato' Seri Mohamed Azahari  
bin Mohamed Kamil**

**Dato' Mearia @ Massahariah binti Hamzah**

**Baljeet Kaur Grewal A/P Jaswant Singh**

**Nor Rejina binti Abdul Rahim**

**Ang Ah Leck**

## TAN SRI LIM SIEW CHOON

*Chairman and Non-Independent Executive Director*



Malaysian



Male



65 years old

**Tan Sri Lim Siew Choon** holds a Bachelor of Business Administration degree (majoring in Finance) from the University of Central Oklahoma in the United States.

He has more than 42 years of management experience in property development, construction, retail design, retail development and corporate management.

He was appointed to the Board of the Manager on 7 April 2011 and subsequently assumed the role of Chairman of the Manager on 11 August 2011. His current appointments in public companies and listed issuers are, director of Pavilion REIT Bond Capital Berhad and Pavilion REIT Capital Berhad, as well as Executive Chairman of WCT Holdings Berhad and Non-Independent Non-Executive Chairman of Malton Berhad. His spouse, Puan Sri Tan Kewi Yong is an Executive Director and a major unitholder of Pavilion REIT.

He has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the financial statements for the year ended 31 December 2025 ("**Financial Statements**"). He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## PUAN SRI TAN KEWI YONG

*Non-Independent Executive Director*



Malaysian



Female



69 years old

**Puan Sri Tan Kewi Yong** pursued her tertiary education in the United Kingdom, majoring in Business and Marketing Studies.

She was instrumental in setting up various successful business ventures since her initial foray into trading and distribution businesses. Having acquired knowledge in diverse range of business and industry sectors, she possesses experience ranging from retail, marketing, finance, and strategic management. She continues to extend her scope of experience, being actively involved in the property development and real estate investment sectors.

She was appointed to the Board of the Manager on 7 April 2011. She is currently an Executive Director of Malton Berhad. She is the spouse of Tan Sri Lim Siew Choon.

She has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the Financial Statements. She has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

# BOARD OF DIRECTORS' PROFILE

Cont'd

## DATO' LEE TUCK FOOK

*Non-Independent Executive Director*

 Malaysian  Male  71 years old

**Dato' Lee Tuck Fook** is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He also holds a Master degree in Business Administration from the International Management Centre, Buckingham.

He began his career with KPMG in 1974 under articleship, and was subsequently admitted as a partner in 1985 until he left the practice in 1990. From 1990 to 1992, he was appointed the Vice President of Samling Group in Sarawak. He later joined the Renong Berhad Group as the Managing Director of Renong Overseas Corporation. Between 1994 and 2000, he was the Chairman of the Executive Committee of the board of Peremba-Kentz Ltd. He was the Managing Director of Cement Industries of Malaysia Bhd from 2001 to 2002.

From 2002 to 2006, he was Managing Director of Paracorp Berhad. In 2003, he was appointed the Executive Director of Malton Berhad and was re-designated as its Managing Director in December 2003. He resigned from the board of Malton Berhad in 2009. On 27 August 2020, he resigned as an Independent Non-Executive Director of SAM Engineering & Equipment (M) Berhad. He resigned as an Independent Non-Executive Chairman of Pesona Metro Holdings Berhad on 28 June 2024.

He was appointed to the Board of the Manager on 29 July 2011 and is a director of Pavilion REIT Bond Capital Berhad and Pavilion REIT Capital Berhad. On 2 November 2016, he was appointed the Non-Independent Non-Executive Director of WCT Holdings Berhad and was subsequently re-designated as Group Managing Director on 3 April 2017.

He has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the Financial Statements. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## AHMAD MOHAMMED F Q AL-KHANJI

*Non-Independent Non-Executive Director*

 Qatari  Male  41 years old

**Ahmad Mohammed F Q Al-Khanji** graduated with a Bachelor of Law (LLB) with honours from Oxford Brookes University, Oxford, United Kingdom. He also holds a Master in Business Administration (MBA) from London Business School, London, United Kingdom. He is admitted to practice law in New York.

He is currently the General Counsel of Qatar Investment Authority.

He was the Head of M&A (Legal) at Qatar Investment Authority from March 2014 to September 2018 where he led and monitored the execution of new acquisitions, ensured adequate legal protections for QIA, and managed relationships with external parties. From 2006 to 2010, he was an Assistant Legal Counsel at Qatargas Operating Company Limited, during which time he was seconded to the project finance team of Allen & Overy LLP in London from September 2008 to March 2009.

He was appointed to the Board of the Manager on 14 June 2016. He does not hold any directorship in any other public company or listed issuer.

He has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the Financial Statements. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

# BOARD OF DIRECTORS' PROFILE

Cont'd

## NAVID CHAMDIA

*Non-Independent Non-Executive Director*



British



Male



52 years old

**Navid Chamdia** graduated from University College London with a first class honours degree in Economics. He is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. He is also a Chartered Financial Analyst charter holder.

He is currently the Head of Real Estate Investments at Qatar Investment Authority, focusing primarily on direct acquisitions, joint ventures, and co-investments in Europe, the United States, and emerging markets. Navid Chamdia is also responsible for real estate fund investments made by the Qatar Investment Authority.

Prior to joining Qatar Investment Authority in 2005, he spent 12 years at Ernst & Young's Project Finance division in London, where he advised on the financing and delivery of global real estate and infrastructure projects.

He was appointed to the Board of the Manager on 10 August 2011. He was appointed as a member of the Audit Committee of the Manager on 28 June 2016. He does not hold any directorship in any other public company or listed issuer.

He has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the Financial Statements. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## ABDUL RAHIM BIN MOHAMED ALI

*Non-Independent Non-Executive Director*



Malaysian



Male



48 years old

**Abdul Rahim Bin Mohamed Ali** graduated with a Bachelor of Science in Real Estate Management from Oxford Brooke University, United Kingdom. He enhanced his qualifications by completing the Advanced Management Development Program in Real Estate from Harvard University, United States of America.

He is an accomplished real estate executive and board member, with over 26 years of global investment experience gained with Jones Lang LaSalle and the Qatar Investment Authority, based in Malaysia, Singapore, Qatar, and Bangalore. He is currently the Asia Real Estate Director within the Real Estate Department at Qatar Investment Authority. Prior to joining Qatar Investment Authority, he held managerial positions at Jones Lang LaSalle. A results-oriented, decisive leader with proven success in growing Asia Real Estate Portfolios, having successfully executed multiple transactions across Asia, America, Europe, the Middle East, and Africa.

He was appointed to the Board of the Manager and a member of the Manager's Nominating Committee, Risk Management Committee, and Sustainability Committee on 30 October 2025. He does not hold any directorship in any other public company or listed issuer.

He has no conflict of interest with Pavilion REIT save for the related party transactions as disclosed in the Financial Statements. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

# BOARD OF DIRECTORS' PROFILE

Cont'd

## DATO' SERI MOHAMED AZAHARI BIN MOHAMED KAMIL

*Independent Non-Executive Director*



Malaysian



Male



66 years old

**Dato' Seri Mohamed Azahari bin Mohamed Kamil** graduated from Central Michigan University with Master of Business Administration (Finance). He also holds a Bachelor of Business Administration (Finance) from Western Michigan University and a Diploma in Banking from Universiti Teknologi Mara.

Dato' Seri Mohamed Azahari is a qualified chartered banker of the Asian Institute of Chartered Bankers as well as a Chartered Professional in Islamic Finance. Throughout his career, he held senior management positions in private and public organisations, including Malaysian Industrial Development Finance Berhad, Permodalan Nasional Berhad Group, Amanah Raya Group, and being the Chief Executive Officer of Asian Finance Bank Berhad.

He initiated the first Government REIT owned by Amanah Raya in 2005, a multi asset REIT which was listed in 2006. He was also formerly the Managing Director of QSR Brands (M) Holdings Bhd, the operator of KFC and Pizza Hut restaurants in Malaysia, Singapore, Brunei, and Cambodia. He was a Non-Executive Director of KPJ Healthcare Berhad and a director of Larkin Sentral Property Berhad.

He was appointed to the Board of the Manager on 7 August 2023. He was also appointed the Chairman of the Manager's Nominating Committee and a member of the Audit Committee, Risk Management Committee, and Sustainability Committee on the same date.

Dato' Seri Mohamed Azahari is currently an Independent Non-Executive Director of SEG International Bhd, and was previously the Group President. He is also a Non-Executive Independent Director for Aurelius Healthcare Sdn Bhd, and a director of Alnoor Foundation.

He has no conflict of interest with Pavilion REIT. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## DATO' MEARIA @ MASSAHARIAH BINTI HAMZAH

*Independent Non-Executive Director*



Malaysian



Female



61 years old

**Dato' Mearia @ Massahariah binti Hamzah** was educated in the United States where she graduated with a Bachelor of Science degree in Accounting and an MBA in Accounting and Finance. She also completed the Strategic Leadership Program at SAID Business School, Oxford University, United Kingdom.

With over 30 years of diverse corporate experience, she has excelled in banking, audit and financial advisory, property, postal, and financial services sectors. Her expertise spans across conventional and Islamic banking, digital transformation, corporate strategy, financial inclusion and risk management.

She has demonstrated a remarkable ability to adapt to changing industries and drive innovation throughout her career. She began her career in auditing and corporate banking, followed by key roles in several listed property development companies in Malaysia where she was involved in high-impact corporate exercises, including subsidiary listings and debt restructuring. She later served as Chief Operating Officer of Postal Retail and Financial Services for a decade, pioneering shared banking services in Malaysia and transforming traditional postal over-the-counter payments into a multi-faceted financial services provider as well as modernizing postal outlets nationwide.

Thereafter, she focused on retail banking services. At Bank Simpanan Nasional, she led the Central Bank of Malaysia's national financial inclusion initiative by significantly expanding financial access to unbanked and underserved communities through a network of 7,000 agent banks throughout Malaysia. She was one of the key drivers in the implementation of the Central Bank of Malaysia's new national Digital Payment Platform initiative at Bank Muamalat Malaysia Berhad. Her experience in conventional and Islamic banking allowed her to create unique Shariah-compliant products and digital transactional platform for retail banking customers.

Her current role as Chief Executive Officer of Yayasan Hijrah Selangor, a subsidiary of Menteri Besar Selangor Incorporated, is to drive its mandated role as one of the leading micro-credit providers for micro-SMEs in the state of Selangor, fostering their business growth and entrepreneurship development to elevate their status to the middle-income category.

She was appointed to the Board of the Manager, as well as a member of the Manager's Audit Committee, Risk Management Committee, and Sustainability Committee on 3 January 2023. She was re-designated as the Chairman of its Risk Management Committee on 7 August 2023, and appointed as a member of its Nominating Committee on 27 August 2024. She subsequently relinquished the position of Chairman of the Risk Management Committee on 19 September 2025, while remaining as a member.

Dato' Mearia is also an Independent Non-Executive Director of Boustead Heavy Industries Corporation Berhad.

She has no conflict of interest with Pavilion REIT. She has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

# BOARD OF DIRECTORS' PROFILE

Cont'd

## BALJEET KAUR GREWAL A/P JASWANT SINGH

*Independent Non-Executive Director*

 Malaysian  Female  49 years old

**Baljeet Kaur Grewal A/P Jaswant Singh** holds an Executive Master of Business Administration (EMBA) from the University of Cambridge, United Kingdom. She also completed an Executive Education in Blockchain and Digital Strategy from the Massachusetts Institute of Technology (MIT), and holds a Bachelor of Arts in International Economics (First Class Honours) from the University of Hertfordshire, United Kingdom.

With over 25 years of investment banking experience, she has built a distinguished career spanning direct investments, portfolio management, sovereign wealth fund advisory, and credit research. Her early professional foundation was established at Deutsche Morgan Grenfell in Kuala Lumpur as a Management Associate. She subsequently advanced into regional strategic roles, including Associate Director, Corporate Planning & Strategy (Asia) at ABN AMRO Bank Asia, and later Head of Capital Market Research (Fixed Income) at Maybank Investment Bank (Aseambankers), Malaysia, before being appointed Managing Director & Vice Chairman of KFH Research Limited at Kuwait Finance House in 2006.

In 2015, she was engaged by the Asian Development Bank as Advisor and Finance Specialist (West Asian Economic Mission), contributing to regional economic strategy and financial sector strengthening. She was later appointed Managing Director and Member of the Management Board, Strategy & Portfolio Investments, at Samruk Kazyna, Sovereign Wealth Fund of Kazakhstan—overseeing national-level investment governance, portfolio restructuring, and strategic capital allocation. She also served on the Board of KazMunayGas, the National Oil Company of Kazakhstan, providing oversight on one of the country's most significant state-owned company.

She was appointed to the Board of the Manager on 14 September 2022. On 12 October 2022, she joined the Audit Committee, Risk Management Committee, and Sustainability Committee of the Manager, before being re-designated Chairman of the Audit Committee on 7 August 2023. She does not hold directorships in any other public company or listed issuer.

She has no conflict of interest with Pavilion REIT. She has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## NOR REJINA BINTI ABDUL RAHIM

*Independent Non-Executive Director*

 Malaysian  Female  53 years old

**Nor Rejina binti Abdul Rahim** graduated with an honours law degree from the University of Kent at Canterbury, United Kingdom, and was subsequently called to the Bar of England and Wales. She is a holder of the Islamic Finance Qualification (IFQ) from the Chartered Institute for Securities & Investment, United Kingdom, and is a Certified Compliance Professional-Compliance Advocate from the Securities Industry Development Corporation, a related arm of the Securities Commission Malaysia.

She has over 25 years' Capital Markets experience in Malaysia. She was previously the Managing Director and Country Head of Nomura Asset Management Malaysia Sdn Bhd from 2006 to 2021, and was subsequently an Advisor until April 2023.

She was appointed to the Board of the Manager on 7 August 2023. On the same date, she was also appointed as the Chairman of the Manager's Sustainability Committee and a member of both the Audit Committee and the Risk Management Committee.

She currently serves as an Independent Non-Executive Director on the boards of KAF Investment Bank Berhad, KAF Investment Funds Berhad, and Eco World Development Group Berhad. In addition, her leadership and advisory roles include, Advisor to the Institutional Investors Council of Malaysia, Chairperson of the Sustainability Investment Platform, Committee Member of MYCIF Platform, and Founder of Wahine Capital Sdn Bhd.

She has no conflict of interest with Pavilion REIT. She has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

# BOARD OF DIRECTORS' PROFILE

Cont'd

## ANG AH LECK

*Independent Non-Executive Director*



Malaysian



Male



69 years old

**Ang Ah Leck** is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia. He is a qualified chartered accountant by profession, with over 4 decades of expertise in audit, finance and corporate advisory, regulatory compliance, corporate governance, and risk management.

He began his career as an auditor with Peat Marwick Mitchell & Co. (currently known as KPMG PLT, Malaysia) in 1978. Between 1987 and 1989, he was seconded to the KPMG office in Houston, Texas, United States, where he gained experience in the audit of some of the largest oil and gas companies.

In 1997, he was appointed audit partner of KPMG PLT, Malaysia where he served as the partner-in-charge of the Johor Bahru office until his retirement in 2011. Mr Ang gained extensive experience in managing and audit various assurance assignments in oil and gas, plantation, manufacturing, trading, construction and property development industries. He was also involved in the engagement of numerous due diligence exercises, Initial Public Offerings (IPO) as Reporting Accountants, corporate bonds and rights.

In August 2014, he opted out of retirement by joining BDO as an Executive Director in the Advisory division, focused on the engagements of Internal Audit, Corporate Governance, Enterprise Risk Management, Regulatory Compliance, Forensic and Whistleblowing assignments. He retired from BDO in November 2024.

He was appointed to the Board of the Manager on 2 December 2024. He was also appointed a member of the Audit Committee, Risk Management Committee, and Sustainability Committee on the same date. On 19 September 2025, he was re-designated as the Chairman of the Risk Management Committee.

He sits on the board of Lotte Chemical Titan Holding Berhad as an Independent Non-Executive Director since 31 March 2017.

He has no conflict of interest with Pavilion REIT. He has not been convicted of any offences and is not aware of any public sanction or penalty imposed by relevant regulatory bodies during the past 5 years, other than traffic offences, if any.

## KEY MANAGEMENT PROFILE

**Dato' Philip  
Ho Yew Hong**  
*Chief Executive  
Officer (CEO)*

A Malaysian male, age 59, he holds a Master of Business Administration from University of Strathclyde, United Kingdom and a Bachelor of Business in Accounting from Chisholm Institute of Technology, Australia. He is currently a member of the Malaysian Institute of Accountants.

He has over 37 years of experience in corporate planning, mergers & acquisitions, finance, audit, operations management, property development and construction.

Prior to joining Pavilion REIT Management Sdn Bhd, he was the Chief Financial Officer of Urusharta Cemerlang Sdn Bhd, where he was involved in the establishment of Pavilion REIT. During this period, he was also involved in the finance, operations and property investment functions for Urusharta Cemerlang Sdn Bhd's group of companies. Prior to this, he was Chief Operations Officer and Finance Director of Kuala Lumpur Pavilion Sdn Bhd (KLP) during the development and construction stage of the Pavilion Kuala Lumpur Project in 2002.

He was appointed as Chief Executive Officer on 1 December 2011 and has no directorship in other public companies and listed issuers, nor does he have any conviction for offences within the past 5 years, public sanction or penalty imposed by relevant regulatory bodies during the financial year, other than traffic offences, if any.

He has no conflict of interest with Pavilion REIT, save for the interest in Pavilion REIT as disclosed in the analysis of unitholdings. He also does not have any family relationship with any director of Pavilion REIT Management Sdn Bhd and/or major unitholder of Pavilion REIT.

**Patrick Liau  
Kong Voon**  
*Deputy CEO*

A Malaysian male, age 49, he holds a Bachelor of Arts (Accounting and Finance) from the University of Lancaster and is a CFA charterholder.

Prior to joining the Manager on 14 February 2024, he was the General Manager of CapitaLand Development's Hanoi (CapitaLand Hanoi), where he was responsible for investment, asset management and the management of CapitaLand Hanoi's office.

He began his career with UEM Group before joining a boutique firm that provided advisory services. Subsequently, he joined Tanco Holdings Berhad as its Group Financial Controller and then a joint venture company (JVCo) of Sapura Energy Berhad, where he served as Director of Finance & IT and was part of the JVCo's founding management team. In 2009, he joined a real estate private equity fund that was later acquired by BlackRock. As a Director, Real Asset, he was responsible for BlackRock real estate's business in Southeast Asia (excluding Singapore) which included the development and asset management of a mixed-use commercial property. He then joined CapitaLand Development Malaysia as its Managing Director in 2018, overseeing investment and development activities. In January 2020, he was relocated to Vietnam as the General Manager as mentioned above.

He does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), he also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# KEY MANAGEMENT PROFILE

Cont'd

**Dato' Joyce  
Yap Soh Ching**  
*Asset Manager  
(Retail)*

A Malaysian female, age 68, she was appointed to the position of Asset Manager (Retail) of the Manager on 1 December 2011. She holds a Bachelor of Arts (Hons) in Business Studies from North East London Polytechnic, London, a Certificate in Centre Management from PPKM and is a registered property manager in Malaysia.

During her 44 years working experience, she has held key positions and handled a variety of responsibilities in the areas of development, sales and marketing, leasing of various types of property development and asset management.

In her role as Chief Executive Officer – Retail of KLP, her key responsibility is to formulate, articulate and prioritise departmental goals in line with KLP's strategic objectives which includes mall operations, leasing, marketing and human resources. Her role also involves developing and maintaining effective networking relationships with local, regional and international retailers. Besides being a past president and current advisor of Malaysia Shopping Malls Association, she was also the past Chairman of Malaysia Tourism Committee and Associated Chinese Chambers of Commerce and Industry of Malaysia as well as a member of International Council of Shopping Centre Asia Pacific Advisory Board.

Prior to joining KLP, she worked with Gestetner Manufacturing Co., London, General Corporation Bhd, Lion Properties Sdn Bhd, MBf Properties Sdn Bhd, Berjaya Ditan Sdn Bhd and Sunway Pyramid Sdn Bhd.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

**Lovell Ho  
Wai Hoong**  
*Asset Manager  
(Leasing)*

A Malaysian male, age 57, he was appointed to the position of Asset Manager (Leasing) of the Manager on 1 December 2011. He holds a Bachelor of Business in Marketing from the Royal Melbourne Institute of Technology, Melbourne, Australia. He is also a Certified Marketing Manager by PPKM and a member of PPKM.

He has over 32 years' experiences in shopping mall management particularly in the areas of retail development, leasing and marketing. In the retail industry, he possesses a wide network of both local and international retailers from renowned local brands to international luxury brands and has successfully secured and enhanced the required tenant mix over the years.

He joined KLP in 2002 as Senior Leasing Manager, was promoted to General Manager in 2005 with promotion to Director of Leasing in 2010 and appointment of Senior Director, Retail & Leasing in 2017.

Prior to joining KLP, he was the Marketing Manager of Sunway Pyramid Sdn Bhd and was responsible for setting the strategic marketing plans and implementing marketing and communication plans for the mall. He began his career with the Shopping Centre Management Division of The Lion Group. During his tenure with The Lion Group, he was involved in the overall leasing and marketing functions for the Lion Group Parade of Shopping Centres throughout the country.

He does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), he also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# KEY MANAGEMENT PROFILE

Cont'd

**Kung Suan Ai**  
*Asset Manager  
(Marketing)*

A Malaysian female, age 54, she was appointed to the position of Asset Manager (Marketing) of the Manager on 1 December 2011. She holds a Bachelor of Arts (Hons) in Communications from Universiti Kebangsaan Malaysia.

She joined KLP in 2008 as the General Manager of Marketing before being appointed as the Director of Marketing in 2010. Her previous work experience included the integrated Mid Valley City from 2001 to 2008 and Sunway Pyramid from 1996 to 2001.

In leading the Marketing Department of Pavilion REIT retail malls, she implements strategic marketing and communication plans to increase the brand equity, in addition to driving footfall and experiences for the malls.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

**Francis Ong  
Heng Khai**  
*Asset Manager  
(Facilities  
Management)*

A Singaporean male, age 57, he was appointed to the position of Asset Manager (Facilities Management) of the Manager on 1 December 2011. He holds a Bachelor of Business (Property) from the University of South Australia, Australia and a Diploma in Building Management from Ngee Ann Polytechnic, Singapore.

He has over 32 years of experience in property management covering residential, commercial and industrial properties.

Prior to joining KLP, he was with CapitaMall Asia Ltd for close to seven years and managed one of their shopping malls, Plaza Singapura which is situated in Singapore's shopping belt along Orchard Road. He was seconded to a new development, ION Orchard in 2008 as Head of Facilities. While with ION Orchard, he was involved in the operations planning and recruitment of the facilities team for the new mall, pre-opening preparations and post-opening operations. He was responsible for the daily operations of the mall, preparation of the operations and maintenance budget, implementation of standard operating procedures and was also involved in asset enhancement initiatives of the respective malls that he had managed.

He does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), he also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# KEY MANAGEMENT PROFILE

Cont'd

**Lim Shoo Wenn**  
*Director – CEO  
Office*

A Malaysian female, age 31, is the Director – CEO Office. She holds a Bachelor of Arts (Hons) Business Management from University of Winchester.

After internships at Prospere Tokyo, a public relations agency specialising in fashion, culture and entertainment industry, Crabtree & Evelyn Sdn Bhd and Malton Berhad, she joined Kuala Lumpur Pavilion Sdn Bhd as Senior Manager - Business Development and thereafter promoted to General Manager – Business Development concentrating on bringing new brands, tenants, ideas, partnerships etc. With over 8 years of experience in the retail and hospitality industry, on 1 May 2023, she joined the Manager as Director – CEO Office supporting the CEO in strategic and managing day to day operational matters of Pavilion REIT.

She is the daughter of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong, who are executive directors of the Manager. She is a director of Urusharta Cemerlang Capital Berhad. She does not hold any directorship in any listed issuers. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

**Ong Hui Ling**  
*Head of  
Corporate  
Planning*

A Malaysian female, age 56, she was appointed to the position of Head of Corporate Planning of the Manager on 1 January 2012. She holds a Master of Business Administration from Victoria University, Melbourne, Australia.

Involved in corporate matters, treasury and investor relation functions, she has over 35 years of experience, mainly in finance of service, manufacturing, construction, development and retail industries. She was attached to Urusharta Cemerlang Sdn Bhd, the developer of Pavilion Kuala Lumpur, as its Head of Finance overseeing finance, credit control and treasury function prior to being part of the team that was involved in listing Pavilion REIT.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and/or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# KEY MANAGEMENT PROFILE

Cont'd

**Lim Mian Nyee**  
*General Manager  
(Finance)*

A Malaysian female, age 50, she was appointed to the position of General Manager (Finance) on 1 January 2022. She is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

Prior to joining Pavilion REIT Management Sdn Bhd on 1 December 2011 as its Finance Manager and thereafter being promoted as Senior Manager (Finance) and Assistant General Manager (Finance), she was the Finance Manager at The Nomad Hotel Management Sdn Bhd, a subsidiary of The Nomad Group Berhad. She oversaw the finance department for the service residences within the The Nomad Group Berhad with main responsibilities in financial reporting, budgeting and planning.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

**Valerie Foo  
Mei Hua**  
*Senior Manager  
(Legal and  
Compliance)*

A Malaysian female, age 40, she holds a Bachelor of Laws from University of Northumbria at Newcastle, United Kingdom. She also obtained the Certificate in Legal Practice (CLP) from the Legal Profession Qualifying Board Malaysia and the Certification in Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) from the Asian Institute of Chartered Bankers.

She began her career in Citibank Berhad before moving into the legal and compliance field. Following a brief stint in a law firm, she joined the Legal Department of Fuji Xerox Asia Pacific Pte Ltd responsible for managing litigation matters.

She later served as the Head of Policy, Compliance and Operation Risk at Pac Lease Berhad, and subsequently as a Compliance Specialist at Maxis Broadband Sdn Bhd. She joined Pavilion REIT Management Sdn Bhd on 3 January 2024.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# KEY MANAGEMENT PROFILE

Cont'd

**Ng Zee Wan**  
*Senior Manager  
(Investment)*

A Malaysian female, age 40, she holds a Bachelor of Commerce in Finance and Financial Planning from Deakin University, Australia.

Prior to joining the Manager on 14 March 2022, she was a Manager in the Corporate Strategy & Planning department of UEM Edgenta Berhad garnering experience in portfolio management as well as planning and leading strategic engagement with stakeholders.

She started her career as an executive in RHB Investment Bank Berhad. Subsequently, she joined Eastern & Oriental Berhad as a Manager, where she was involved in acquisition and funding transactions as well as joint venture partnerships and a proposed initial public offering.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

**Lim Cher Cher**  
*Senior Manager  
(Corporate  
Affairs)*

A Malaysian female, age 32, she was appointed to the position of Manager (Corporate Affairs) of the Manager on 11 April 2022 and subsequently promoted to Senior Manager (Corporate Affairs) on 1 January 2025. She holds a Bachelor of Business (Hons) Finance and Economics from University of the West of England, Bristol.

Prior to joining Pavilion REIT Management Sdn Bhd, focusing on sustainability and risk management, she was an Assistant Manager in the Securities Commission Malaysia, where she reviewed and evaluated equity-related proposals and applications, including but not limited to initial public offering. She also assisted in formulation of new policies and guidelines.

She does not hold any directorship in any public companies and listed issuers nor have any family relationship with any director and / or major unitholder of Pavilion REIT. There is no conflict of interest with Pavilion REIT. Other than traffic offence (if any), she also does not have any convictions for offences within the past 5 years or any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pavilion REIT Management Sdn Bhd (“Manager”), which is the Manager of Pavilion Real Estate Investment Trust (“Pavilion REIT” or “Fund”), was set-up to manage and administer Pavilion REIT. Licensed by the Securities Commission Malaysia under the Capital Market Services Act 2007, the Manager, in carrying out its responsibilities, advocates good corporate governance to retain high values of clarity, responsibility, and honesty and be subjected to provisions of the Deed, Listed REIT Guidelines, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and any other relevant laws.

The Manager shall, in managing Pavilion REIT, undertake primary management activities in relation to Pavilion REIT, including but not limited to the overall strategy, risk management strategy, new acquisition and disposal analysis, marketing and communications, individual asset performance review and business planning, market performance analysis and other activities as provided under the Deed with proper, diligent and efficient manner with acceptable and efficacious business practices in the real estate investment industry.

## PRINCIPAL A : BOARD LEADERSHIP AND EFFECTIVENESS

The Board of Directors (“Board”) members, with their wide, varied range of expertise, skills and experiences have adopted the primary responsibilities as listed on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance 2021, all of which is to steward Pavilion REIT’s business and facilitate the discharge of the Manager’s responsibilities with a view to enhance unitholders value and interest and maintaining high standards of transparency, accountability and integrity. The Board Charter was formally approved and adopted by the Board on 1 November 2012.

The Board meets at least once every quarter and focuses on principal matters such as strategic issues and planning, including performance reviews and promoting business sustainability, setting the risk appetite, evaluating potential acquisitions and disposals, reviewing financial performance and advocating ethical standards through a code of conduct.

Notices, agenda, and meeting papers are circulated to the Board members in a timely manner to ensure that they have sufficient time to review the matters under consideration. All members of the Board have access to the advices and services of the company secretary and the compliance officer and are entitled to obtain independent professional advice in discharging their duties.

Members of the Board consists of eleven members, of which three (3) are non-independent executive directors, three (3) non-independent non-executive directors and five (5) independent non-executive directors.

The Chairman is an executive director, with 45% of the Board being independent non-executive directors. The Board believes that the Chairman, who has significant interest in Pavilion REIT, will act in the best interest of the Fund’s unitholders.

The Chairman carries out a leadership role in the conduct of the Board and is primarily responsible for ensuring the adequacy and integrity of the governance process besides guiding and mediating the Board’s action and maintaining regular dialogues with the CEO.

The CEO, whose position is held separately by a different person, is responsible to ensure the effective implementation of strategic plans and policies established by the Board to manage the daily conduct of Pavilion REIT’s business to ensure smooth operations, clear supervision, and effective management. The approved policies and standard operating procedures for level of authority for transactions, maintenance and operations of Pavilion REIT’s properties as well as acquisitions and divestments of investments procedures will continuously be reviewed, enhanced and updated in line with changes in the operating environment.

The Board has updated its independence and gender diversity in compliance with the recommendation under the latest Malaysian Code on Corporate Governance to have at least 30% women board members. To date, the Board comprise of 36% women board members.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

Audit Committee and Nominating Committees, comprising mainly of independent directors, have also been setup to assist the Board in discharging its duties and responsibilities via terms of reference approved by the Board members. The Committee members would meet to discuss on matters within their scope and thereafter the Committee Chairman would recommend them to the Board for decision. All Committee and Board meetings are minuted. More details are available under the section of Audit Committee Report and Nominating Committee Report respectively.

Any board member that has any interest, whether directly or indirectly, in a contract or proposed contract would have to declare his or her interest and not participate in deliberations and shall abstain from casting his or her votes in any matter arising therefrom. Should there be an actual, potential, or perceived conflict of interest of a related corporate and a director, or an associate of a director as a spouse or other family members, the director involved shall make full disclosure. The Audit Committee is responsible to review any related party transactions or conflict of interest situations and the Manager will ensure compliance with the Deed and any other regulatory guidelines.

The Board members shall devote sufficient time to carry out their responsibilities. The Board will obtain this commitment from its members at the time of appointment. The Board members shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment. The remuneration or fees due to its Board members are paid by the Manager and not Pavilion REIT.

The Board has met four (4) times during the financial year ended 31 December 2025 with details of attendance as stated below:

Name of Directors	Designation	Number of Meetings Attended
Tan Sri Lim Siew Choon	Chairman and Non-Independent Executive Director	4/4
Puan Sri Tan Kewi Yong	Non-Independent Executive Director	4/4
Dato' Lee Tuck Fook	Non-Independent Executive Director	4/4
Ahmad Mohammed F Q Al-Khanji	Non-Independent Non-Executive Director	3/4
Navid Chamdia	Non-Independent Non-Executive Director	3/4
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	4/4
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	4/4
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	4/4
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	4/4
Ang Ah Leck	Independent Non-Executive Director	4/4
Fahad Abdulla S A Al-Mana <sup>1</sup>	Non-Independent Non-Executive Director	2/2
Abdul Rahim bin Mohamed Ali <sup>2</sup>	Non-Independent Non-Executive Director	1/1

<sup>1</sup> appointed and resigned as a director on 25 March 2025 and 24 October 2025 respectively.

<sup>2</sup> appointed as a director on 30 October 2025.

During the financial year under review, the Board members had attended various programmes to enhance their knowledge and expertise as well as to keep abreast with the relevant changes in law, regulations and business environment.

Training programmes attended by the Board members during the financial year were:

- (i) Anti-Bribery and Corruption Awareness Training
- (ii) Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme
- (iii) Cybersecurity Training
- (iv) Capital Market Development Programme
- (v) KSY021-Cloud Computing and AI : Transforming Industries in Malaysia
- (vi) KSY022-Leveraging Cloud AI for Sustainable Development in Malaysia
- (vii) Mandatory Accreditation Programme Part II – Leading for Impact
- (viii) Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Cont'd

The Nominating Committee has reviewed and assessed the performance of the Board, Board Committees, each Board member, Audit Committee and each Audit Committee member. The Nominating Committee concluded that their performance is satisfactory, with the fit and proper credentials duly met. The Independent Non-Executive Directors have maintained their independence and are competent to continue serving as independent directors.

Sustainability Committee ("SC") and Risk Management Committee ("RMC") have also been established in May 2022 to affirm the Board's commitment towards sustainability and strengthen risk management processes to ensure Pavilion REIT is in a position to mitigate any potential risk.

### Sustainability Committee

Name of Directors	Designation	Number of Meetings Attended
Nor Rejina binti Abdul Rahim (Chairman)	Independent Non-Executive Director	2/2
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	2/2
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	2/2
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	2/2
Ang Ah Leck	Independent Non-Executive Director	2/2
Fahad Abdulla S A Al-Mana <sup>1</sup>	Non-Independent Non-Executive Director	1/1

<sup>1</sup> ceased as a member on his resignation as a director on 24 October 2025.

### Risk Management Committee

Name of Directors	Designation	Number of Meetings Attended
Ang Ah Leck <sup>1</sup> (Chairman)	Independent Non-Executive Director	2/2
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	2/2
Dato' Mearia @ Massahariah binti Hamzah <sup>2</sup>	Independent Non-Executive Director	2/2
Baljeet Kaur Grewal A/P Jaswant Singh	Independent Non-Executive Director	2/2
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	2/2
Fahad Abdulla S A Al-Mana <sup>3</sup>	Non-Independent Non-Executive Director	1/1

<sup>1</sup> appointed as chairman on 19 September 2025.

<sup>2</sup> resigned as chairman on 19 September 2025, while remaining as member.

<sup>3</sup> ceased as a member on his resignation as a director on 24 October 2025.

### PRINCIPAL B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee members, comprising mainly of independent directors, are responsible to review financial reports, gauge internal and external audit processes as well as to review related party transactions and conflict of interest situations. Additional information is available under the section of the Audit Committee Report.

Pavilion REIT's Enterprise Management System (ERM) is a holistic, integrated, future-focused, and process-oriented approach that helps the Manager to manage all key business risks (including material ESG and climate related risks) and opportunities with the intent of maximizing Pavilion REIT unitholders value. This is done by aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks that the Manager faces as it creates value for Pavilion REIT.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

ERM is the core management competency that incorporates a well-structured systematic process to identify business risks (including material ESG and climate-related risks) and lessen their impact to Pavilion REIT. This involves the core elements of identification of business risk, measurement of identified business risk, control or manage risk in line with policies and strategies of the Fund and constant monitoring and communicating of risks associated with any activity, function or process in a way that will enable the Fund to minimize losses and maximize opportunities.

ERM Framework that the Fund adopts consists of seven key elements, which is in line with globally accepted risk management standards, ISO 31000:2018 Risk Management Standards – Guidelines.

Framework Element	Description
Risk strategy and appetite	Alignment / conscious decision to use risk management for the achievement of business decision and strategic objectives
Risk governance	Establish an approach to developing, supporting and embedding risk strategies and accountabilities
Risk culture	Embed values and behaviour that shape risk decision
Risk assessment and measurement	Identify, access, categorise and measure risk across the Fund
Risk management and monitoring	Manage, mitigate and accept risks
Risk reporting and insight	Report and conduct activities to provide insight on risk management, strengths and weaknesses
Data and information	Use risk and control information to improve performance

## Governance Structure

The Board retains the overall responsibility of risk management to identify principal risks and to ensure the implementation of appropriate controls to manage risks by establishing and approving an effective risk management policy, set risk appetite and determine level of risk tolerance, communicate with unitholders and other stakeholders, review risk profile, its principal business risks, risk mitigation plan and overall oversight of risk management. These strategies have been delegated to the Risk Management Committee (RMC) which is mainly comprising independent directors, to administer to ensure the Risk Management Working Committee (RMWC) has effective management procedures in place to identify, assess, monitor and manage its key risk areas in line with the Board's mandate.

RMWC, chaired by the CEO, including the senior management is responsible for directing and monitoring the implementation of risk management practices throughout the Fund to achieve Pavilion REIT's vision, mission and purpose. RMWC is supported by Risk Owners that oversee the function / business unit of Pavilion REIT properties and be directly responsible for the day-to-day operations of the property. Risk Owners are responsible to identify, assess and implement action plans to address risks arising from operations. All identified risks are logged in the Risk Register, enabling organised reviews, the development of mitigation plans, and continuous monitoring. While risks can be mitigated and / or exposure reduced, risks by nature cannot be fully eliminated, especially systemic risks.

Internal audit, reporting to the Audit Committee, reviews the design and implementation of risk management and internal control systems to ensure their adequacy and effectiveness.

## Material Risks and Mitigation Actions

For Pavilion REIT's key risks and its mitigation measures, please refer to Section 4.5 Our Risk and Opportunities.

The Nominating Committee has determined that the Audit Committee members and Risk Management Committee members have discharged their duties effectively and in accordance with their terms and reference.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## **PRINCIPAL C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

The Board acknowledges that providing prompt and accurate disclosure of information to unitholders is critical. Therefore, disclosures are made via integrated annual report and announcements on Bursa Malaysia, corporate website, roadshows, and conferences. Consistent engagement ensures that Pavilion REIT's information are transmitted on a timely basis. Annual general meeting is also another platform for unitholders to engage with the Manager to seek clarification, updates, and feedback.

The CEO or the Deputy CEO, as the official spokesperson for the Fund, meets with analyst and fund managers to provide them with updates or upon request, besides attending investors' roadshows and seminars. Besides timely announcements and disclosures to Bursa Malaysia, its website, [www.pavilion-reit.com](http://www.pavilion-reit.com) is also regularly being updated.

The Manager will continue to enhance its communication channels to ensure its unitholders, fund managers and stakeholders obtain information that are timely and relevant.

# NOMINATING COMMITTEE REPORT

The Nominating Committee was established on 24 April 2013 and comprises exclusively of Non-Executive Directors, with a majority of independent directors.

Name of Directors	Designation	Number of Meetings Attended
Dato' Seri Mohamed Azahari bin Mohamed Kamil (Chairman)	Independent Non-Executive Director	2/2
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	2/2
Abdul Rahim bin Mohamed Ali <sup>1</sup>	Non-Independent Non-Executive Director	1/1
Fahad Abdulla S A Al-Mana <sup>2</sup>	Non-Independent Non-Executive Director	1/1

<sup>1</sup> appointed as a member on 30 October 2025

<sup>2</sup> ceased as a member on his resignation as a director on 24 October 2025

The Nominating Committee is responsible for assessing, making recommendations, and considering candidates for appointment to the Board. The scope of responsibilities of the Nominating Committee also covers the assessment of the performance and effectiveness of the Board and Board Committees, as well as the performance of each Board member and each Audit Committee member.

The Nominating Committee is guided by the Directors' Fit and Proper Policy for the appointment, re-election, and periodic/annual assessments of the Board, Board Committees, and individual director. The Nominating Committee assesses each director against the criteria in the Directors' Fit and Proper Policy, which includes character, integrity, experience, competence, time, and commitment. Consideration is also given to the required size and board composition to ensure that the Board and Board Committees function effectively and efficiently, enabling the Board to make effective business decisions and recommendations. For the Independent Non-Executive Directors, they are specifically assessed on their independence and their abilities to discharge their responsibilities and functions with objective judgement.

For the financial year ended 31 December 2025, the Nominating Committee conducted the following assessments and reviews:

- the performance of the Board and Board Committees, the contribution of each Board member, the independence of the Independent Non-Executive Directors, and the term of office, performance of Audit Committee, and each of its members;
- recommendation of the retiring Board members for re-election; and
- recommendation of candidate for appointment as Non-Independent Non-Executive Director.

The Nominating Committee is satisfied with the performance of the Board, Board Committees, and the contribution of each Director. The Independent Non-Executive Directors have maintained their independence and are competent to continue serving as independent directors. The Audit Committee and its members have discharged their duties effectively and in accordance with their terms of reference.

The performance, fitness, and propriety of those Directors subject to re-election were assessed, and the Nominating Committee recommended to the Board the tabling of the resolution proposing the re-election of these Directors for shareholders' approval.

The Nominating Committee assessed the candidate for the appointment of Non-Independent Non-Executive Director based on the Directors' Fit and Proper Policy, focusing on character, integrity, experience, competence and expertise. The Nominating Committee recommended the appointment to the Board for consideration.

# AUDIT COMMITTEE REPORT

The Audit Committee, formed on 24 October 2012 comprising 6 members, has been entrusted to oversee financial reporting, evaluate the internal and external audit process as well as to review conflict of interest situations and related party transactions.

Name of Directors	Designation	Number of Meetings Attended
Baljeet Kaur Grewal A/P Jaswant Singh (Chairman)	Independent Non-Executive Director	4/4
Navid Chamdia	Non-Independent Non-Executive Director	3/4
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	4/4
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	4/4
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	4/4
Ang Ah Leck	Independent Non-Executive Director	4/4

Summary of work undertaken by the Audit Committee during the year under review were as listed below :-

- (a) reviewed and deliberated with the Manager's management the quarterly financial results to recommend to the Board for approval and release to Bursa Malaysia. Consideration was given by the Audit Committee to understand financial results of each properties with close attention given to update under "Prospects"
- (b) reviewed list of related party transactions every quarter to determine whether there has been any material change as compared to the previous quarter and whether the transactions have been established under normal commercial terms that were no more favourable to the related parties than those generally available to the public
- (c) reviewed the internal audit plans prepared by BDO Governance Advisory Sdn Bhd and ultimately decided on cyber security posture review and internal control review of anti-bribery and anti-corruption adequate procedures, anti-money laundering, counter financing of terrorism and countering proliferation financing compliance
- (d) thereafter, BDO briefed the Audit Committee on their findings of review, proposed recommendations and corresponding Manager's responses
- (e) reviewed the audit plan with the external auditor, KPMG PLT by understanding its audit methodology, significant risk areas and accounting policies / disclosures and timing
- (f) reviewed the covenant / condition for payment of balance purchase consideration for Pavilion Bukit Jalil
- (g) reviewed audited financial statements and recommend to the Board and trustee for adoption
- (h) had a private session with KPMG PLT (without the presence of the Manager's management)
- (i) reviewed and commented on the audit committee report and statement on risk management and internal control for inclusion into the integrated annual report
- (j) evaluated the work scope, approach and fees of the outsourced internal auditor and recommended their engagement
- (k) evaluated the approach and fees of the external auditor and recommended their engagement for the following year

## Audit and Non-Audit Fees

Audit and non-audit fees payable to the external auditor of Pavilion REIT for the current financial year amounted to RM310,000 and RM98,700 respectively.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control (“Statement”) is made pursuant to Paragraph 15.26(b) of Bursa Malaysia Listing Requirements and in accordance with the guidance set out in the Statement on Risk Management and Internal Control Guide 2025 : Guidelines for Directors of Listed Companies. It sets out the key features, adequacy and effectiveness of Pavilion REIT’s risk management and internal control system for the financial year and up to the date of approval of this Statement by the Board.

## Governance & Oversight Structure

The Board retains the overall responsibility for risk management and internal control systems, including setting the risk appetite and fostering a culture of proactive risk management to ensure their effectiveness in managing Pavilion REIT. The Risk Management Committee (“RMC”), comprising mainly Independent Non-Executive Directors assist the Board members to oversee the risk management framework and policies. Management’s Risk Management Working Committee (“RMWC”), led by the CEO and supported by senior personnel, coordinates bottom-up risk identification and validation by Risk Owners, before escalation to the RMC. The CEO is responsible for ensuring that the structure of risk management operates effectively. Risk Owners are responsible for ensuring that their respective functions or business units within Pavilion REIT are managed efficiently by identifying, assessing and implementing mitigation plans to address the risks arising from their functions. Internal Audit provides independent assurance and reports on the adequacy and effectiveness of internal controls and reports directly to the Audit Committee. Pavilion REIT adopts the Institute of Internal Auditors (“IIA”)’s Three Lines Model: first line owns and manages risk in day-to-day operations, second line provides oversight and guidance to ensure risks remain within appetite, and third line offers independent assurance through internal audit.

## Risk Management Process

Pavilion REIT’s Enterprise Risk Management (ERM) Procedure aligns with ISO 31000:2018 and integrates risk management into objectives, processes and decision-making. Its risk assessment process is a systematic 12-step assessment that

- 1) defines processes / activities / objectives,
- 2) determine risk parameter,
- 3) identify risks,
- 4) root cause analysis,
- 5) determine consequences (insignificant, minor, moderate, major, catastrophic),
- 6) define likelihood (remote, unlikely, possible, likely, almost certain),
- 7) establish gross risk rating (low, medium, significant, high),
- 8) identify controls,
- 9) determine control effectiveness,
- 10) challenge / revise ratings,
- 11) determine risk residual and
- 12) develop risk profile, supported by standard templates (risk registers, risk maps, flash reports).

The framework explicitly covers material Environment, Social and Governance (ESG) and climate-related risks (including environment management, flood, data privacy & cybersecurity, and human capital) and sets out risk treatment options of termination, reduction, acceptance or pass on risk to third parties.

RMWC meets at least half-yearly or as and when required to review detailed risk registers with Risk Owners. RMC meetings are held at least half-yearly to oversee the Pavilion REIT’s key residual risks of medium to high rating on the risk map.

There is an established structure with defined lines of authority, responsibility and accountability to meet Pavilion REIT’s mission, vision and purpose within a realistic and coordinated environment. Policies on anti-bribery and corruption, code of conduct and ethics, environmental, human rights occupational health and safety, sustainability, vendor code of conduct and whistleblowing are in place to provide transparency and guidance.

Discretionary authority limit for various activities, including investments and divestments, acceptance of credit facilities or medium-term notes, annual budget, transactions of capital in nature and non-capital expenditure, leasing and income generating matters and human resource matters have been adopted. Transactions exceeding certain limit requires Board approval, while authority for transactions within certain threshold are delegated to authorized personnel to ensure operational efficiency. Only authorized personnel are empowered to approve transactions. The annual budget, tabled to the Board for approval will be monitored against actual performance.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

Standard operating procedures pertaining to operations and maintenance of Pavilion REIT's properties as well as acquisition and divestment of properties are also reviewed regularly. Business continuity planning activities will continue to be undertaken across Pavilion REIT properties as part of ongoing efforts to strengthen operational resilience and crisis preparedness.

Anti-bribery and corruption assessments are conducted prior to engaging new tenants / customers or renewing expired tenants. Measures to mitigate money laundering as well as combating the financing of terrorism have also been formalised with training provided. The Compliance Officer is responsible for adherence with applicable regulatory and legal requirements. As we continue to leverage on information technology for business operations and in light of ongoing concerns regarding data security breaches and privacy protection, training was provided to increase employees' awareness levels on cyber security threats such as malware and ransomware attacks, password security, using public wi-fi networks, securing mobile devices and cyber security best practices. Simulated phishing emails are also regularly sent to staff to gauge their alertness.

## Review and Actions

BDO Governance Advisory Sdn Bhd (BDO), as the internal auditor of Pavilion REIT, reports directly to the Audit Committee. As an independent service provider, BDO's annual audit objectives are to :-

- i) assess the adequacy and test the integrity of the system of internal controls
- ii) assess compliance with policies and procedures and recommended best practices
- iii) identify any potential areas for improvement in the effectiveness and efficiency of the processes (if any)

BDO will present their internal control review plan to the AC for consideration and approval. Subsequent to internal control review, recommendations made by BDO will be considered by Management for improvement with follow-up thereafter by BDO. The Audit Committee and Board will continue to monitor the recommendations and action plan on an on-going basis.

## Adequacy and Effectiveness

The Board, through the RMC, is satisfied that the risk management and internal control system is adequate and effective to provide reasonable assurance that Pavilion REIT's objectives will be achieved.

The respective risk owners have also provided their assurances that they have reviewed and considered, to the best of their knowledge, the following :-

- The adequacy and effectiveness of risk management practices and internal control systems within their respective areas
- That all mitigation plans have been implemented as stated in each risk owner's risk register
- That any emerging risks have been identified, evaluated and appropriately highlighted
- That RMWC has reviewed and concurred with the latest risk management report

## Joint Ventures and Associates

This Statement encompasses Pavilion REIT and its subsidiaries only as Pavilion REIT does not have any joint ventures or associates.

## Review of the Statement by External Auditors

This Statement on Risk Management and Internal Control ("Statement") has been reviewed by external auditors as required by Paragraph 15.23 of Bursa Listing Requirements. The external auditors have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Integrated Annual Report.

Based on the limited assurance procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe this Statement is not prepared, in all material aspects, in accordance with the disclosures required of the Guidelines, nor is factually inaccurate.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

## CEO and Board Assurances

The RMC and the Board have received assurance from the CEO that the risk management and internal control system is operating sufficiently and effectively, in all material aspects for the year under review and up to the date of approval of this Statement.

The Board is of the view that the risk management and internal control system in place for the year under review up to the date of approval of this Statement is adequate and effective. Nevertheless, it will continue to be reviewed and improved in line with changes in the operating environment and strengthen ESG and sustainability risk integration. There was no material control failure or weakness that would have material adverse effect to Pavilion REIT's mission.

Due to the inherent restrictions as well as the ever-changing risk landscape, the controls which are employed are intended to mitigate and are not expected to eliminate all risks of failure to achieve business objectives. Established controls can only provide reasonable and not total assurance against material misstatement of management and financial information or against financial losses and fraud.

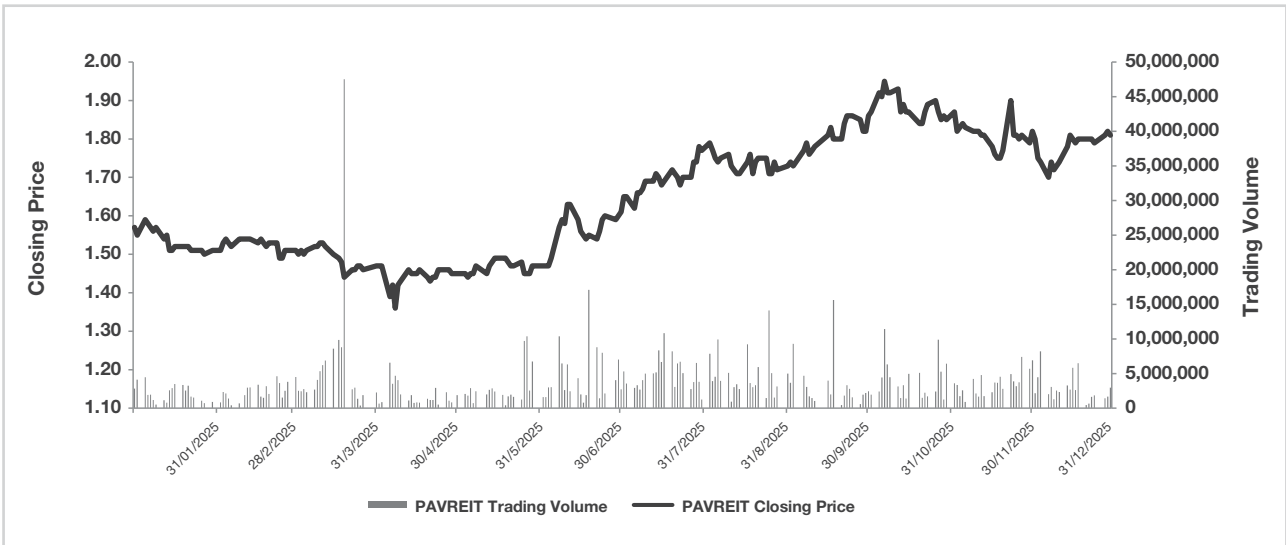
# INVESTOR RELATIONS REPORT

## Investors Relation and Fund Management

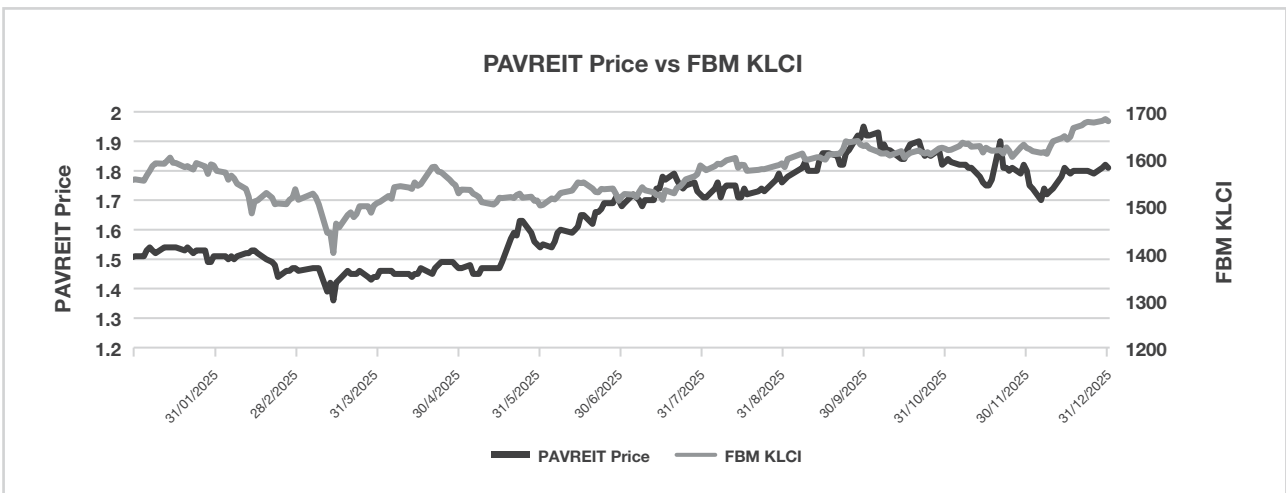
Pavilion REIT’s 13th annual general meeting was held physically on 7 May 2025 whereby its unitholders were updated on the performance of Pavilion REIT for the financial year ended 31 December 2024.

Regular engagements are also held with analysts and fund managers to keep them abreast with happenings in the retail environment with updates on Pavilion REIT.

## Pavilion REIT’s Monthly Trading Performance



## Pavilion REIT’s Unit Price Performance against FBM KLCI



# INVESTOR RELATIONS REPORT

Cont'd

Trading Summary	FY2021	FY2022	FY2023	FY2024	FY2025
Net Asset Value per Unit (RM)					
- As at 31 December	1.27	1.33	1.35	1.37	1.40
- Lowest during the year	1.25	1.26	1.28	1.32	1.35
- Highest during the year	1.27	1.33	1.35	1.37	1.40
Closing unit price (RM) as at 31 December	1.25	1.21	1.21	1.55	1.81
Highest traded price during the year (RM)	1.53	1.41	1.45	1.59	1.95
Lowest traded price during the year (RM)	1.19	1.18	1.17	1.21	1.22
Capital appreciation / (depreciation) (%) <sup>1</sup>	(16.67)	(3.20)	0.00	28.10	16.77
Annual total return (%) <sup>2</sup>	(13.14)	3.72	7.45	34.13	22.29
Average total return over 3 years (%)	(4.40)	(6.82)	(0.66)	15.10	21.29
Average total return over 5 years (%)	(3.23)	(0.45)	(0.41)	4.22	10.89
Units in circulation ('000)	3,050,059	3,055,722	3,652,338	3,660,689	3,924,840
Market capitalisation (RM'000)	3,812,574	3,697,423	4,419,329	5,674,068	7,103,961

<sup>1</sup> Capital appreciation/(depreciation) is calculated based on the difference between the current and previous year closing price.

<sup>2</sup> Annual total return refers to total of capital appreciation and distribution yield.



## Section 7: FINANCIALS

Section 7.1 Manager's Report  
Section 7.2 Financial Statements

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# MANAGER'S REPORT

The Manager is pleased to present its report together with the audited financial statements of Pavilion REIT for the financial year ended 31 December 2025.

Pavilion REIT is a Malaysia-domiciled real estate investment trust constituted pursuant to the Deed and was formally admitted to the Main Market of Bursa Malaysia Securities Berhad on 7 December 2011.

There is no change in the strategy or direction of Pavilion REIT's intention of investing, directly and indirectly in a diversified portfolio of income producing real estate used solely or predominantly for retail purposes with the primary objective to provide the unitholders with regular and stable distributions to achieve long-term growth in NAV per unit and maintaining an appropriate capital structure, whilst balancing other stakeholders needs.

## Directors

Directors of the Manager who served during the financial year until the date of this report are:

Tan Sri Lim Siew Choon  
 Puan Sri Tan Kewi Yong  
 Dato' Lee Tuck Fook  
 Ahmad Mohammed F Q Al-Khanji  
 Navid Chamdia  
 Dato' Seri Mohamed Azahari bin Mohamed Kamil  
 Dato' Mearia @ Massahariah binti Hamzah  
 Baljeet Kaur Grewal A/P Jaswant Singh  
 Nor Rejina binti Abdul Rahim  
 Ang Ah Leck  
 Abdul Rahim bin Mohamed Ali (appointed on 30 October 2025)  
 Fahad Abdulla S A Al-Mana (appointed on 25 March 2025 and resigned on 24 October 2025)

## Directors' Interests in Shares and Units

The interests of the Directors in office at the end of the financial year in the shares of the Manager and its related corporations, and in the Units of Pavilion REIT, during the financial year, are as follows:

Direct unitholdings in Pavilion REIT:	Number of units			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Tan Sri Lim Siew Choon	845,425,000	-	-	845,425,000
Puan Sri Tan Kewi Yong	281,875,000	-	-	281,875,000
Dato' Lee Tuck Fook	100,000	-	-	100,000
Navid Chamdia	100,000	-	-	100,000

# MANAGER'S REPORT

Cont'd

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Direct interest in the ultimate holding corporation, Pavilion Pacific Ltd:				
Tan Sri Lim Siew Choon	75	-	-	75
Puan Sri Tan Kewi Yong	25	-	-	25
Indirect interest in a related companies, Urusharta Cemerlang Sdn Bhd:				
Tan Sri Lim Siew Choon	117,300,000	-	-	117,300,000
Puan Sri Tan Kewi Yong	117,300,000	-	-	117,300,000
Urusharta Cemerlang Capital Berhad:				
Tan Sri Lim Siew Choon	2	-	-	2
Puan Sri Tan Kewi Yong	2	-	-	2
Indirect interest in the Manager:				
Tan Sri Lim Siew Choon	2,550,000	-	-	2,550,000
Puan Sri Tan Kewi Yong	2,550,000	-	-	2,550,000

By virtue of their interests in the shares of Pavilion Pacific Ltd, the ultimate holding corporation, Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong are deemed to have interests in the shares of the subsidiaries of Pavilion Pacific Ltd to the extent that the ultimate holding corporation has an interest.

Save as disclosed above, the other Directors of the Manager in office at the end of the financial year did not have any interests in the ordinary shares of the Manager and its related corporations, and in the Units in Pavilion REIT, during the financial year.

## Directors' Benefit

For the year ended 31 December 2025, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by Pavilion REIT or a related corporation with the Director or with a firm which the Director is a member, or with a company in which the Director has substantial financial interest except as disclosed in the Financial Statements.

There were no arrangements during and at the end of the twelve months period which had the object of enabling Directors of the Manager to acquire benefits by means of acquisition of Units or debentures of Pavilion REIT or any other body corporate except as disclosed in the Financial Statements.

## Soft Commission

There was no soft commission received by the Manager during the reporting financial year.

## Manager's Fee

Pursuant to the Deed, the Manager is entitled to receive the following :-

- i) a base fee ("Base Fee") of up to 1.0% per annum of the total asset value of Pavilion REIT (excluding cash and bank balances which are held in non-interest bearing accounts).
- ii) a performance fee ("Performance Fee") of up to 5.0% per annum of net property income of Pavilion REIT.

# MANAGER'S REPORT

Cont'd

- iii) an incentive fee ("Incentive Fee") receivable as follows effective from the second full financial year in which Pavilion REIT has been established and in operation (subject to the relevant approval by Pavilion REIT's unitholders being obtained)

Fee Receivable (% per annum of the total asset value of Pavilion REIT)	Criteria – Provided that annual growth in the distributable income in a Financial Year (calculated before accounting for Incentive Fee in that Financial Year):
Up to 0.10%	Exceeds 7.5% and up to 10.0%
Up to 0.15%	Exceeds 10.0% and up to 12.5%
Up to 0.20%	Exceeds 12.5%

- iv) an acquisition fee ("Acquisition Fee") of 1.0% of transaction value in relation to an acquisition of any real estate and real estate related assets directly or indirectly acquired.
- v) a divestment fee ("Divestment Fee") of 0.5% of transaction value in relation to disposal of any real estate and real estate related assets directly or indirectly sold or divested.

The Base Fee, Performance Fee, Acquisition Fee and Divestment Fee shall be receivable in the form of cash, new Units of Pavilion REIT or a combination thereof at the sole discretion of the Manager. The Incentive Fee is receivable in Units only.

Fund management fees in cash are receivable within seven (7) days of the following events:

- i) in respect of the Base Fee and Performance Fee, monthly based on monthly management accounts of Pavilion REIT and be reconciled to quarterly and annual audited financial statements;
- ii) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition/divestment.

Fund management fees in units are receivable upon approval from the authority for the listing of and quotation of Pavilion REIT Units. Where approval cannot be obtained, the fees shall be receivable in cash.

## Other Information

Before the statement of profit or loss and other comprehensive income and statement of financial position of Pavilion REIT were made out, the Manager took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

At the date of this report, the Manager is not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in Pavilion REIT inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of Pavilion REIT misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of Pavilion REIT misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of Pavilion REIT misleading.

# MANAGER'S REPORT

Cont'd

At the date of this report, there does not exist:

- i) any charge on the assets of Pavilion REIT that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of Pavilion REIT that has arisen since the end of the financial year.

No contingent liability or other liability of Pavilion REIT has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Manager, will or may substantially affect the ability of Pavilion REIT to meet its obligations as and when they fall due.

In the opinion of the Manager, the financial performance of Pavilion REIT for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Material Litigation

There is no material litigation pending that is not disclosed in this report.

## Auditor

The auditors of Pavilion REIT, Messrs KPMG PLT, have indicated their willingness to accept re-appointment.

For and on behalf of Pavilion REIT Management Sdn Bhd

**TAN SRI LIM SIEW CHOON**

Chairman

Kuala Lumpur  
9 February 2026

**DATO' LEE TUCK FOOK**

Non-Independent Executive Director



# FINANCIAL STATEMENTS

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# STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	2025 RM'000	2024 RM'000
<b>Assets</b>			
Plant and equipment	3	3,835	2,200
Investment properties	4	9,095,000	8,490,000
<b>Total non-current assets</b>		9,098,835	8,492,200
Inventories		6,512	5,731
Trade and other receivables	5	57,658	61,667
Pledged deposits with licensed banks	6	100,252	97,395
Cash and cash equivalents	7	565,296	473,861
<b>Total current assets</b>		729,718	638,654
<b>Total assets</b>		9,828,553	9,130,854
<b>Liabilities</b>			
Borrowings	8	2,863,456	3,312,659
Payables and accruals	9	95,151	85,308
<b>Total non-current liabilities</b>		2,958,607	3,397,967
Borrowings	8	1,073,072	80,000
Payables and accruals	9	305,439	634,423
<b>Total current liabilities</b>		1,378,511	714,423
<b>Total liabilities</b>		4,337,118	4,112,390
<b>Net asset value</b>		5,491,435	5,018,464
<b>Financed by:</b>			
<b>Unitholders' fund</b>			
Unitholders' capital	10	4,038,209	3,673,129
Accumulated income		1,453,226	1,345,335
<b>Total unitholders' fund</b>		5,491,435	5,018,464
<b>Net asset value ("NAV")</b>			
Before income distribution		5,491,435	5,018,464
After income distribution*		5,294,015	4,842,385
<b>Number of units in circulation ('000 units)</b>	10	3,924,840	3,660,689
<b>NAV per unit (RM)</b>			
Before income distribution		1.3991	1.3709
After income distribution*		1.3488	1.3228

\* after proposed final income distribution of 5.03 sen per unit (2024: 4.81 sen per unit)

The notes on pages 233 to 261 are an integral part of these financial statements.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Rental income		811,271	766,945
Revenue from contract customers	11	55,021	43,925
Other income		35,193	34,996
<b>Gross revenue</b>		<b>901,485</b>	<b>845,866</b>
Utilities		(90,462)	(100,632)
Maintenance		(116,137)	(110,234)
Property taxes		(24,496)	(23,473)
Other operating expenses		(102,499)	(88,762)
<b>Net property income</b>		<b>567,891</b>	<b>522,765</b>
Net fair value changes on investment properties		107,402	99,938
Interest income		15,241	14,796
<b>Net investment income</b>		<b>690,534</b>	<b>637,499</b>
Manager's management fees	12	(45,836)	(43,076)
Trustee's fees	1(c)	(575)	(560)
Valuation fee		(1,362)	(895)
Other trust expenses	1(c)	(2,266)	(910)
Borrowing costs	13	(173,582)	(182,140)
<b>Income before taxation</b>		<b>466,913</b>	<b>409,918</b>
Tax expense	14	-	-
<b>Income after taxation/Total comprehensive income attributable to unitholders</b>		<b>466,913</b>	<b>409,918</b>
<b>Income after taxation is made up as follows:</b>			
Realised		359,511	309,980
Unrealised		107,402	99,938
		466,913	409,918
<b>Basic/Diluted earnings per unit (sen)</b>	15	12.28	11.21

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

Cont'd

	Note	2025 RM'000	2024 RM'000
Total comprehensive income		466,913	409,918
Distribution adjustments	A	(86,573)	(68,233)
Distributable income		380,340	341,685
<b>Distribution per unit (sen) - interim</b>		4.97	4.53
<b>Distribution per unit (sen) - final</b>		5.03	4.81
<b>Note A</b>			
<b>Distribution adjustments comprise:</b>			
Accounting adjustment on deferred income		(533)	-
Accounting adjustment on interest – present value		7,428	17,623
Amortisation of transaction costs		1,762	2,529
Depreciation	3	713	784
Manager's management fees payable in units	12	11,459	10,769
Net fair value changes on investment properties		(107,402)	(99,938)
		(86,573)	(68,233)

The notes on pages 233 to 261 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN NET ASSET VALUE

for the year ended 31 December 2025

	Note	Unitholders' capital RM'000	Accumulated income RM'000	Total funds RM'000
<b>At 1 January 2024</b>		3,662,387	1,269,079	4,931,466
Income after taxation/Total comprehensive income for the year attributable to unitholders		-	409,918	409,918
<b>Unitholders' transactions</b>				
<i>Contributions by and distributions to unitholders</i>				
Issue of new units		10,705	-	10,705
Over accrual of expenses incurred for placement exercise in prior year		37	-	37
Distribution to unitholders	16	-	(333,662)	(333,662)
Increase/(Decrease) in net assets resulting from unitholders' transactions		10,742	(333,662)	(322,920)
<b>Net assets at 31 December 2024/1 January 2025</b>		3,673,129	1,345,335	5,018,464
Income after taxation/Total comprehensive income for the year attributable to unitholders		-	466,913	466,913
<b>Unitholders' transactions</b>				
<i>Contributions by and distributions to unitholders</i>				
Issue of new units		370,953	-	370,953
Expenses incurred for placement exercise		(5,873)	-	(5,873)
Distribution to unitholders	16	-	(359,022)	(359,022)
Increase/(Decrease) in net assets resulting from unitholders' transactions		365,080	(359,022)	6,058
<b>Net assets at 31 December 2025</b>		4,038,209	1,453,226	5,491,435

Note 10

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>			
Income before taxation		466,913	409,918
<i>Adjustments for:</i>			
Borrowing costs	13	173,582	182,140
Depreciation	3	713	784
Plant and equipment written off		86	-
Impairment loss on trade receivables		5,428	5,134
Interest income		(15,241)	(14,796)
Net fair value changes on investment properties	4	(107,402)	(99,938)
<b>Operating income before changes in working capital</b>		<b>524,079</b>	<b>483,242</b>
Changes in inventories		(781)	(1,824)
Changes in receivables		(1,419)	(11,615)
Changes in payables		39,922	21,688
Changes in tenants' deposits		7,015	15,088
<b>Net cash from operating activities</b>		<b>568,816</b>	<b>506,579</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment properties	(i)	(860,151)	-
Interest received		15,241	14,796
Payment for enhancement of investment properties		-	(62)
Pledged deposits		(2,857)	(6,473)
Purchase of plant and equipment		(2,434)	(11)
<b>Net cash (used in)/from investing activities</b>		<b>(850,201)</b>	<b>8,250</b>
<b>Cash flows from financing activities</b>			
Distribution to unitholders		(359,022)	(333,662)
Interest paid		(164,392)	(161,988)
Payment of financing expenses		(1,598)	(819)
Payment of placement expenses		(5,873)	-
Proceeds from borrowings		724,700	100,000
Repayment of borrowings		(180,995)	(100,000)
Proceeds from issuance of units		360,000	-
<b>Net cash from/(used in) financing activities</b>		<b>372,820</b>	<b>(496,469)</b>
<b>Net increase in cash and cash equivalents</b>		<b>91,435</b>	<b>18,360</b>
Cash and cash equivalents at 1 January		473,861	455,501
<b>Cash and cash equivalents at 31 December</b>		<b>565,296</b>	<b>473,861</b>

(i) During the financial year, total cash payments made for the acquisition of investment properties amounted to RM860,151,000 (2024: nil), comprising RM454,098,000 for the acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur (see Note 4), and RM406,053,000 being the settlement of the balance of the purchase price for the acquisition of Pavilion Bukit Jalil (see Note 9).

The notes on pages 233 to 261 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL

Pavilion Real Estate Investment Trust (“Pavilion REIT”) is a Malaysia-domiciled real estate investment trust constituted pursuant to the First Amended and Restated Trust Deed dated 18 February 2019 (“the Deed”) between Pavilion REIT Management Sdn. Bhd. (“the Manager”) and MTrustee Berhad (“the Trustee”). The Deed is regulated by the Securities Commission Act 1993, the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. Pavilion REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 27 of the Deed. The addresses of the Manager’s registered office and principal place of business are as follows:

### Registered office

Unit 6-3A, Level 6  
Pavilion Tower  
75, Jalan Raja Chulan  
50200 Kuala Lumpur

### Principal place of business

Lot 10.00.00, Level 10  
Pavilion Kuala Lumpur  
168, Jalan Bukit Bintang  
55100 Kuala Lumpur

The financial statements of Pavilion REIT as at and for the financial year ended 31 December 2025 comprise Pavilion REIT and its wholly-owned special purpose companies, Pavilion REIT Venture Capital Sdn. Bhd., Pavilion REIT Bond Capital Berhad and Pavilion REIT Capital Berhad, companies incorporated in Malaysia, of which their principal activities are to raise financing for and on behalf of Pavilion REIT.

Pavilion REIT is to invest, directly and indirectly in a diversified portfolio of income producing real estate used solely or predominantly for retail purposes with the primary objective to provide the unitholders with regular and stable distributions and achieve long-term growth in net assets value (“NAV”) (being the total unitholders’ fund) per unit, while maintaining an appropriate capital structure.

Pavilion REIT was formally admitted to the Main Market of Bursa Malaysia Securities Berhad on 7 December 2011.

These financial statements were approved by the Board of Directors of the Manager on 9 February 2026.

Pavilion REIT entered into several service agreements in relation to the management of Pavilion REIT and its property operations. The fee structure of these services is as follows:

### (a) Property management fees

The Property Manager, Henry Butcher Malaysia Sdn. Bhd., is entitled to property management fee of RM392,000 (2024: RM392,000) per annum (excluding sales and services tax). In addition, the Property Manager is also entitled to full reimbursement of costs and expenses incurred in the operation, maintenance, management and marketing of the properties held by Pavilion REIT (including but not limited to the cost relating to the employment and remuneration of on-site staff provided) (“Permitted Expenses”) as well as fees and reimbursements for Permitted Expenses payable to its service providers.

### (b) Manager’s management fees

Pursuant to the Deed, the Manager is entitled to receive the following fees from Pavilion REIT:

- (i) a base fee (“Base Fee”) of up to 1.0% per annum of the Total Asset Value of Pavilion REIT (excluding cash and bank balances which are held in non-interest bearing accounts).
- (ii) a performance fee (“Performance Fee”) of up to 5.0% per annum of Net Property Income.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 1. GENERAL (cont'd)

### (b) Manager's management fees (cont'd)

- (iii) an incentive fee ("Incentive Fee") payable as follows effective from the second full financial year in which Pavilion REIT has been established and in operation (subject to the relevant approval by unitholders being obtained).

Fee Payable (% per annum of the Total Asset Value of Pavilion REIT)	Criteria – Provided that annual growth in the Distributable Income in a Financial Year (calculated before accounting for Incentive Fee in that Financial Year):
Up to 0.10%	Exceeds 7.5% and up to 10.0%
Up to 0.15%	Exceeds 10.0% and up to 12.5%
Up to 0.20%	Exceeds 12.5%

- (iv) an acquisition fee ("Acquisition Fee") of 1.0% of transaction value in relation to an acquisition of any real estate and real estate related assets directly or indirectly acquired.
- (v) a divestment fee ("Divestment Fee") of 0.5% of transaction value in relation to disposal of any real estate and real estate related assets directly or indirectly sold or divested.

The Manager shall be paid the Base Fee, Performance Fee, Acquisition Fee and Divestment Fee in the form of cash, new units or a combination thereof at the election of the Manager in its sole discretion. The Incentive Fee is payable in units only.

The payment of the Manager's management fee in the form of new units will be in accordance with the following formula:

$$\text{New Units to be issued as payment of the Manager's management fee} = \frac{\text{Manager's management fee payable in Units}}{\text{Market Price}}$$

For this purpose, "Market Price" means the volume weighted average market price of the Units for the last 5 Market Days preceding the following events:

- (i) in respect of the Base Fee and Performance Fee, the announcement of the relevant quarterly financial reports;
- (ii) in respect of the Incentive Fee, the announcement of the annual financial statements; or
- (iii) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition/divestment,

(each a "Trigger Event").

With reference to any book closing date, where the Trigger Event is before but the issuance of the new Units relating to such Trigger Event is after the said book closing date, the Market Price will be further adjusted for the entitlement relating to such book closing date.

The Manager will make an immediate announcement to Bursa Securities disclosing the number of new units to be issued and the issue price of the new units when new units are issued as payment for management fee. Payment of the management fees in units shall also be subjected to Pavilion REIT complying with the public spread requirements stated in the Main Market Listing Requirements and there being no adverse implications under the Malaysian Code on Take-Overs and Mergers 2016.

### (c) Trustee's fees

In accordance to the Deed, an annual trusteeship fee of up to 0.05% per annum of NAV, but limited to RM560,000 until October 2025 and up to RM580,000 subsequent to October 2025 (2024: limited to RM560,000), is to be paid to the Trustee.

For the financial year, Pavilion REIT has incurred reimbursed expenses to the Trustee of RM2,567 (2024: RM3,935) which is part of other trust expenses.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of Pavilion REIT have been prepared in accordance with the provisions of the Deed, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by Pavilion REIT:

#### **MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026**

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

#### **MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027**

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

#### **MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Pavilion REIT plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to Pavilion REIT.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of Pavilion REIT.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 2. BASIS OF PREPARATION (cont'd)

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below:

Item	Measurement basis
Investment properties	Fair value

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the functional currency of Pavilion REIT. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 4 – investment properties and Note 14 – tax expense.

## 3. PLANT AND EQUIPMENT

	Furniture and fittings RM'000	IT equipment and software RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and office equipment RM'000	Total RM'000
<b>Cost</b>						
At 1 January 2024	1,448	1,846	186	415	5,402	9,297
Addition	-	-	11	-	-	11
Write off	-	-	-	-	(121)	(121)
At 31 December 2024/ 1 January 2025	1,448	1,846	197	415	5,281	9,187
Addition	129	-	-	2,305	-	2,434
Write off	(122)	(265)	-	(415)	(572)	(1,374)
At 31 December 2025	1,455	1,581	197	2,305	4,709	10,247

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

### 3. PLANT AND EQUIPMENT (cont'd)

	Furniture and fittings RM'000	IT equipment and software RM'000	Motor vehicles RM'000	Renovation RM'000	Tools and office equipment RM'000	Total RM'000
<b>Accumulated depreciation</b>						
At 1 January 2024	1,390	1,573	110	297	2,954	6,324
Depreciation for the year	21	138	20	42	563	784
Write off	-	-	-	-	(121)	(121)
At 31 December 2024/ 1 January 2025	1,411	1,711	130	339	3,396	6,987
Depreciation for the year	13	99	18	30	553	713
Write off	(104)	(264)	-	(349)	(571)	(1,288)
At 31 December 2025	1,320	1,546	148	20	3,378	6,412
<b>Carrying amounts</b>						
At 1 January 2024	58	273	76	118	2,448	2,973
At 31 December 2024/ 1 January 2025	37	135	67	76	1,885	2,200
At 31 December 2025	135	35	49	2,285	1,331	3,835

### 4. INVESTMENT PROPERTIES

	2025 RM'000	2024 RM'000
At 1 January	8,490,000	8,390,000
Addition to investment properties	497,598	-
Enhancements/Capital expenditure	-	62
Change in fair values recognised in profit or loss	107,402	99,938
At 31 December	9,095,000	8,490,000

The addition to investment properties is in relation to the acquisitions of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur which were completed on 20 June 2025. The addition to investment properties comprises the following:

	RM'000
Acquisition price paid for in cash	446,500
Costs on acquisition paid for in cash	7,598
Offset of acquisition price against rental in advance	33,500
Recognition of deferred income arising from the variance between the acquisition price and the fair value of assets acquired	10,000
	497,598

Included in the costs on acquisition is the acquisition fee paid to the Manager based on 1.0% (2024: nil) of the purchase consideration.

During the year, the variable lease income earned that does not depend on an index or a rate amounted to RM63,679,000 (2024: RM83,355,000).

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 4. INVESTMENT PROPERTIES (cont'd)

Some of the investment properties are charged as securities for bank borrowings as disclosed in Note 8.

Details of the investment properties are as follows:

	Date of acquisition	Date of valuation	Location	Tenure	Occupancy rates as at 31.12.2025	Fair value as at 31.12.2025	Cost as at 31.12.2025	Percentage of fair value to NAV as at 31.12.2025
					%	RM'000	RM'000	%
Pavilion Kuala Lumpur Mall	7.12.2011	31.12.2025	Kuala Lumpur	Leasehold*	97	5,300,000	3,567,074	97
Pavilion Tower	7.12.2011	31.12.2025	Kuala Lumpur	Leasehold*	78	130,000	128,000	2
DA MEN Mall	25.3.2016	31.12.2025	Subang Jaya	Interest in perpetuity	100	160,000	511,264	3
Intermark Mall	25.3.2016	31.12.2025	Kuala Lumpur	Interest in perpetuity	96	200,000	164,191	4
Elite Pavilion Mall	27.4.2018	31.12.2025	Kuala Lumpur	Interest in perpetuity <sup>#</sup>	97	565,000	589,514	10
Pavilion Bukit Jalil	1.6.2023	31.12.2025	Kuala Lumpur	Interest in perpetuity	92	2,250,000	2,192,699	41
Banyan Tree Kuala Lumpur	20.6.2025	31.12.2025	Kuala Lumpur	Interest in perpetuity	100	140,000	142,252	3
Pavilion Hotel Kuala Lumpur	20.6.2025	31.12.2025	Kuala Lumpur	Leasehold*	100	350,000	345,346	6
Investment properties						9,095,000	7,640,340	

	Date of acquisition	Date of valuation	Location	Tenure	Occupancy rates as at 31.12.2024	Fair value as at 31.12.2024	Cost as at 31.12.2024	Percentage of fair value to NAV as at 31.12.2024
					%	RM'000	RM'000	%
Pavilion Kuala Lumpur Mall	7.12.2011	31.12.2024	Kuala Lumpur	Leasehold*	97	5,250,000	3,567,074	105
Pavilion Tower	7.12.2011	31.12.2024	Kuala Lumpur	Leasehold*	73	130,000	128,000	3
DA MEN Mall	25.3.2016	31.12.2024	Subang Jaya	Interest in perpetuity	73	160,000	511,264	3
Intermark Mall	25.3.2016	31.12.2024	Kuala Lumpur	Interest in perpetuity	93	190,000	164,191	4
Elite Pavilion Mall	27.4.2018	31.12.2024	Kuala Lumpur	Interest in perpetuity <sup>#</sup>	98	550,000	589,514	11
Pavilion Bukit Jalil	1.6.2023	31.12.2024	Kuala Lumpur	Interest in perpetuity	90	2,210,000	2,192,699	44
Investment properties						8,490,000	7,152,742	

\* The lease has a period of 99 years expiring in 2109.

# The extension-connection of the mall has a period of 99 years expiring in 2109.

NAV Net asset value

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 4. INVESTMENT PROPERTIES (cont'd)

### 4.1 Fair value information

All investment properties are categorised as Level 3 fair value.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<u>Pavilion Kuala Lumpur Mall, Pavilion Tower, Elite Pavilion Mall, Intermark Mall and Pavilion Bukit Jalil</u>		
The income approach by investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates to income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.	<ul style="list-style-type: none"> <li>● Risk-adjusted term capitalisation rates ranging from 6.00% to 6.75% (2024: 6.00% to 6.75%).</li> <li>● Risk-adjusted reversion capitalisation rate of 6.25% to 6.75% (2024: 6.25% to 6.50%).</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>● risk-adjusted term capitalisation rates were lower (higher).</li> <li>● risk-adjusted reversion capitalisation rates were lower (higher).</li> </ul>
<u>DA MEN Mall ("DM"), Banyan Tree Kuala Lumpur ("BTKL") and Pavilion Hotel Kuala Lumpur ("PHKL")</u>		
The income approach by discounted cash flow method uses the estimation of future annual cash flows over an investment horizon of 10 to 14 years from the valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of property.	<p>DM</p> <ul style="list-style-type: none"> <li>● Capitalisation rates of 6.50% (2024: 6.50%).</li> <li>● Discount rate of 8.50% (2024: 8.50%).</li> <li>● Average growth rate of rental per square feet of 4.29% over 14 years (2024: 5.00% over 15 years).</li> <li>● Progressive increase of occupancy rates is from 36% to 82% over 14 years (2024: 70% to 85% over 15 years).</li> </ul> <p>BTKL and PHKL</p> <ul style="list-style-type: none"> <li>● Capitalisation rates of 6.00% to 6.25%.</li> <li>● Discount rates of 9.00% to 10.00%.</li> <li>● Average room rates over 10 years of BTKL and PHKL are from RM1,350 to RM1,685 and RM590 to RM807, respectively.</li> <li>● Progressive increase of occupancy rates over 10 years of BTKL and PHKL are from 80% to 87% and 81% to 88%, respectively.</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>● capitalisation rates were lower (higher).</li> <li>● discount rates were lower (higher).</li> <li>● average growth rate of rental per square feet were higher (lower).</li> <li>● occupancy rates were higher (lower).</li> </ul>

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 4. INVESTMENT PROPERTIES (cont'd)

### 4.1 Fair value information (cont'd)

#### Valuation processes applied by the Manager for Level 3 fair value

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions.

#### Highest and best use

Pavilion REIT's investment properties comprise five retail malls, an office building and two hotels. The properties on their own is the highest and best use, as three of the retail malls and the two hotels are located on prime land in the city centre. The other two retail malls are within mixed development areas which comprise residential and shop office. The office building annexed to a retail mall in the city centre has been refurbished in recent years, thus it is not cost effective to convert it to a retail mall at the moment. The office building also complements the retail mall by bringing human traffic to the retail mall, especially during lunch hours.

### 4.2 Maturity analysis of operating lease payments

Pavilion REIT leases out its investment properties under operating leases. The operating lease payments to be received are as follows:

	2025 RM'000	2024 RM'000
Up to one year	582,543	576,146
More than one year up to two years	399,089	281,822
More than two years up to three years	164,676	125,905
More than three years up to four years	35,660	402
More than four years up to five years	34,338	-
More than five years	158,288	-
	1,374,594	984,275

### 4.3 Material accounting policy information

Investment properties are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

External, independent valuation firms, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value Pavilion REIT's investment properties portfolio every year.

## NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 5. TRADE AND OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
<b>Current</b>		
<b>Trade</b>		
Trade receivables	73,990	67,682
Less: Impairment losses	(30,589)	(33,651)
	43,401	34,031
<b>Non-trade</b>		
Other receivables	912	8,375
Deposits	2,692	2,636
Prepayments	10,653	16,625
	14,257	27,636
	57,658	61,667

## 6. PLEDGED DEPOSITS WITH LICENSED BANKS

The pledged deposits with licensed banks are maintained in Debt Service Reserve Accounts with licensed banks to cover a minimum of six months' interest for banking facilities granted to Pavilion REIT and Bond Trustee's Reimbursement Accounts throughout the tenure of the MTN2 and CP Programme (Note 8).

## 7. CASH AND CASH EQUIVALENTS

	2025 RM'000	2024 RM'000
Cash and bank balances	459,830	371,340
Deposits placed with licensed banks	105,466	102,521
	565,296	473,861

## 8. BORROWINGS

	Note	2025 RM'000	2024 RM'000
<b>Non-current</b>			
Secured syndicated term loan	8.1	-	693,267
Medium term notes 1 (unrated)	8.2	2,368,900	2,625,000
Medium term notes 2 (rated)	8.3	500,000	-
Less: Unamortised transaction costs		(5,444)	(5,608)
		2,863,456	3,312,659

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 8. BORROWINGS (cont'd)

	Note	2025 RM'000	2024 RM'000
<b>Current</b>			
Secured syndicated term loan	8.1	673,072	-
Medium term notes 1 (unrated)	8.2	400,000	80,000
		1,073,072	80,000
		3,936,528	3,392,659
Average interest rate of borrowings		4.6%	4.8%

### 8.1 Secured syndicated credit facilities of RM815.9 million

Pavilion REIT entered into a facility agreement and its supplementary facility agreement dated 3 November 2011 and 23 November 2011 respectively ("Facility Agreements") through its wholly owned subsidiary, Pavilion REIT Venture Capital Sdn. Bhd. ("Borrower") for syndicated credit facilities ("Facilities") of up to RM815.9 million with licensed banks ("Lenders") comprising revolving term loan facilities and bank guarantee as follows:

- (i) RTL1 - a revolving term loan ("RTL") facility of up to RM705.9 million to part finance the acquisition of investment properties and future acquisitions by Pavilion REIT;
- (ii) RTL2 - a revolving term loan facility of up to RM100.0 million to finance general working capital of Pavilion REIT (including acquisition of assets); and
- (iii) BG/RTL3 - a bank guarantee ("BG") of up to RM10.0 million for the issuance of performance bonds, bank guarantees, indemnities or undertakings and a revolving term loan facility for the conversion of any amounts paid out under the performance bonds, bank guarantees, indemnities or undertakings issued under bank guarantee.

The financing facilities are secured by debenture incorporating fixed and floating charge over all present and future assets of Pavilion REIT Venture Capital Sdn. Bhd. and a guarantee and indemnity from the REIT Trustee as trustee acting for and behalf of Pavilion REIT.

The tenure of the syndicated credit facilities has been extended to another five years from 7 December 2021 up to a maturity date of 7 December 2026. The Lenders have the option to convert to a fixed interest rate at their sole discretion and subject to the consent of all Lenders from 7 December 2022 onwards.

The revolving term loans are secured over Pavilion Kuala Lumpur Mall and Pavilion Tower as disclosed in Note 4 and an amount of RM29,315,000 (2024: RM28,492,000) maintained in Debt Service Reserve Accounts with licensed banks as disclosed in Note 6.

### 8.2 Medium term notes 1 of RM8.0 billion

On 24 June 2015, the Securities Commission Malaysia had approved and authorised the establishment of a proposed medium term notes ("MTN1") programme of RM8.0 billion in nominal value ("MTN1 Programme") to be undertaken by Pavilion REIT Bond Capital Berhad ("Issuer"), a company wholly owned by Pavilion REIT. The MTN1 Programme shall have a tenure of twenty years from the date of the first issuance of MTN1 under the MTN1 Programme. An issuance of MTN1 under the MTN1 Programme may either be rated or unrated, as the Issuer may decide.

MTN1 is secured over Pavilion Kuala Lumpur Mall, Pavilion Tower and Pavilion Bukit Jalil as disclosed in Note 4 and an amount of RM70,735,000 (2024: RM68,903,000) maintained in Debt Service Reserve Accounts with licensed banks as disclosed in Note 6.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 8. BORROWINGS (cont'd)

### 8.3 Medium term notes 2 of RM8.0 billion

On 5 May 2025, the Securities Commission Malaysia had approved and authorised the establishment of a medium term notes ("MTN2") programme ("MTN2 Programme") and commercial papers ("CPs") programme ("CP Programme") with a combined limit up to RM8.0 billion in aggregate nominal value and a sub-limit of RM200 million in aggregate nominal value for the CP programme ("MTN2 and CP Programme") to be undertaken by Pavilion REIT Capital Berhad ("Issuer"), a company wholly owned by Pavilion REIT. The MTN2 Programme shall be perpetual. The CP Programme shall have a tenure of seven years from the date of the first issuance of CPs under the CP Programme. An issuance of MTN2 under the MTN2 Programme may either be rated or unrated, as the Issuer may decide. During the year, RAM Rating Services Berhad had assigned long-term ratings of AA2(s) and AA3(s) to the MTN2 Programme of secured MTNs and unsecured MTNs, respectively.

Under the MTN2 and CP Programme, an amount of RM202,000 (2024: nil) is required to be maintained in the Bond Trustee's Reimbursement Accounts with licensed banks as disclosed in Note 6.

### 8.4 Gearing/Borrowings ratio

The gearing/borrowings ratio as disclosed here is in accordance with the Securities Commission's Guidelines on Listed Real Estate Investment Trusts which defines it as the ratio of the total borrowings or financing facilities, including borrowings or financing through issuance of debt securities or sukuk, and deferred arrangements to the total asset value.

The gearing/borrowings ratio is calculated based on total borrowings of RM3,936,528,000 (2024: RM3,392,659,000) and deferred payment of nil (2024: RM392,572,000), over total assets of RM9,828,553,000 (2024: RM9,130,854,000).

	2025	2024
Gearing/Borrowings ratio	40.1%	41.5%

### 8.5 Reconciliations of movement of liabilities to cash flows arising from financing activities

	At 1 January RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 December RM'000
<b>2025</b>				
Secured syndicated term loan	693,267	(20,195)	-	673,072
Medium term notes 1 (unrated)	2,705,000	63,900	-	2,768,900
Medium term notes 2 (rated)	-	500,000	-	500,000
Less: Unamortised transaction costs	(5,608)	(1,598)	1,762	(5,444)
	3,392,659	542,107	1,762	3,936,528
<b>2024</b>				
Secured syndicated term loan	673,267	20,000	-	693,267
Medium term notes 1 (unrated)	2,725,000	(20,000)	-	2,705,000
Less: Unamortised transaction costs	(7,318)	(819)	2,529	(5,608)
	3,390,949	(819)	2,529	3,392,659

# NOTES TO THE FINANCIAL STATEMENTS

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## 9. PAYABLES AND ACCRUALS

	Note	2025 RM'000	2024 RM'000
<b>Non-current</b>			
<b>Trade</b>			
Tenants' deposits	9.1	95,151	85,308
		95,151	85,308
<b>Current</b>			
<b>Trade</b>			
Trade payables		16,565	17,349
Tenants' deposits	9.1	86,008	88,836
Deferred income	9.2	25,069	-
		127,642	106,185
<b>Non-trade</b>			
Payable relating to acquisition of property	9.3	-	398,625
Other payables and accrued expenses	9.4	177,797	129,613
		177,797	528,238
		305,439	634,423
		400,590	719,731

9.1 Tenants' deposits are in respect of refundable deposits received from tenants for tenancy or marketing agreements. Tenancy agreements' tenure is between one to three years. The amount is unsecured and interest free.

9.2 Deferred income comprises RM9,466,000 (2024: nil) representing the variance between the acquisition price and the fair value of Pavilion Hotel Kuala Lumpur as at the date of acquisition, and RM15,603,000 (2024: nil) relating to advance rentals received in relation to the leases of Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur.

9.3 This was payable to Regal Path Sdn. Bhd., a related party (see Note 22), being an amount of RM6,053,000 defects rectification payment and an amount of RM400,000,000 being the balance of the purchase price for the acquisition of Pavilion Bukit Jalil discounted at a rate of 4.7% on initial recognition.

The balance purchase consideration was duly paid to Regal Path Sdn. Bhd. on 29 August 2025, representing the final settlement for the acquisition of Pavilion Bukit Jalil.

9.4 Included in other payables and accrued expenses are the following amounts due to:

	2025 RM'000	2024 RM'000
The Manager	9,732	8,547
Trustee	53	47
Urusharta Cemerlang (KL) Sdn. Bhd.	2,380	2,380
	12,165	10,974

Amounts due to the Manager and Trustee are unsecured, interest-free and payable monthly in arrears.

Amount due to Urusharta Cemerlang (KL) Sdn. Bhd., a related party (see Note 22), is the balance of purchase price for the acquisition of Elite Pavilion Mall and it is interest free. It is payable upon the electrical sub-station being constructed in accordance with all applicable planning permissions, approvals, and the specifications required by the appropriate authorities.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 10. TOTAL UNITHOLDERS' FUNDS

### 10.1 Unitholders' capital

	2025	2024
	Number of units '000	Number of units '000
Issued and fully paid with no par value		
At 1 January	3,660,689	3,652,338
Manager's management fees paid in units	7,008	8,351
Units issued to fund the acquisition of investment properties	257,143	-
At 31 December	3,924,840	3,660,689
	2025	2024
	RM'000	RM'000
Issued and fully paid with no par value		
At 1 January	3,673,129	3,662,387
Manager's management fees paid in units	10,953	10,705
Units issued to fund the acquisition of investment properties	360,000	-
Expenses incurred for placement exercise	(5,873)	-
Over accrual of expenses incurred for placement exercise in prior year	-	37
At 31 December	4,038,209	3,673,129

### 10.2 Unitholdings of substantial unitholders, the Manager and the Manager's Directors

The Manager was issued units in Pavilion REIT as part of the settlement of Manager's management fees, details of which are as follows:

	Number of units '000	Amount RM'000
<b>2025</b>		
Issued at:		
i) RM1.4838 per unit for entitlement for the 6 months ended 31 December 2024	3,701	5,492
ii) RM1.6512 per unit for entitlement for the 6 months ended 30 June 2025	3,307	5,461
Total Manager's fees paid in units and RM	7,008	10,953

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 10. TOTAL UNITHOLDERS' FUNDS (cont'd)

### 10.2 Unitholdings of substantial unitholders, the Manager and the Manager's Directors (cont'd)

	Number of units '000	Amount RM'000
<b>2024</b>		
Issued at:		
i) RM1.2035 per unit for entitlement for the 6 months ended 31 December 2023	4,510	5,428
ii) RM1.3740 per unit for entitlement for the 6 months ended 30 June 2024	3,841	5,277
<b>Total Manager's fees paid in units and RM</b>	<b>8,351</b>	<b>10,705</b>

Pavilion REIT's substantial unitholders, the Manager and the Manager's Directors' unitholdings in Pavilion REIT are as follows:

	2025		2024	
	Number of units '000	Market value RM'000	Number of units '000	Market value RM'000
<i>Pavilion REIT's substantial unitholders' direct unitholdings in Pavilion REIT:</i>				
Qatar Holding LLC	1,008,900	1,826,109	1,008,900	1,563,795
Tan Sri Lim Siew Choon	845,425	1,530,219	845,425	1,310,409
Puan Sri Tan Kewi Yong	281,875	510,194	281,875	436,906
Employees Provident Fund Board	475,701	861,019	453,214	702,482
Kumpulan Wang Persaraan (Diperbadankan)	230,551	417,297	210,613	326,450
<i>The Manager's unitholdings in Pavilion REIT</i>	<b>5,038</b>	<b>9,119</b>	<b>3,030</b>	<b>4,697</b>
<i>The Manager's Directors' direct unitholdings in Pavilion REIT:</i>				
Tan Sri Lim Siew Choon	845,425	1,530,219	845,425	1,310,409
Puan Sri Tan Kewi Yong	281,875	510,194	281,875	436,906
Dato' Lee Tuck Fook	100	181	100	155
Navid Chamdia	100	181	100	155

Note:

The market value of the units was computed based on the closing market price as at 31 December 2025 of RM1.81 (2024: RM1.55).

# NOTES TO THE FINANCIAL STATEMENTS

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## 11. REVENUE FROM CONTRACT CUSTOMERS

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Advertisement	Revenue is recognised over time when services are delivered.	Credit period ranging from 30 to 90 days from invoice date.
Electricity		Credit period of 30 days from invoice date.

Included in revenue from contract customer is advertisement revenue of approximately RM38,682,000 (2024: RM28,907,000).

Pavilion REIT applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

## 12. MANAGER'S MANAGEMENT FEES

	2025 RM'000	2024 RM'000
Base fee	28,800	27,393
Performance fee	17,036	15,683
	45,836	43,076
Acquisition fee	4,800	-

During the financial year, the Manager received a base fee of 0.3% (2024: 0.3%) per annum of the Total Asset Value of Pavilion REIT, a performance fee of 3.0% (2024: 3.0%) per annum of Net Property Income.

Acquisition fee of 1% of transaction value in relation to the acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur was capitalised as part of the acquisition cost of investment properties as disclosed in Note 4.

Manager's management fees payable in units amounts to RM11,459,000 (2024: RM10,769,000) which represents 25% (2024: 25%) of the total manager's management fees payable.

## 13. BORROWING COSTS

	2025 RM'000	2024 RM'000
Interest expense	171,820	179,611
Amortisation of transaction costs	1,762	2,529
	173,582	182,140

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 14. Tax expense

### 14.1 Reconciliation of tax expense

	2025 RM'000	2024 RM'000
Income before taxation	466,913	409,918
Income tax using Malaysian tax rate of 24% (2024: 24%)	112,059	98,380
Non-deductible expenses	9,765	7,687
Non-taxable income	(29,434)	(27,536)
Effect of income exempted from tax	(92,390)	(78,531)
	-	-

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 proposed to distribute at least 90% of its total income (as defined in the Act) to its unitholders for the financial year ended 31 December 2025, no provision for taxation has been made for the current year.

### 14.2 Material accounting policy information

Where investment properties are carried at their fair values, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

### 14.3 Significant judgement

In the assessment of provision of deferred tax assets and liabilities on the fair value gain or loss arising from investment properties, the Manager considers the business model and the objective of Pavilion REIT. No deferred tax assets or liabilities are recognised because Pavilion REIT is expected to consume substantially all economic benefits through generation of rental income and these income will be subjected to income tax at prevailing rate. However, since Pavilion REIT intends to continue to distribute more than 90% of its total income (as defined in the Act), the expected tax rate levied will be zero.

## 15. EARNINGS PER UNIT - BASIC AND DILUTED

The calculation of earnings per unit is based on income after taxation attributable to unitholders for the year of RM466,913,000 (2024: RM409,918,000) divided by the weighted average number of units in circulation during the year of 3,802,444,999 (2024: 3,657,857,342).

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. DISTRIBUTION TO UNITHOLDERS

Distribution to unitholders is from the following sources:

	2025 RM'000	2024 RM'000
Rental income	811,271	766,945
Revenue from contract customers	55,021	43,925
Other income	35,193	34,996
Net fair value changes on investment properties	107,402	99,938
Interest income	15,241	14,796
	1,024,128	960,600
Less: Total expenses	(557,215)	(550,682)
	466,913	409,918
Distribution adjustments	(86,573)	(68,233)
Distributable income	380,340	341,685
Final distribution paid (2024/2023)	176,079	168,007
Interim distribution paid (2025/2024)	182,943	165,655
Distribution to unitholders	359,022	333,662
	<b>2025</b>	<b>2024</b>
Interim distribution per unit (sen)	4.97	4.53
Final distribution per unit (sen)	5.03*	4.81
Net distribution per unit** (sen)	10.00	9.34

\* The final distributable income for the 6 months ended 31 December 2025 is proposed to be 5.03 sen per unit or RM197.4 million to be payable on 27 February 2026.

\*\* Withholding tax will be deducted for distributions made to certain categories of unitholders.

Pursuant to Section 109D(2) of the Income Tax Act, 1967, distribution out from income exempted under Section 61A by a listed REIT to its unitholders other than a resident company attracts withholding tax at the rate of 24% or 10%, depending on the profile of the unitholders.

The withholding tax rate of 10% applies until the Year of Assessment ("YA") 2025. In the absence of any provision for extension of such concession being legislated, the tax treatment applicable to the unitholders would be as follows:

Category of unitholder	Tax treatment (up to YA 2025)	Tax treatment (from YA 2026 onwards)
Resident company	Withholding tax under Section 109D does not apply. Distributions are required to be declared in annual income tax return and are subject to tax at the prevailing tax rate.	Withholding tax under Section 109D does not apply. Distributions are required to be declared in annual income tax return and are subject to tax at the prevailing tax rate.
Non-resident company	Withholding tax at 24%.	Withholding tax at 24%.
Unitholders other than company	Withholding tax at 10%.	No longer subject to withholding tax under Section 109D. Distributions are required to be declared in annual income tax return and are subject to tax at the prevailing tax rate applicable to the respective unitholder.

The above is subject to any legislative updates, future clarification or directive issued by the Ministry of Finance and/or the Inland Revenue Board of Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 17. MANAGEMENT EXPENSE RATIO

	2025	2024
Management expense ratio ("MER") (%)	0.91	0.91

The calculation of the MER is based on the total fees of Pavilion REIT incurred during the year, including manager's management fees, trustee's fees, valuation fee and other trust expenses, to the net asset value as at year end.

Comparison of the MER of Pavilion REIT with other real estate investment trusts which uses different basis of calculation may not be an accurate comparison.

## 18. OPERATING SEGMENTS

Pavilion REIT has three reportable segments, Retail, Office and Hotel. Although the respective malls are separate operating segments, these operating segments are aggregated to form a single reportable segment as Retail due to the similar nature and economic characteristics of malls. Likewise, the respective hotels are aggregated to form a single reportable segment as Hotel due to the similar nature and economic characteristics of hotels.

For each of the segment, the Manager of Pavilion REIT's Chief Executive Officer reviews internal management reports regularly.

Performance is measured based on segment net property income as management believes that such information is the most relevant in evaluating the results of the segments.

The total of segment asset/liability is measured based on all assets/liabilities of a segment, as included in internal management reports that are reviewed by the Manager's Chief Executive Officer.

	Retail RM'000	Office RM'000	Hotel RM'000	Total RM'000
<b>For the year ended 31 December 2025</b>				
<b>Segment profit</b>	547,543	3,227	17,121	567,891
<i>Included in the measure of segment profit are:</i>				
Gross revenue	873,250	9,804	18,431	901,485
Property expenses	325,707	6,577	1,310	333,594
Net measurement of impairment loss	5,635	(207)	-	5,428
<b>At 31 December 2025</b>				
<b>Segment assets and liabilities</b>				
Segment assets	9,106,124	131,229	490,948	9,728,301
Segment liabilities	4,164,642	31,964	127,786	4,324,392
<b>For the year ended 31 December 2025</b>				
<i>Included in the measure of segment assets and liabilities are:</i>				
Additions to non-current assets	2,434	-	497,598	500,032
Net fair value changes to non-current assets	115,000	-	(7,598)	107,402

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 18. OPERATING SEGMENTS (cont'd)

	Retail RM'000	Office RM'000	Total RM'000
<b>For the year ended 31 December 2024</b>			
<b>Segment profit</b>	520,743	2,022	522,765
<i>Included in the measure of segment profit are:</i>			
Gross revenue	836,358	9,508	845,866
Property expenses	315,615	7,486	323,101
Net measurement of impairment loss	4,913	221	5,134
<b>At 31 December 2024</b>			
<b>Segment assets and liabilities</b>			
Segment assets	8,902,250	131,209	9,033,459
Segment liabilities	4,071,947	31,948	4,103,895
<b>For the year ended 31 December 2024</b>			
<i>Included in the measure of segment assets and liabilities are:</i>			
Additions to non-current assets	73	-	73
Net fair value changes to non-current assets	99,938	-	99,938
<b>Reconciliation of reportable segment profit</b>			
		<b>2025 RM'000</b>	<b>2024 RM'000</b>
Total profit for reportable segments		567,891	522,765
Net fair value changes on investment properties		107,402	99,938
Interest income		15,241	14,796
Trust expenses		(50,039)	(45,441)
Borrowing costs		(173,582)	(182,140)
Income before taxation		466,913	409,918
Taxation		-	-
Income after taxation		466,913	409,918

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 18. OPERATING SEGMENTS (cont'd)

### Reconciliation of reportable segment assets and liabilities

	Segment assets RM'000	Segment liabilities RM'000
<b>2025</b>		
Total reportable segments	9,728,301	(4,324,392)
Other non-allocated assets/(liabilities)	100,252	(12,726)
<b>Total assets/(liabilities)</b>	<b>9,828,553</b>	<b>(4,337,118)</b>
<b>2024</b>		
Total reportable segments	9,033,459	(4,103,895)
Other non-allocated assets/(liabilities)	97,395	(8,495)
<b>Total assets/(liabilities)</b>	<b>9,130,854</b>	<b>(4,112,390)</b>

### Geographical information

No geographical information has been prepared as all the investment properties of Pavilion REIT are located in Malaysia.

## 19. FINANCIAL INSTRUMENTS

### 19.1 Categories of financial instruments

	Carrying amounts RM'000	Amortised cost RM'000
<b>2025</b>		
<b>Financial assets</b>		
Receivables and deposits	47,005	47,005
Pledged deposits with licensed banks	100,252	100,252
Cash and cash equivalents	565,296	565,296
	<b>712,553</b>	<b>712,553</b>
<b>Financial liabilities</b>		
Payables and accruals	(375,521)	(375,521)
Borrowings	(3,936,528)	(3,936,528)
	<b>(4,312,049)</b>	<b>(4,312,049)</b>
<b>2024</b>		
<b>Financial assets</b>		
Receivables and deposits	45,042	45,042
Pledged deposits with licensed banks	97,395	97,395
Cash and cash equivalents	473,861	473,861
	<b>616,298</b>	<b>616,298</b>
<b>Financial liabilities</b>		
Payables and accruals	(719,731)	(719,731)
Borrowings	(3,392,659)	(3,392,659)
	<b>(4,112,390)</b>	<b>(4,112,390)</b>

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 19. FINANCIAL INSTRUMENTS (cont'd)

### 19.2 Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net gains/(losses) on:		
Financial assets at amortised cost	9,813	9,662
Financial liabilities at amortised cost	(173,582)	(182,140)
	(163,769)	(172,478)

### 19.3 Financial risks management

Pavilion REIT has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### 19.4 Credit risk

Credit risk is the risk of a financial loss to Pavilion REIT if the tenants or counterparty to a financial instrument fails to meet its contractual obligations. Pavilion REIT's exposure to credit risk arises principally from trade and other receivables and cash and cash equivalents. Pavilion REIT performs ongoing credit evaluation of its tenants and generally does not require collateral other than tenants' deposits.

At the end of the financial year, the maximum exposure to credit risk arising from financial assets are represented by the carrying amount of financial assets in the statement of financial position.

#### Receivables

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

There are no significant changes as compared to the previous year.

*Exposure to credit risk and credit quality*

As at the end of the financial year, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amount in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Pavilion REIT manages credit risk using credit verification process to ensure credit worthiness and good credit standing before tenancy agreements are entered into with tenants or credit granted to counter parties together with constant monitoring of any outstanding balances to ensure minimum credit risk exposure.

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. FINANCIAL INSTRUMENTS (cont'd)

### 19.4 Credit risk (cont'd)

#### Receivables (cont'd)

##### Impairment losses

The following table provides information about the exposure to credit risk and expected credit losses for receivables as at 31 December 2025.

	Gross - carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
<b>2025</b>			
Not past due	12,854	-	12,854
Past due	61,136	(30,589)	30,547
	73,990	(30,589)	43,401
<b>2024</b>			
Not past due	9,108	-	9,108
Past due	58,574	(33,651)	24,923
	67,682	(33,651)	34,031

The movements in the allowance for impairment losses of receivables during the financial year were:

	2025 RM'000	2024 RM'000
<b>Balance at 1 January</b>	33,651	29,057
Amount written off	(8,490)	(540)
Net remeasurement of loss allowance	5,428	5,134
<b>Balance as at 31 December</b>	30,589	33,651

The allowance account in respect of trade receivables is used to record impairment losses. Unless Pavilion REIT is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

#### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amount in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, Pavilion REIT are of the view that the loss allowance is not material, hence, no allowance is necessary.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 19. FINANCIAL INSTRUMENTS (cont'd)

### 19.5 Liquidity risk

Liquidity risk is the risk that Pavilion REIT will not be able to meet its financial obligations as they fall due. Pavilion REIT's exposure to liquidity risk arises principally from its various payables and borrowings.

The Manager maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance Pavilion REIT's operations, to distribute income to unitholders, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Listed Real Estate Investment Trusts concerning limits on total borrowings financing.

#### *Maturity analysis*

The table below summarises the maturity profile of Pavilion REIT's financial liabilities as at the end of the financial year based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate%	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<b>2025</b>						
<b>Financial liabilities</b>						
Borrowings	3,936,528	3.70 - 4.73	4,318,565	1,228,546	973,096	2,116,923
Payables and accruals	400,590	-	400,590	305,439	46,176	48,975
	4,337,118		4,719,155	1,533,985	1,019,272	2,165,898
<b>2024</b>						
<b>Financial liabilities</b>						
Borrowings	3,392,659	4.20 - 5.09	3,811,697	238,701	1,233,775	2,339,221
Payables and accruals	398,625	4.70	406,054	406,054	-	-
Payables and accruals	321,106	-	321,106	235,798	45,202	40,106
	4,112,390		4,538,857	880,553	1,278,977	2,379,327

### 19.6 Market risk

Market risk is the risk that changes in market prices such as interest rates that will affect Pavilion REIT's financial position or cash flows.

#### 19.6.1 Interest rate risk

Pavilion REIT's exposure to changes in interest rates relates principally to interest-earning financial assets and interest-bearing financial liabilities.

#### *Risk management objectives, policies and processes for managing the risk*

Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The interest rate risks are uncertainties resulting from the effects of fluctuations in the prevailing level of the market interest rates on its financial position and cash flows. Interest rate risk exposure to Pavilion REIT is in respect of short-term deposits and borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 19. FINANCIAL INSTRUMENTS (cont'd)

### 19.6 Market risk (cont'd)

#### 19.6.1 Interest rate risk (cont'd)

##### *Exposure to interest rate risk*

The interest rate profile of Pavilion REIT's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	2025 RM'000	2024 RM'000
<b>Fixed rate instruments</b>		
Financial assets - Deposits placed with licensed banks	205,718	199,916
Financial liabilities - Borrowings	(925,000)	(425,000)
Financial liabilities - Deferred payment	-	(392,572)
	<u>(719,282)</u>	<u>(617,656)</u>
<b>Floating rate instruments</b>		
Financial liabilities - Borrowings	(3,011,528)	(2,967,659)

##### *Interest rate risk sensitivity analysis*

#### (a) *Fair value sensitivity analysis for fixed rate instruments*

Pavilion REIT does not account for any fixed rate financial assets and liabilities at fair value. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss or equity.

#### (b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the financial year would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	100bp increase 2025 RM'000	100bp decrease 2025 RM'000	100bp increase 2024 RM'000	100bp decrease 2024 RM'000
Floating rate instruments	(30,115)	30,115	(29,677)	29,677

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 19. FINANCIAL INSTRUMENTS (cont'd)

### 19.7 Fair value information

The carrying amounts of cash and bank balances, receivables and deposits, payables and accruals approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value.

	Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>2025</b>					
<b>Financial liabilities</b>					
Tenants' deposits	-	-	(175,322)	(175,322)	(181,159)
Borrowings	-	-	(3,616,710)	(3,616,710)	(3,936,528)
	-	-	(3,792,032)	(3,792,032)	(4,117,687)
<b>2024</b>					
<b>Financial liabilities</b>					
Tenants' deposits	-	-	(168,420)	(168,420)	(174,144)
Borrowings	-	-	(3,345,714)	(3,345,714)	(3,392,659)
Other payables-deferred payment	-	-	(400,000)	(400,000)	(392,572)
	-	-	(3,914,134)	(3,914,134)	(3,959,375)

### Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3.

#### *Financial instruments not carried at fair value*

Type	Description of valuation technique and inputs used
Tenants' deposits, borrowings	Discounted cash flows using a rate based on the current market rate of borrowing of Pavilion REIT at the reporting date.

The discount rates used above have incorporated credit risk of Pavilion REIT and liquidity risk of the instruments. The inputs for these risks are unobservable because there are no identical or similar instruments to benchmark to.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 20. CAPITAL MANAGEMENT

Pavilion REIT's objectives when managing capital is to provide unitholders with regular and stable distributions and achieve long-term growth in NAV per unit, while maintaining an appropriate capital structure.

Pavilion REIT's capital is represented by its unitholders' fund in the statement of financial position. The capital requirements imposed on Pavilion REIT is to ensure it maintains a healthy gearing/borrowings ratio of maximum 50% and meets the minimum interest coverage ratio which is an effective indicator of its financial strengths in addition to complying with the financial covenants prescribed by financial institutions as stated in the Facility Agreements. The Directors of the Manager will monitor and are determined to maintain an optimal gearing/borrowings ratio that will provide an ideal debt equity ratio that also complies with regulatory requirements.

As at 31 December 2025, Pavilion REIT recorded a gearing/borrowings ratio of 40.1% (2024: 41.5%) and interest coverage ratio in excess of the minimum requirement (2024: in excess of the minimum requirement). The calculation of the gearing/borrowings ratio and interest coverage ratio is based on the definition stated in the Facility Agreements. Pavilion REIT has not breached the financial covenants.

### Distribution Policy

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of Pavilion REIT's distributable income. It is the intention of the Manager to distribute at least 90.0% of Pavilion REIT's distributable income on a half-yearly basis (or such other interval as determined by the Manager at its absolute discretion).

## 21. CAPITAL COMMITMENTS

Capital expenditure in respect of the following has not been provided for in the financial statements:

	2025 RM'000	2024 RM'000
<b>Capital expenditure commitments</b>		
<b>Investment properties</b>		
<i>Authorised and contracted for:</i>		
- Within one year	393	480,393

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to Pavilion REIT if Pavilion REIT has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Pavilion REIT and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of Pavilion REIT either directly or indirectly. The key management personnel include all the Directors of Pavilion REIT Management Sdn. Bhd. and MTrustee Berhad, and certain members of senior management of Pavilion REIT Management Sdn. Bhd. and MTrustee Berhad.

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

Significant related party transactions, other than those disclosed elsewhere in the financial statements, are as follows:

Companies related to the Manager	Nature of transactions	Transaction value		Balance outstanding	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Pavilion REIT Management Sdn. Bhd.	Rental income and its related charges	482	504	4	4
Malton Berhad Group *	Rental income and its related charges	2,648	2,639	8	5
Regal Path Sdn. Bhd. **	Acquisition of investment property and additional assets	-	-	-	(398,625)
	Purchase of vouchers	-	(700)	-	-
Lumayan Indah Sdn. Bhd. ∞	Procurement of hotel related services	-	(34)	-	-
	Acquisition of investment property	(140,000)	-	-	-
Impian Ekspresi Sdn. Bhd. †	Rental income and its related charges	834	830	2	3
Kuala Lumpur Pavilion Sdn. Bhd. ^	Expenses of MRT station naming rights fee and its related charges	(1,350)	(1,250)	-	-
Urusharta Cemerlang (KL) Sdn. Bhd. Δ	Reimbursement of electricity supply to Pavilion Suites	-	1,650	-	(9)
	Reimbursement of shared common cost	-	-	(13)	(13)
Harmoni Perkasa Sdn. Bhd. α	Reimbursement of electricity supply to Pavilion Hotel	4,214	4,723	273	373
	Procurement of hotel related services	(679)	(358)	(135)	-
	Acquisition of investment property	(340,000)	-	-	-
	Rental income and its related charges	33,500	-	-	-
Pavilion Management (DTC) Sdn. Bhd. ρ	Rental income and its related charges	338	295	2	1
Makna Mujur Sdn. Bhd. Ω	Rental expense and its related charges	(64)	(52)	-	-
IE Utilities Sdn. Bhd. ×	Rental expense and its related charges	13	-	-	-
Champion Vista Sdn. Bhd. °	Rental expense and its related charges	361	-	23	-

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

The above transactions have been entered into in the normal course of business and have been established based on negotiated terms and conditions.

The above parties are deemed related as follows:

- \* Malton Berhad Group is deemed a related party to the Manager by virtue of the directorships and equity interests of Tan Sri Lim Siew Choon and his spouse, Puan Sri Tan Kewi Yong, in Malton Berhad.
- \*\* Regal Path Sdn. Bhd. is deemed a party related to the Manager by virtue of the directorship and interest of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong, his spouse, in Malton Berhad.
- ∞ Lumayan Indah Sdn. Bhd. is deemed a related party to the Manager by virtue of:
  - the equity interest of Tan Sri Lim Siew Choon in the ultimate holding company of Lumayan Indah Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse.
  - Qatar Holding LLC being an ultimate shareholder of Lumayan Indah Sdn. Bhd.. Ahmad Mohammed F Q Al-Khanji, Navid Chamdia, and Abdul Rahim Bin Mohamed Ali are directors nominated by Qatar Holding LLC on the Board of Lumayan Indah Sdn. Bhd.. Tan Sri Lim Siew Choon is deemed interested in LISB through his interest in the ultimate holding company and Puan Sri Tan Kewi Yong is his spouse.
- ◇ Impian Ekspresi Sdn. Bhd. is deemed a related party to the Manager by virtue of the directorship of Tan Sri Lim Siew Choon in Impian Ekspresi Sdn. Bhd., and his directorship and equity interest in the ultimate holding company of Impian Ekspresi Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse.
- ^ Kuala Lumpur Pavilion Sdn. Bhd. is deemed a related party to the Manager by virtue of the directorships of Puan Sri Tan Kewi Yong and Dato' Lee Tuck Fook in Kuala Lumpur Pavilion Sdn. Bhd., and Puan Sri Tan Kewi Yong being the sole shareholder of Kuala Lumpur Pavilion Sdn. Bhd..
- Δ Urusharta Cemerlang (KL) Sdn. Bhd. is deemed a related party to the Manager by virtue of:
  - the directorships and equity interests of Tan Sri Lim Siew Choon in the ultimate holding company of Urusharta Cemerlang (KL) Sdn. Bhd., and the directorship of Tan Sri Lim Siew Choon in Urusharta Cemerlang (KL) Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse.
  - Qatar Holding LLC being an ultimate shareholder of Urusharta Cemerlang (KL) Sdn. Bhd.. Ahmad Mohammed F Q Al-Khanji, Navid Chamdia; and Abdul Rahim Bin Mohamed Ali are directors nominated by Qatar Holding LLC on the Board of Urusharta Cemerlang (KL) Sdn. Bhd..
- α Harmoni Perkasa Sdn. Bhd. is deemed a related party to the Manager by virtue of:
  - the directorships and equity interests of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong in the ultimate holding company of Harmoni Perkasa Sdn. Bhd., and the directorships of Puan Sri Tan Kewi Yong and Dato' Lee Tuck Fook in Harmoni Perkasa Sdn. Bhd.. Lim Shoo Wenn, the daughter of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong, is also a director of Harmoni Perkasa Sdn. Bhd..
  - Qatar Holding LLC being an ultimate shareholder of Harmoni Perkasa Sdn. Bhd.. Ahmad Mohammed F Q Al-Khanji and Navid Chamdia are amongst the directors nominated by Qatar Holding LLC on the Board of Harmoni Perkasa Sdn. Bhd..
- Pavilion Management (DTC) Sdn. Bhd. is deemed a related party to the Manager by virtue of the directorship of Tan Sri Lim Siew Choon in Pavilion Management (DTC) Sdn. Bhd. and his equity interest in the ultimate holding company of Pavilion Management (DTC) Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse. Lim Shoo Wenn, the daughter of Tan Sri Lim Siew Choon and Puan Sri Tan Kewi Yong, is also a director of Pavilion Management (DTC) Sdn. Bhd..
- Ω Makna Mujur Sdn. Bhd. is deemed a related party to the Manager by virtue of:
  - Tan Sri Lim Siew Choon being an ultimate shareholder of Makna Mujur Sdn. Bhd., and the directorships of Tan Sri Lim Siew Choon and Dato' Lee Tuck Fook in Makna Mujur Sdn. Bhd., Puan Sri Tan Kewi Yong is the spouse of Tan Sri Lim Siew Choon.
  - Qatar Holding LLC being the ultimate holding company of Makna Mujur Sdn. Bhd.. Ahmad Mohammed F Q Al-Khanji, Navid Chamdia, and Abdul Rahim Bin Mohamed Ali are amongst the directors nominated by Qatar Holding LLC on the Board of Makna Mujur Sdn. Bhd..

# NOTES TO THE FINANCIAL STATEMENTS

Cont'd

## 22. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

- × IE Utilities Sdn. Bhd. is deemed a related party to the Manager by virtue of the equity interest of Tan Sri Lim Siew Choon in the ultimate holding company of IE Utilities Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse.
- ° Champion Vista Sdn. Bhd. is deemed a related party to the Manager by virtue of:
  - the directorship and equity interest of Tan Sri Lim Siew Choon in the ultimate holding company of Champion Vista Sdn. Bhd.. Puan Sri Tan Kewi Yong is his spouse.
  - the directorship of Dato' Lee Tuck Fook in Champion Vista Sdn. Bhd., its immediate and ultimate holding companies.

## 23. SIGNIFICANT EVENT

The acquisition of Pavilion Bukit Jalil was completed on 1 June 2023. As the targeted Net Property Income ("NPI") was not achieved by the NPI Determination Period, Knight Frank Malaysia Sdn. Bhd., the appointed valuer, confirmed the property valuation as at 30 May 2025 at RM2.21 billion, which is the same valuation used for acquisition and as at 31 December 2024. Accordingly, the balance purchase consideration of RM400 million was duly paid to Regal Path Sdn. Bhd. on 29 August 2025, representing the full and final settlement for the acquisition of Pavilion Bukit Jalil.

On 5 December 2024, the Board of Directors of Pavilion REIT Management Sdn. Bhd. ("Board"), the management company of Pavilion REIT ("Manager"), CIMB Investment Bank Berhad ("CIMB") and Maybank Investment Bank Berhad ("Maybank IB") announced that MTrustee Berhad ("Trustee"), acting as the trustee for and on behalf of Pavilion REIT, had on 5 December 2024 entered into conditional sale and purchase agreements for the acquisition of Banyan Tree Kuala Lumpur ("BTKL") from Lumayan Indah Sdn. Bhd. ("LISB") and Pavilion Hotel Kuala Lumpur ("PHKL") from Harmoni Perkasa Sdn. Bhd. ("HPSB") for a total purchase consideration of RM480 million ("Proposed Acquisitions"). LISB and HPSB are related parties of Pavilion REIT due to common directorship in the Manager, as disclosed in Note 22 to the financial statements.

In conjunction with the Proposed Acquisitions, the Board proposed to undertake proposed placements of new units in Pavilion REIT ("Units") to raise gross proceeds of a minimum of RM264 million and a maximum of RM552 million at an issue price to be determined by way of bookbuilding ("Proposed Placement"). The Board also proposed issuance of new Units at an issue price to be determined later to part settle RM246.5 million of the purchase consideration ("Consideration Units"), to LISB and HPSB pursuant to the terms and conditions of the Proposed Acquisitions ("Proposed Issuance of Consideration Units").

The Board also proposed leases of BTKL and PHKL to HPSB ("Proposed Leases").

The Proposed Acquisitions, the Proposed Placement, the Proposed Issuance of Consideration Units, the Proposed Placement to EPF and the Proposed Leases were approved by the unitholders of Pavilion REIT at the Unitholders' Meeting held on 7 May 2025. All the conditions precedent as set out in the SPAs were fulfilled. Accordingly, the SPAs became unconditional as of 7 May 2025.

The Proposed Placement was completed on 20 June 2025 following the listing of and quotation for 257,142,800 Placement Units on the Main Market of Bursa Securities at the Placement Issue Price of RM1.40 per Unit. Following this, and upon full settlement of the Net Purchase Consideration, the Proposed Acquisitions were completed on 20 June 2025 with commencement of the Proposed Leases on the same day. The acquisition of BTKL and PHKL and the issuance of new units are disclosed in Note 4 and Note 10 to the financial statements, respectively.

# STATEMENT BY THE MANAGER

In the opinion of the Directors of the Manager, the financial statements set out on pages 228 to 261 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board and IFRS Accounting Standards as issued by the International Accounting Standards Board, so as to give a true and fair view of the financial position of Pavilion Real Estate Investment Trust as at 31 December 2025 and of its financial performance and cash flows for the year ended on that date.

For and on behalf of the Manager,  
Pavilion REIT Management Sdn. Bhd.,  
Signed in accordance with a resolution of the Directors of the Manager:

**Tan Sri Lim Siew Choon**  
Director

**Dato' Lee Tuck Fook**  
Director

Kuala Lumpur,

Date: 9 February 2026

# STATUTORY DECLARATION

I, Dato' Lee Tuck Fook, the Director of Pavilion REIT Management Sdn. Bhd. primarily responsible for the financial management of Pavilion Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 228 to 261 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Dato' Lee Tuck Fook, I/C No: 540601-04-5333, MIA CA 3434, at Kuala Lumpur on 9 February 2026.

**Dato' Lee Tuck Fook**

Before me:

Commissioner for Oaths

# TRUSTEE'S REPORT

## to the Unitholders of Pavilion Real Estate Investment Trust (Established in Malaysia)

We have acted as Trustee of Pavilion Real Estate Investment Trust ("Pavilion REIT") for the financial year ended 31 December 2025. In our opinion and to the best of our knowledge, Pavilion REIT Management Sdn. Bhd. ("the Manager") has managed Pavilion REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the First Amended and Restated Trust Deed dated 18 February 2019, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws and other applicable laws during the financial year then ended.

We have ensured the procedures and processes employed by the Manager to value and price the units of Pavilion REIT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared during the financial year ended 31 December 2025 are in line with and are reflective of the objectives of Pavilion REIT. Final income distribution of 5.03 sen per unit has been declared for the financial year ended 31 December 2025 and is payable on 27 February 2026.

For and on behalf of the Trustee,  
MTrustee Berhad

**Nurizan Binti Jalil**  
Chief Executive Officer

Selangor,

Date: 9 February 2026

# INDEPENDENT AUDITORS' REPORT

## to the Unitholders of Pavilion Real Estate Investment Trust (Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Pavilion Real Estate Investment Trust ("Pavilion REIT"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 228 to 261.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Pavilion REIT as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of Pavilion REIT in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are matters that, in our professional judgement, were of most significance in our audit of the financial statements of Pavilion REIT for the current year. These matters were addressed in the context of our audit of the financial statements of Pavilion REIT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### ***Valuation of investment properties***

Pavilion REIT owns a portfolio of investment properties comprising 5 shopping malls, an office block and 2 hotels located in Malaysia. Investment properties represent the single largest category of assets on the statement of financial position.

These investment properties are stated at their fair values, which are estimated by Pavilion REIT Management Sdn. Bhd. ("the Manager") with the assistance of external valuers.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied.

This is a key audit matter because some of the key assumptions are unobservable and hence, required significant judgement from us.

# INDEPENDENT AUDITORS' REPORT

to the Unitholders of Pavilion Real Estate Investment Trust  
(Incorporated in Malaysia)  
Cont'd

## Key Audit Matters (cont'd)

### *Valuation of investment properties (cont'd)*

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- assessed the Manager's processes for the selection of the external valuers and the determination of the scope of work of the valuers.
- read the valuation reports issued by the external valuers.
- considered the qualifications and competencies of the external valuers.
- compared the valuation methodologies used by the external valuers against those applied by other external valuers for similar types of property.
- test checked the data provided to external valuers to lease agreements.
- challenged the capitalisation rates used in the valuation by comparing them against historical rates and other internal and external sources.
- considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of Pavilion REIT is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of Pavilion REIT and our auditors' report thereon.

Our opinion on the financial statements of Pavilion REIT does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of Pavilion REIT, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of Pavilion REIT or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Manager for the Financial Statements of Pavilion REIT

The Manager of Pavilion REIT is responsible for the preparation of financial statements of Pavilion REIT that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of Pavilion REIT that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of Pavilion REIT, the Manager is responsible for assessing the ability of Pavilion REIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate Pavilion REIT or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT

## to the Unitholders of Pavilion Real Estate Investment Trust (Incorporated in Malaysia)

Cont'd

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of Pavilion REIT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of Pavilion REIT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Pavilion REIT.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Pavilion REIT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of Pavilion REIT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Pavilion REIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of Pavilion REIT, including the disclosures, and whether the financial statements of Pavilion REIT represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within Pavilion REIT as a basis for forming an opinion on the financial statements of Pavilion REIT. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of Pavilion REIT for the current year and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITORS' REPORT

to the Unitholders of Pavilion Real Estate Investment Trust  
(Incorporated in Malaysia)  
Cont'd

## OTHER MATTER

This report is made solely to the unitholders of Pavilion REIT, as a body, in accordance with the trust deed of Pavilion REIT and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 9 February 2026

**Thong Foo Vung**  
Approval Number: 02867/08/2026 J  
Chartered Accountant



Section 8:  
**ADDITIONAL  
INFORMATION**

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## ANALYSIS OF UNITHOLDINGS

## DISTRIBUTION OF UNITHOLDINGS AS AT 27 FEBRUARY 2026

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units	% of Unitholding
Less than 100	249	1.14	4,297	0.00
100 – 1,000	7,180	32.90	3,816,055	0.10
1,001 – 10,000	10,457	47.91	46,367,084	1.18
10,001 – 100,000	3,337	15.29	102,208,517	2.60
100,001 to less than 5% of issued units	598	2.74	1,403,090,684	35.72
5% and above of issued units	4	0.02	2,372,471,772	60.40
<b>Total</b>	<b>21,825</b>	<b>100</b>	<b>3,927,958,409</b>	<b>100.00</b>

## THIRTY LARGEST UNITHOLDERS AS PER RECORD OF DEPOSITORS AS AT 27 FEBRUARY 2026

No.	Name of Unitholders	No. of Units	%
1.	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)</i>	1,009,397,000	25.70
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM SIEW CHOON (MTRUSTEE BERHAD) (462190)</i>	690,325,000	17.57
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	390,974,772	9.95
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KEWI YONG (MTRUSTEE BERHAD) (462191)</i>	281,775,000	7.17
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	171,294,800	4.36
6.	AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LIM SIEW CHOON</i>	155,000,000	3.95
7.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM BUMIPUTERA</i>	106,235,000	2.70
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)</i>	52,179,200	1.33
9.	PERMODALAN NASIONAL BERHAD	41,514,800	1.06
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR AIA BHD</i>	28,471,500	0.72
11.	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND</i>	24,594,300	0.63
12.	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND</i>	23,304,600	0.59
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)</i>	23,024,900	0.59
14.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (NP-OTHER-REITS)</i>	21,913,200	0.56
15.	AMANAHRAYA TRUSTEES BERHAD <i>AMANAH SAHAM MALAYSIA 2 – WAWASAN</i>	21,000,000	0.53
16.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF</i>	19,188,600	0.49
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)</i>	19,068,900	0.49
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)</i>	16,850,075	0.43

# ANALYSIS OF UNITHOLDINGS

Cont'd

## THIRTY LARGEST UNITHOLDERS AS PER RECORD OF DEPOSITORS AS AT 27 FEBRUARY 2026 (cont'd)

No.	Name of Unitholders	No. of Units	%
19.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD <i>EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)</i>	16,647,200	0.42
20.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)</i>	16,321,500	0.42
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)</i>	15,605,500	0.40
22.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (LIFE PAR)</i>	14,563,500	0.37
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>AHAM ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCE BERHAD (PAR-220082)</i>	13,674,700	0.35
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)</i>	13,250,000	0.34
25.	LEMBAGA TABUNG ANGKATAN TENTERA	13,167,170	0.34
26.	HSBC NOMINEES (ASING) SDN BHD <i>HSBC-FS G FOR NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF</i>	12,894,400	0.33
27.	HSBC NOMINEES (ASING) SDN BHD <i>JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II</i>	12,559,800	0.32
28.	CIMB COMMERCE TRUSTEE BERHAD <i>PUBLIC FOCUS SELECT FUND</i>	12,303,300	0.31
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)</i>	12,214,800	0.31
30.	CARTABAN NOMINEES (TEMPATAN) SDN BHD <i>PAMB FOR PRULINK EQUITY INCOME FUND</i>	11,899,900	0.30

## MAJOR UNITHOLDERS AS AT 27 FEBRUARY 2026

No.	Name of Unitholders	Direct Interest		Deemed Interest	
		No. of Units	%	No. of Units	%
1.	Qatar Holdings LLC	1,008,900,000	25.69	-	-
2.	Tan Sri Lim Siew Choon	845,425,000	21.52	-	-
3.	Puan Sri Tan Kewi Yong	281,875,000	7.18	-	-
4.	Employees Provident Fund Board	482,338,547	12.28	-	-

## UNITHOLDINGS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER AS AT 27 FEBRUARY 2026

No.	Name of Unitholders	Direct Interest		Deemed Interest	
		No. of Units	%	No. of Units	%
1.	Tan Sri Lim Siew Choon	845,425,000	21.52	-	-
2.	Puan Sri Tan Kewi Yong	281,875,000	7.18	-	-
3.	Dato' Lee Tuck Fook	100,000	*	-	-
4.	Navid Chamdia	100,000	*	-	-
5.	Dato' Philip Ho Yew Hong	125,000	*	-	-

\*: Negligible

# MARKET OVERVIEW

## GENERAL ECONOMIC OVERVIEW 2025 & OUTLOOK FOR 2026

### Economic growth

Malaysia’s economy continued to be resilient in 2025 despite the many challenges that it encountered, in particular having to delicately navigate and negotiate the Liberation Day tariffs imposed by the Trump administration. The country’s GDP grew 5.2% y-o-y in Q3 2025, leading to a 4.7% expansion in the first nine months of the year. Malaysia’s economic growth is projected by Bank Negara Malaysia to touch the upper range of the official 4.0% to 4.8% forecast for 2025 whilst for 2026, it is expected to record a more moderate growth rate of between 4.0% to 4.5%. In Q3 2025, it is also noted that the country recorded a surplus in the services sector for the first time in fourteen years and the current account balance came out positive at 12.2%.

The country’s unemployment rate continues to be at a low 3% rate whilst inflation remains at a stable 1.3% and although the export horizon remains uncertain, the 19% reciprocal tariff rate negotiated with and agreed with the U.S. has provided some degree of certainty, especially as there are 1,711 items which will be exempted from the tariffs. With Visit Malaysia Year kicking in 2026, the country’s tourism sector has seen a strong performance with tourist receipts for the first nine months of 2025 already matching that for full year 2024.

### Investments

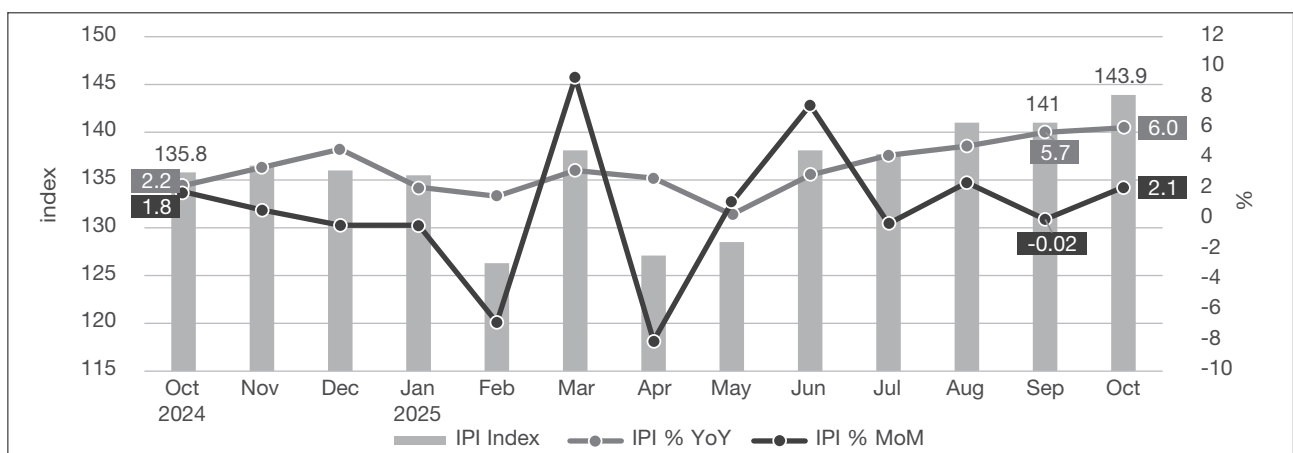
For the first nine months of 2025, Malaysia managed to attract a total of RM 285.2 billion in approved investments, mainly in the manufacturing, services and primary sectors. This is made up of RM 150.8 billion (52.9%) in Foreign Direct Investments (FDIs) and RM 134.4 billion (47.1%) in Domestic Direct Investments (DDIs). There was a net inflow of FDIs into the country amounting to RM 8.5 billion in the third quarter of 2025, up from RM 1.6 billion in Q2 2025, supported by larger equity injections. Johor received the highest amount of investments at RM 91.1 billion followed by Selangor at RM 51.9 billion, Wilayah Persekutuan at RM 45.9 billion and Penang at RM 23.7 billion.

### Trade

Malaysia’s trade performance continued to be positive, with overall trade in the first nine months of 2025 growing by 9.8% y-o-y to RM 257.51 billion. Exports in September rose by 12.2% y-o-y to RM 138.68 billion, the second highest export value posted this year. Meanwhile, imports went up by 7.3% to RM 118.82 billion, leading to the country recording a trade surplus of RM19.86 billion, a 54.7% growth y-o-y and the 65th consecutive month of surplus since May 2020. All major export markets recorded positive growths: Asean (+19.2%), U.S. (+14.5%), China (+12%) and Europe (+8.6%). Major exports from Malaysia were E&E products (47% share), petroleum products (6.3%), palm oil and palm oil based products (5.4%), machinery, equipment and parts (4.6%) and optical and scientific products (4.1%). (Source: MIDA)

### Industrial Production Index

#### Malaysia Industrial Production Index Jan – Oct 2025



Source: DOSM



# MARKET OVERVIEW

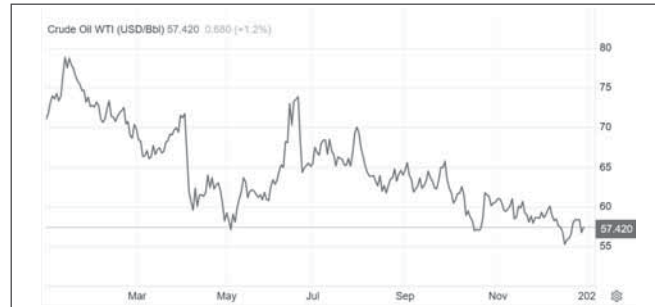
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Malaysia's Industrial Production Index (IPI) grew by 6% in October 2025, up from 5.7% recorded in the preceding month. Manufacturing output led the way, with an increase of 6.5% followed by mining with a rise of 5.8%. The IPI stood at 143.9 points as at October 2025 compared to 135.8 points a year ago, a rise of 8.1 points or close to a 6% jump.

## Crude oil prices

WTI crude oil prices fell from US\$ 68.98 as at 18 November 2024 to US\$ 59.66 exactly a year later, down significantly from its peak of US\$ 123.64 as at 8 March 2022 but still higher than the US\$ 41.64 recorded as at 18 November 2021. The price then fluctuated but settled at US\$ 57.90 as at 31 December 2025. Malaysia, being a net exporter of crude oil will certainly be affected by the lower revenues earned from crude oil exports but stand to benefit economically from any improvement in prices.

## WTI crude oil price movement Dec 2024 to Dec 2025

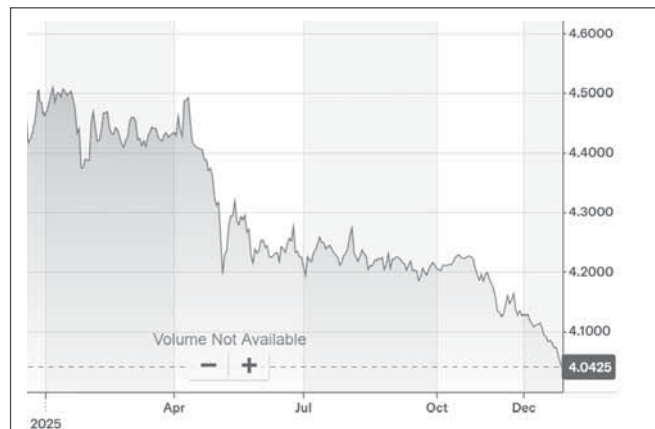


Source: Trading Economics

## Performance of Malaysian Ringgit

After earning the dubious honour of being the worst performing currency in Asia in 2023, the Malaysian Ringgit rebounded and managed to become the best performing currency in the world in August 2024 and has since continued its improvement against most major currencies, buoyed by several key drivers. The Ringgit is nearing a four year high and has emerged as the best performing currency in Asia in 2025. According to a report in the Star on 17 November 2025, a number of economists and foreign exchange strategists have projected the US Federal Reserve to slash its benchmark rates by next year, which would then propel the Malaysian Ringgit to rise further against the US Dollar. In addition, economists noted that Malaysia's strong economy and ongoing fiscal consolidation by the government are other drivers that would help to strengthen the local currency against the US Dollar moving into 2026. This will also provide Bank Negara Malaysia (BNM) the leeway to keep the overnight policy rate (OPR) steady in 2026. Nevertheless, the stronger Ringgit may affect Malaysia's exports as it may make them less competitive and may also deter foreign visitors as the country will be seen as being less competitive compared to other regional peers.

## Performance of MYR (Jan - Dec 2025)



Source: Yahoo Finance

## Stock market performance

From a starting point of 1,632 points on 2 January 2025, the FBM KLCI plummeted to a low of 1,400 points on 9 April 2025, in the aftermath of the Trump administration's announcement of the Liberation Day tariffs on 2 April 2025. When countries including Malaysia began negotiations with the US trade team, the KLCI gradually recovered and picked up steam, peaking at 1,637 points on 2 October and closing at 1,681 points on 31 December 2025. With an agreement reached between Malaysia and US and backed by a stable economy, the Malaysian stock market is expected to remain in positive territory.

# MARKET OVERVIEW

Cont'd

## Political situation

Despite facing some challenges, the Malaysian political situation appeared to be quite stable with the Madani government having lasted longer than the previous three administrations post GE15 and is expected to complete its full term before going into GE16. The holding onto power of the GRS-PH government in Sabah in the recent state elections has provided the Madani Federal Government some respite from various negative developments including the call by politicians from both sides of the political divide in Sabah for the federal government to honour its pledge to return 40% of income generated back to the state. The political stability augurs well for the country's growth and economic prosperity.

Performance of FBM-KLCI (Jan – Dec 2025)



Source: Yahoo Finance

## Overnight Policy Rate (OPR)

Bank Negara Malaysia has lowered the OPR to 2.75% on 9 July 2025 after having maintained the interest rate at 3.00% since the last increase in May 2023. This is positive for businesses and supportive of economic growth for the country.

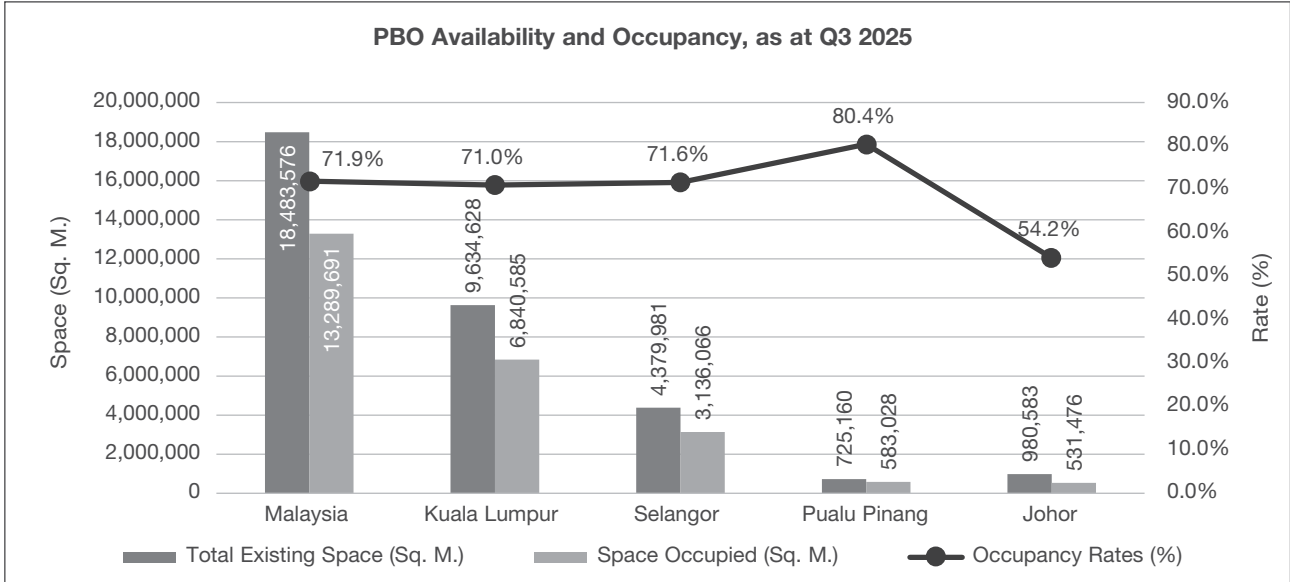
## Office sector

### National supply & occupancy rates

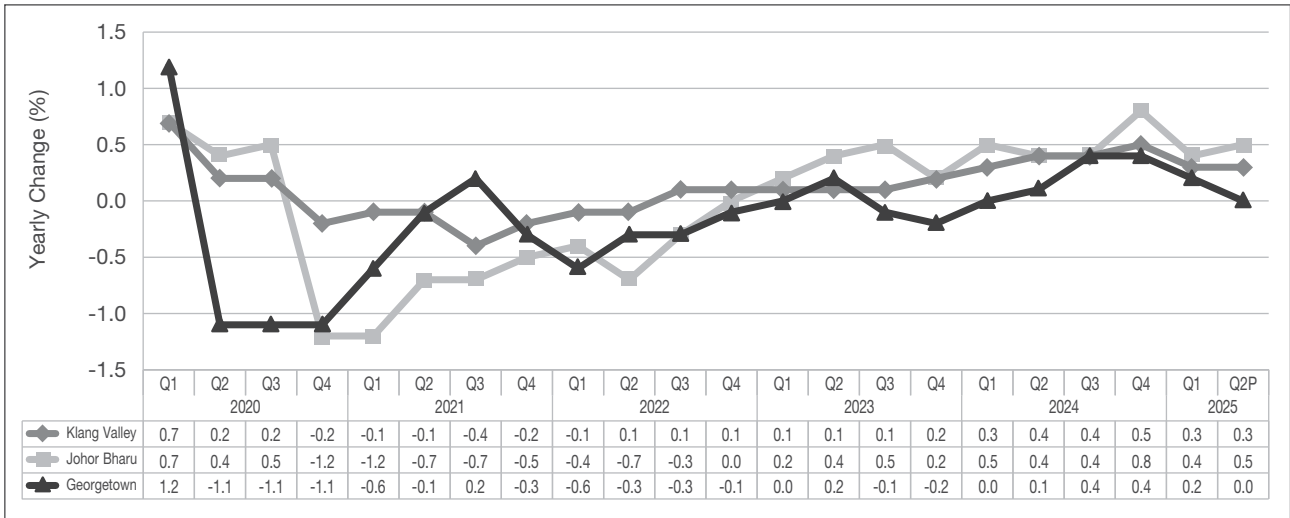
The total supply of privately-owned, purpose-built offices (PBOs) in the country stood at 18.48 million sq m as at Q3 2025, down slightly from the 18.83 million sq m recorded in Q3 2024 whilst the occupancy rate was recorded at 71.9%, about the same as the corresponding period a year ago (71.7%). As the supply and demand dynamics of each state are different, the performances of the office sector of each state vary depending on the supply and demand situation of each state. The outlook for the office sector will be mixed, with states like Trengganu, Perak, Negri Sembilan and Penang which do not have many new PBOs being built expected to continue to enjoy stable occupancy and rental rates whilst Kuala Lumpur and Selangor which will see a substantial increase in supply of new offices over the next few years will face increasing pressure on occupancy and rental rates.

# MARKET OVERVIEW

Cont'd



Source: PMR, JPPH



Source: PMR, JPPH

## Office market for Klang Valley

### Existing & incoming supply

The supply of privately owned PBOs in Kuala Lumpur remained at 9.6 million sq m as at Q3 2025 of which approximately 7.5 million sq m or about 78% of the total space available is located within the city centre. Selangor meanwhile also maintained its supply of PBOs at 4.4 million sq m.



# MARKET OVERVIEW

Cont'd

## Total supply & occupancy rates of PBOs in KL & Selangor (as at Q3 2025)

Location	No. of Buildings	Total Space (Sq. M)	Total Space Occupied (Sq. M.)	% Occupancy
KL - City Centre	307	7,520,873	5,422,970	72.1
KL - Outside City Centre	112	2,113,755	1,421,950	67.3
<b>Total</b>	<b>419</b>	<b>9,634,628</b>	<b>6,844,920</b>	<b>71.0</b>
Selangor	255	4,379,980	3,135,300	71.6

Source: Naptic

The supply of PBOs in Kuala Lumpur will continue to grow as the official statistics from Naptic show that about 58,000 sq m of office space is due for completion as at Q3 2025 whilst there is an expected incoming supply of 823,000 sq m, concentrated mainly within the city centre. Selangor will have a much lower incoming supply, with 90,000 sq m due for completion and another 33,000 sq m of space under construction or in planning stage.

## Future supply of PBOs in KL & Selangor (as at Q3 2025)

Location/Status	No. of Buildings	Total Space (Sq. M)
<b>KL – Completion</b>		
City Centre	2	58,529
Outside City Centre	0	0
<b>Total</b>	<b>2</b>	<b>58,529</b>
<b>KL - Incoming Supply</b>		
City Centre	10	592,336
Outside City Centre	9	231,374
<b>Total</b>	<b>19</b>	<b>823,710</b>
<b>Selangor - Completion</b>	2	90,254
<b>Selangor - Incoming Supply</b>	1	32,906
<b>Total</b>	<b>3</b>	<b>123,160</b>

Source: Naptic

Four new PBOs were completed in Kuala Lumpur in the first nine months of 2025 and this added approximately 110,000 sq metres of office space to the existing supply whilst in Selangor, two new buildings provided another 64,000 sq metres to the market. Officially inaugurated in January 2024, the Merdeka 118 tower has been completed but fit-out works are still underway for its anchor tenant, Maybank, which will occupy 33 floors and is set to move in by the second quarter of 2026. The Park Hyatt Hotel which is part of the development, commenced operations in August 2025 whilst the retail mall is set to open in the second half of 2026.

# MARKET OVERVIEW

Cont'd

## New office buildings completed in 2025

Building	NLA (Sq. m.)
<b>Kuala Lumpur</b>	
Oxley Tower	32,144
The Exchange TRX Campus	17,877
PNB 1194	15,723
TNB Gold Bangsar	44,150
<b>Total</b>	<b>109,894</b>
<b>Selangor</b>	
FINAS Tower PJ Sentral	14,307
Sunway Square Corporate Towers	49,973
<b>Total</b>	<b>64,280</b>

Source: Napic/HB Research

The following table shows the new PBOs which are expected to be completed over the next few years in Kuala Lumpur and Selangor and will add more than 473,000 sq m of office space onto the Kuala Lumpur market by 2027 whilst Selangor will see nearly 220,000 sq m added by 2030.

## Office Buildings under construction in Kuala Lumpur and Selangor (as at Q3 2025)

Building	Location	NLA (Sq. M.)	Estimated Completion
<b>Kuala Lumpur</b>			
Solarvest Tower	Bangsar South	348,092	2028
The Arden (to be launched Q1 2026)	Damansara Avenue	455 strata units	2028
TRX (PWC will be the anchor tenant)	TRX	74,322	2029
Duo Tower (Tower B)	Bangsar South	40,153	2027/8
Menara Golden Eagle (mixed development)	TRX	10,400	2026
Pavillion Square Corporate Suites	Bukit Bintang	106 strata units	2028/9
<b>Total</b>		<b>&gt; 472,967</b>	
<b>Selangor</b>			
The Capitol	Bandar Utama	92,790	2027
Iconic Tower IOI Resort City	Putrajaya	92,900	2030
IOI Rio City	Putrajaya	32,500	2030
<b>Total</b>		<b>218,190</b>	

Source: Napic

In addition, we noted that there are a number of proposed office development projects which have been announced which, if the developers proceed with their construction, will add significantly to the future supply of office space in Kuala Lumpur. Some of these involve the redevelopment of existing buildings. Nevertheless, some of these projects may not be launched in the immediate future if market conditions are not so favourable and the financial strength and space requirements of their developers / promoters do not allow them to take big risks.

## Office occupancy & rentals rates

The occupancy rate of PBOs in Kuala Lumpur as at Q3 2025 improved slightly to 71.0% from 70.1% as at Q3 2024. The occupancy rate of PBOs in the city centre was 72.1% which is better than the 67.3% recorded by PBOs located outside the city centre. Meanwhile, the occupancy rate of PBOs in Selangor as at Q3 2025 was maintained at 71.6%.

The office market was supported by the stable political situation and positive economic growth recorded by the country. The generally benign business environment and improved sentiments led to an increase in demand for new office space as companies expand and new ones are set up.

# MARKET OVERVIEW

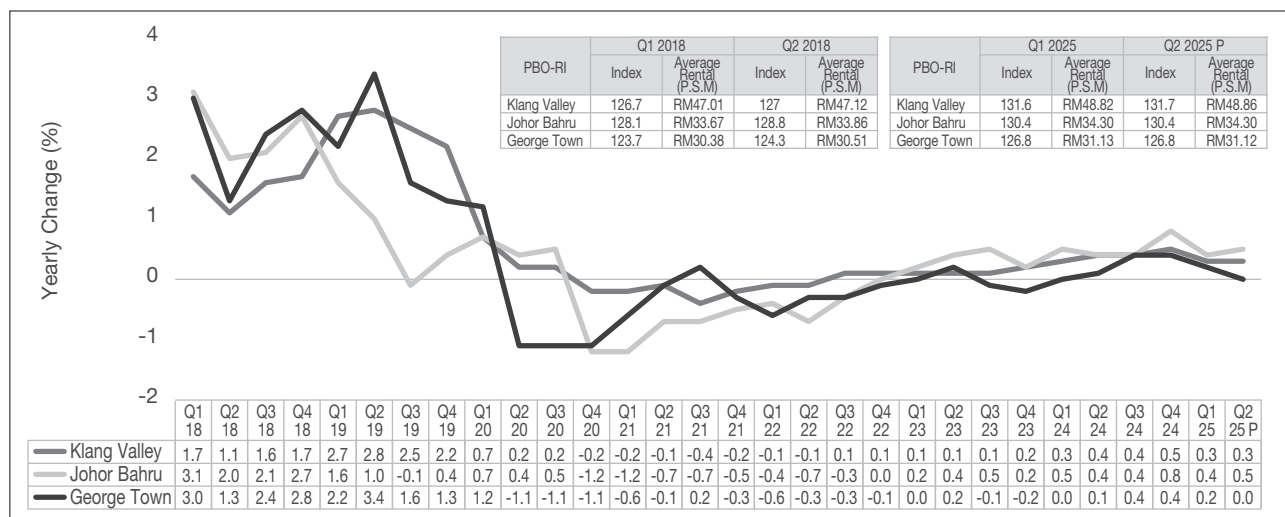
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Nevertheless, there has been a significant increase in the supply of office space in the Klang Valley over the past few years whilst we expect to see a number of new office buildings reach completion over the next two to three years. This could make the office market more challenging and impact occupancy rates as well as put some pressure on rental rates unless demand for office space can be increased substantially.

In terms of design and specifications, newer buildings are seen to be designed to be ESG compliant or at least green certified with superior finishes, higher quality and modern M&E infrastructure and facilities which will attract more demanding multinationals as well as companies currently occupying space in older buildings to relocate to these newer buildings upon expiry of their existing tenancies, especially if there is not a big differential in rental rates.

Based on Naptic's report for the first half of 2025, the rental index for PBOs for all the major cities remained stable with flat or marginal rises. JB's rental index recorded the highest annual growth rate at 0.5% followed by the Klang Valley at 0.3%. Penang's index meanwhile was flat.

**Purpose Built Office rental trend Q1 2018 – Q2 2025 (Source: Naptic)**



Source: Naptic

The following tables summarise the current rental rates charged by Grade A and B PBOs in various commercial hubs within Kuala Lumpur. The rental rates for both Kuala Lumpur and Selangor appear to be generally stable.

**Overall range of office rentals (Q2 2025)**

Location	Rental Range Per Month (RM/Sq.M.)		
	2023	2024	2025
<b>KLCC/GT</b>			
Grade A+	83.96 - 136.50	92.36 - 117.11	75.35 - 169.86
Grade A	66.74 - 96.88	64.58 - 91.49	71.54 - 96.88
Grade B	41.98 - 84.07	46.29 - 83.21	48.44 - 83.96
<b>CBD</b>			
Grade A	53.82 - 59.20	53.82 - 59.20	41.44 - 75.67
Grade B	35.52 - 53.82	35.52 - 48.82	30.14 - 49.73
<b>WCC</b>	38.75 - 115.93	38.75 - 115.93	38.75 - 139.93
<b>Suburbs</b>	26.91 - 80.73	26.91 - 80.73	21.64 - 87.19

Source: NAPIC/HBM Research



# MARKET OVERVIEW

Cont'd

## Rentals of selected purpose built office buildings in Kuala Lumpur

Building	Location	Rental range (RM Sq.M)
<b>KLCC/GT</b>		
Menara Binjai	KLCC	75.35 - 99.57
Menara Darussalam	KLCC	86.11 - 102.26
Menara Maxis	KLCC	91.60 - 169.86
Petronas Twin Tower (Tower II)	KLCC	117.11
Plaza OSK	KLCC	59.20 - 94.72
G Tower	Jalan Tun Razak	48.44 - 96.88
Intermark (Integra Tower)	Jalan Tun Razak	75.35 - 113.02
AIA Sentral Tower	Bukit Bintang	53.28 - 79.12
Pavilion Tower	Bukit Bintang	71.58 - 83.96
Menara Worldwide	Bukit Bintang	53.80 - 81.60
Perak Tower	Jalan Perak	67.81 - 71.69
Menara Hap Seng 2	Jalan P.Ramlee	67.81 - 96.88
Menara Prestige	Jalan Pinang	70.83 - 99.03
<b>CBD</b>		
Menara Multi-Purpose	Jalan Munshi Abdullah	30.14 - 55.97
Menara Olympia	Jalan Raja Chulan	43.06 - 49.73
Wisma Lee Rubber	Jalan Melaka	53.82 - 59.20
Menara JKG	Jalan Raja Laut	32.29 - 75.67
Menara OCBC	Jalan Tun Perak	53.82 - 57.26
Busana Menara MARA	Jalan Tuanku Abdul Rahman	37.67 - 49.51
Sunway Tower 2	Jalan Ampang	30.14 - 62.43
TH Perdana	Jalan Sultan Ismail	43.06 - 48.44
Heritage House	Jalan Yap Ah Shak	20.13 - 52.74
<b>WCC area, KL</b>		
Exchange 106	Jalan Tun Razak	48.44 - 139.93
Plaza Dijaya	Jalan Tun Razak	48.44 - 59.20
1 Sentral	KL Sentral	45.21 - 70.50
NU Sentral Tower 2	KL Sentral	62.75 - 77.39
North Tower @ The Garden	Mid Valley City	71.04 - 91.49
South Tower @ The Garden	Mid Valley City	64.58 - 91.49
Menara 1 Sentrum	Jalan Tun Sambanthan	69.97 - 90.42
Menara Shell	Jalan Tun Sambanthan	46.39 - 115.93
Bangunan Public Bank	Jalan Sultan Sulaiman	38.75 - 69.97
<b>Suburban</b>		
Menara BRDB	Bangsar	43.06 - 69.97
Mercu 3 @KL Eco City	Bangsar	63.51 - 80.73
Menara UOA Bangsar - Tower B	Bangsar	58.13 - 81.81
Menara BT	Bangsar South	25.83 - 77.50
The Horizon 2 (Tower 8)	Bangsar South	63.51 - 80.73
UOA Corporate Tower	Bangsar South	59.20 - 87.19
Menara Milenium	Damansara Heights	49.73 - 65.66
Wisma UOA Damansara 2	Damansara Heights	46.29 - 71.04
Wisma Guocoland - Tower B	Damansara Heights	64.58 - 75.35
Menara Ken TTDI	Taman Tun Dr Ismail	40.58 - 80.73

Source: Naptic/Henry Butcher Research

# MARKET OVERVIEW

Cont'd

## Major office sales transactions

There were very few reported sale transactions of office buildings in Kuala Lumpur in 2025 and these are tabulated in the table below. In addition, there were several office buildings put up for sale by the owners. Wisma Mont' Kiara located in Mont' Kiara as well as Menara Worldwide along Jalan Bukit Bintang have been put up for sale but there has been no official confirmation of any sale of these buildings at the point of writing this report. Wisma Mont Kiara is a 16 storey office building atop the 1 Kiara shopping mall and has a net lettable area of 16,900 sq m and an occupancy rate of 98%. The asking price for the property is RM 130 million. Menara Worldwide on the other hand is a 25 storey office building with a net lettable area of 25,550 sq m and an occupancy rate of 70% and has been put up for sale with an indicative price tag of RM 250 million. Other office buildings put up for sale include Wisma HELP located in Damansara Heights which has a net lettable area of 8,640 sq m and Menara UAB with a net lettable area of 12,000 sq m.

The following table summarizes the office buildings that were transacted in 2025.

### Major office building transactions in 2025

Building	Location	Date (2025)	Built up (Sq. M.)	PSM (RM)	Price (RM)
32 Jalan Yap Ah Shak	Chow Kit	Feb	7,333	4,500	33,000,000
MKN Embassy Techzone	Cyberjaya	Mar	20,978	5,648	118,500,000
Widad Semantan	Damansara	Apr	3,874	10,712	41,500,000
Star Central	Cyberjaya	Feb	3,335	7,496	25,000,000
Menara Southpoint	MidValley	Jan	8,517	7,326	62,400,000
TRX Campus *	TRX	Dec	18,580	n.a.	1,100,000,000

\* Lendlease sold its 60% stake in TRX campus together with its 40% stake in TRX mall for a total consideration of RM 1.1b. No breakdown of the sale transaction available at this point in time.

Source: Nopic/Henry Butcher Research

## Outlook for the office sector

Although the global outlook appears uncertain with the key economies of the US and the Western countries as well as China and Japan experiencing slower growth, the Malaysian economy is projected to achieve a commendable growth rate of between 4.0% to 4.8% for 2025 and between 4.0% to 4.5% for 2026.

The services sector which includes tourism, finance and information and communications technology (ICT), is the largest contributor to the economy, accounting for roughly half of the country's GDP annually. The strong performance of the sector will ultimately drive demand for more office space. The higher FDIs and DDIs received and approved by the country could also generate more demand for office space.

New economic initiatives such as the Johor-Singapore Special Economic Zone and the Special Financial Zone in Forest City have provided a boost to economic activities in the state of Johor and this has led to an increased demand for office space as well as the introduction of modern, better quality office buildings in Johor Bahru.

The entry of several multinational corporations (MNCs) to set up regional offices in the country as well as expansion of business activities by existing ones have also contributed to an increase in demand for office space.

Nevertheless, we note that there is a significant amount of office space which has come onto the market over the past few years and the supply will continue to increase in the coming years with the completion of a number of new buildings especially in KL and PJ. There is a concern that the market could become more challenging due to a potential oversupply situation which could then put pressure on occupancy rates and lead to a softening of rental rates as landlords compete to fill up their buildings. The possible oversupply situation in Kuala Lumpur may however lead to some developers rethinking about their new office projects and shelving or deferring them. This will help avoid an oversupply situation from building up.

# MARKET OVERVIEW

Cont'd

The imposition of service tax, currently at 8%, on rentals of commercial space (office and retail included) where the service provider's total taxable rental or leasing income is more than RM 1 million in any 12-month period, have increased the cost burden on companies renting space in office / commercial buildings and this may cause some of these tenants to review the amount of space that they may want to keep or additional space that they are thinking of taking up. The SST issue has also put a handbrake on rental increases contemplated by landlords as tenants and potential tenants may be deterred by too high rentals. (NB: The Prime Minister has just announced that the SST rate on the rental of commercial buildings for eligible Micro, Small, and Medium Enterprises (MSMEs) in Malaysia has been reduced from 8% to 6%, effective from January 1, 2026. The annual sales threshold for MSMEs to be exempt for paying this service tax has also been raised from RM 1 m to RM 1.5m)

Newer integrated commercial hubs such as TRX, KL Eco City and Pavillion Damansara Heights have attracted businesses to relocate there as connectivity is better with MRT stations within or close by and more amenities like food & beverage outlets and hotel accommodation are available.

Strata titled offices have seen an improvement in both sales take-up as well as occupancy rates possibly due to the better quality buildings with higher specifications that have been put on the market compared to earlier developments. Newer buildings which are designed to be ESG compliant and equipped with better quality and more current specifications as well as facilities will be in a better position to attract tenants compared to older buildings which have not been upgraded. Once the owners of these older buildings find it difficult to fill up the vacant space in their buildings, they may be forced to lower rentals or spend money to upgrade or even repurpose the building to other uses like hotels, serviced apartments or senior living accommodation.

## THE RETAIL SECTOR

### Klang Valley - Supply & Demand of Retail Space in 2025

As at December 2025, the Klang Valley (Kuala Lumpur, Selangor and Putrajaya) have altogether two hundred and ninety eight (298) shopping centres with total retail supply of more than 90 million square feet. The breakdown of the supply is as per the table below:

#### Retail Supply and Demand in Klang Valley, 2025

No.	Location	No. of Malls #	Total Nett Floor Area (sq ft)	Average Rental Rate (RM psf pm)*	Average Occupancy Rate (%)
1	Kuala Lumpur	126	41,956,826	11.82	76.8
2	Selangor **	169	46,968,456	11.15	75.3
3	Putrajaya	3	1,217,000	11.60	78.8
	<b>TOTAL</b>	<b>298</b>	<b>90,142,282</b>	<b>11.47</b>	<b>76.0</b>

Notes:

# - include hypermarkets, malls and arcades

\* - exclude rental rates of anchor tenants such as supermarket, department store, cineplex, bowling alley, etc.

\*\* - Empire City Mall (now known as Hextar World Empire City) was opened in 2017 and closed down during covid-19 pandemic. The re-opening of this shopping centre was not added in the latest new supply.

Source: Henry Butcher Retail

# MARKET OVERVIEW

Cont'd

The average occupancy rate of shopping centres in the Klang Valley increased slightly from 75.8% in 2024 to 76.0% in 2025 due to sustainable consumers' spending and the entry of many new foreign retailers. Nevertheless, looking at the situation for Kuala Lumpur and Selangor separately, we noted that the average occupancy rate of shopping centres in Kuala Lumpur declined from 78.0% the year before to 76.8% in 2025. Many existing shopping centres failed to attract more retailers whilst new shopping centres opened with low occupancy rates. On the other hand, the average occupancy rate of shopping centres in Selangor improved from 73.8% in 2024 to 75.3% in 2025. Whilst new shopping centres in Selangor also opened without high occupancy rates, existing shopping centres managed to stay competitive with more tenants. The average occupancy rate of shopping centres in Putrajaya rose moderately to 78.8% in 2025 as compared to 76.1% in 2024.

The average rental rate for Klang Valley shopping centres increased marginally from RM11.42 psf per month in 2024 to RM11.47 psf per month in 2025. (NB: excludes rental rates of anchor tenants such as supermarket, department store, cineplex, bowling alley, etc.) Major shopping malls in the Klang Valley managed to renew rentals of its existing tenants at higher rates. They also secured new retailers with higher rentals as compared to the previous year. On the other hand, many retail landlords with weak occupancy rates still needed to offer attractive rental packages to retailers due to intense retail competition.

## New Shopping Centres Which Opened in 2025

A total of seven (7) new shopping centres and three (3) shopping centre extensions were opened in 2025 with a total nett floor area of more than 3.7 million sq ft. They included:

### New Shopping Centres in Klang Valley for the Year 2025

No.	Name	Location	Nett Floor Area (sq ft)
1	Alamanda Shopping Centre Extension	Putrajaya	199,000
2	TBG Mall	Batu Caves	120,000
3	SouthPlace Shoppes	Subang Jaya	146,000
4	Pavilion Damansara Heights Ph2	Damansara Heights	529,000
5	Majestic Labs	Semenyih	110,000
6	KLGCC Mall	Bukit Kiara	240,000
7	Hextar World Empire City	Damansara	1,800,000
8	Sinma Redland Mall	Bukit Bintang	140,000
9	Sunsuria Forum Mall Ph2	Setia Alam	175,000
10	Sunway Square Mall	Bandar Sunway	300,000
	<b>TOTAL</b>		<b>3,759,000</b>

Source: Henry Butcher Retail

- Alamanda Shopping Centre increased its net retail area by 27% with an outdoor adventure park and 29 new stores. The 152,000 sq ft Escape Putrajaya opened in February 2025.
- A shopping centre was introduced within Terminal Bersepadu Gombak (TBG) transportation hub. Opened in March 2025, the shopping centre consisted of 3 retail levels (1st to 3rd Floor), a wedding hall (Elissa Garden) on the 6th Floor and a pickleball court (KL Pickleball Club) on the rooftop. The 1st and 2nd floors of the shopping centre were occupied by a wide variety of food kiosks, cafes, restaurants and a food court. The 3rd floor retail space was vacant as at early December 2025.
- SouthPlace Shoppes was part of a mixed-use development located in Tropicana Metropark Subang Jaya. It has 3 retail levels with 70 shops. Opened in May 2025, this strata-titled retail centre is anchored by Mercato supermarket and Anytime Fitness.

# MARKET OVERVIEW

Cont'd

- d) Originally planned for opening at end 2024, tenants of Pavilion Damansara Heights Mall Phase 2 started opening from June 2025. The Food Merchant closed down its outlet in Phase 1 and moved to a much larger space in Phase 2. In September, the second Kinokuniya bookstore in Malaysia opened in Phase 2 whilst the first ever Toys R Us Play Gallery opened during the same month together with Pavilion Arena, an event space. Meanwhile, an upscale pickleball court named The PXP Pickleball Club located on Level 5 has commenced operations. TGV Cinemas will be opening in 2026.
- e) Majestic Labs, located within Eco Majestic township in Semenyih, offers 47 retail lots over 4 levels. Well-known confirmed tenants (some were still under renovation as at early December 2025) included Chef Kecik, Hock Kee Kopitiam, Taning, Canton Boy, myBurgerLab, Fui Chuai Chinese restaurant, IKEA, Xiaomi and Believe Fitness. Other tenants included several children learning centres and children play centres such as Melody Kindyland, Flow Academy, Open Play House, Claviera and Jungle Gym. In addition, the EcoWorld property gallery is located on the ground floor.
- f) KLGCC Mall opened in November 2025 with a 90% occupancy rate. The first Jaya Grocer Signature opened in this shopping centre whilst HarborLand from Thailand opened its first outlet with 25,000 sq ft over 2 levels. Serai Group opened multiple restaurant concepts on the rooftop of the shopping centre. A 4,000 sq ft Korean head spa and wellness centre named Goyo is situated on the ground floor of this neighbourhood shopping centre.
- g) Hextar World Empire City (formerly known as Empire City Mall) opened its doors to the public on November 29. Its retail anchors included Parkson and Village Grocer. It offered a wide selection of recreational and entertainment facilities including Malaysia's National Ice Skating Stadium, Slope Master (Malaysia's largest indoor ski and snowboarding training facility), Miami Beach (Malaysia's largest indoor water park), Wangsa Bowl, 10Star Cinemas, AB&C Surf and Skate School, Ballet Theatre Malaysia, Playa Racquet Club (pickleball court), Jungle Gym, etc.
- h) Sinma Redland Mall has taken over the former Yayasan Selangor Bukit Bintang. This former office building has 12 levels with a net lettable area of 140,000 sq ft. Specialty stores, food court and discount stores are expected to take up this prime retail space fronting the Bukit Bintang junction. As at early December 2025, Hot Market and New Market has occupied the entire ground floor of this new retail centre.
- i) Sunsuria Forum Mall Phase 2 is a 2-storey retail centre located below an office tower and 2 blocks of service apartments. It is linked to Sunsuria Forum 1 with tenants such as Village Grocer, BookXcess, Anytime Fitness and numerous F&B outlets. The second phase of the air-conditioned shopping centre opened on December 4. Confirmed well-known tenants (some were still under renovation as at early December 2025) included Bee Cheng Hiang, bhc Chicken, Canton Boy, Kee Nguyen, Ipoh Ais Kopi, Zhao Ji Desserts, Tous les Jours, Mixue, Samsung, Jungle Gym, Happy Fish and Getha. Toys R Us and Petsmore set up pop-up stores on the first floor of this shopping centre.
- j) Originally planned for opening on September 26, Sunway Square Mall finally opened its doors on December 11. This new shopping centre offers 150 shops over 4 floors. It was 95% leased upon opening. Major tenants included Village Grocer, BUMP Bouldering, TGV Cinemas, The Library by BookXcess (24 hours), COUNT, KKV, Tutu Toe Dance Academy, GoFit and a 1,200-seat performing arts centre.

## Performance of Klang Valley Shopping Centres in 2025

### Changing Trade Mix and Tenant Mix Planning

In 2025, many national-chain retailers (local and foreign) that required large spaces of 5,000 sq ft to 20,000 sq ft took up prominent retail space on the lower levels of shopping centres in the Klang Valley. They occupied prime retail space and enjoyed wide store frontages as compared to their predecessors a decade and more ago.

An increasing number of shopping centres are allocating more retail space for food and beverage (F&B) outlets. Since the Covid-19 crisis, F&B outlets had been playing a critical role in drawing shoppers into shopping centres regularly. New shopping centres which opened in 2025, including KLGCC Mall, Sunsuria Forum Mall Phase 2, Majestic Labs, TBG Mall and Sunway Square Mall, offer a wide variety of F&B outlets.

# MARKET OVERVIEW

Cont'd

Recreational and entertainment centres are now playing an important role to pull crowds into shopping centres. New centres that opened during the year included:

- Fantasy World, Melawati Mall
- Boom Battle, Berjaya Times Square and Atria Shopping Gallery
- Spy Game, The Curve
- Hologate VR, Berjaya Times Square
- Laser Battle, IOI Mall Damansara
- Roller Light, Wangsa Walk Mall
- Baseball Cage, MyTown Shopping Centre
- Maze Escape Room, Quill City Mall
- Fun X World, The Summit USJ
- Spartan Fencing Centre, 1 Shamelin Mall
- Kinzo Land, The Mines
- Lio & Friends amusement park, IOI Mall Damansara
- KLAW, Pavilion Bukit Jalil
- KF Kiddy Circuit, MyTown Shopping Centre
- Harborland, KLGCC Mall
- Game On Theme Park, The Mines
- Imagine Nation, Sunway Pyramid
- Immersify KL, The Labs BBCC

In 2025, pickleball games became the hottest recreational sports in Malaysia. Shopping centres throughout the country were adding this sports facility as long-term tenants whilst some centres also organised pickleball competitions at its common areas. Shopping centres in the Klang Valley with pickleball courts as permanent tenants in 2025 included:

- Giant USJ Mall, USJ Subang Jaya
- Space U8, Shah Alam
- 168 Park Mall, Selayang
- Great Eastern Mall, Jalan Ampang
- Kenanga Wholesale City, Kuala Lumpur city centre
- CMC Taman Connaught, Cheras
- Centro Mall, Klang
- TBG Mall, Batu Caves
- Evolve Mall, Ara Damansara
- Pavilion Mall Damansara, Damansara Heights
- The Scotts Garden, Jalan Kelang Lama
- TREC KL, Jalan Tun Razak
- Hextar World Empire City, Damansara
- The Linc, Kuala Lumpur city centre
- 1 Shamelin Mall, Shamelin Park

During the year, managements of shopping centres in the Klang Valley which organised pickleball activities and competitions at its common areas included:

- The Starhill, Bukit Bintang
- Central i-City Mall, Shah Alam
- Quill City Mall, Kuala Lumpur city centre
- Lalaport BBCC, Bukit Bintang
- Publika, Mont Kiara
- Pavilion Bukit Jalil Mall, Bukit Jalil
- Sunsuria Forum Mall, Setia Alam

Artisan markets, food and beverage festivals as well as baked goods events remained highly popular in shopping centres within the Klang Valley, especially during weekends and public holidays. They offered a wide variety of retail goods not usually found in retail shops within shopping centres. They attracted large crowds to these shopping centres.

# MARKET OVERVIEW

Cont'd

New shopping centres also used social media influencers heavily to drive up public awareness and foot traffic during soft openings. This has proven to be effective in terms of public awareness.

## Major New Openings

In 2025, new major retail openings in the Klang Valley shopping centres included:

- a) Proton e.MAS opened its first car showroom at IDCC Mall in Shah Alam just before January.
- b) SK Grocer opened at The River City during the first month of 2025.
- c) Managed by EcoWorld, Tuah 1985 opened in January at the former EcoWorld sales gallery.
- d) In January, BYD opened in IPC Shopping Centre, Damansara.
- e) Rindu Food Hall opened at Level 3 of The Shoppes at Four Seasons Place in February.
- f) Jalan Jalan Japan opened a 25,000 sq ft store within Star Avenue Lifestyle Mall in March.
- g) Zeekr opened in IOI Mall Puchong during the month of April.
- h) The Exchange TRX opened its Market Lane pedestrian mall in May with new shops, cafes and restaurants.
- i) In June, Sunway Pyramid re-launched its stand-alone commercial building fronting the main road as the Terrace @ Boulevard with a good selection of F&B outlets.
- j) Proton e.MAS showroom opened in IOI City Mall during the month of June.
- k) Mitsui Outlet Park opened on Level 3 of Lalaport BBCC in August.
- l) The second Kinokuniya bookstore in Malaysia was opened in Pavilion Damansara Heights Mall in September.
- m) In October, Lalaport BBCC introduced a transportation hub with an array of new transportation facilities including a direct link to LRT and monorail stations, on-demand city rides, direct airport transfer, car rental, e-hailing pick-up and drop-off zones as well as e-scooter rental.
- n) Toyota opened its first shopping centre showroom in Quayside Mall in November.
- o) During the month of November, Lalaport BBCC presented to the public, ACG Base on its second floor. With over 20 stores, it offered products dedicated to anime, comics and games.
- p) MPH Bookstore returned to Subang Parade in December after many years of absence.
- q) U Bowl expanded its lanes and re-opened at Alamanda Shopping Centre in December.

## Major Closures and Replacements of Retailers

There were many large-format store replacements and closures during the year:

- a) After Courts closed down in 8trium at Bandar Sri Damansara, Mr Hippo supermarket opened in January. It is the largest Chinese supermarket in Malaysia.
- b) On February 28, a media art gallery called Immersify KL replaced Malaysia Grand Bazaar at The Labs next to Lalaport BBCC.
- c) In March, TF Value Mart replaced Giant hypermarket in Batu Caves.
- d) Dadi Cinema closed down in Da Men Mall during the month of March.
- e) In March, BookXcess closed down in KL East Mall.
- f) Idea Live Arena took over the GSC cinema space at 3 Damansara in April.
- g) Don Don Donki closed down its outlet in Nu Sentral during the month of May.
- h) During the month of May, The Food Merchant closed down at Raintreerain in Segambut.
- i) In June, NSK Grocer opened in Amerin Mall, Balakong, replacing Lulu supermarket.
- j) The Food Merchant replaced Village Grocer in IOI Mall Damansara in July.
- k) The entire third floor of Isetan The Japan Store in Lot 10 was replaced by Space & Time Cube (an immersive digital experience hall) in July.
- l) Decathlon closed down in The Scott Garden and reopened in Pearl Point Shopping Mall.
- m) Don Don Donki shut down its outlet at Sunway Pyramid in the month of July.
- n) NOKO discount store closed down its outlet at KIP Mall Bangi in July.
- o) Redtick supermarket closed down its first outlet in Shaftsbury Square Cyberjaya in September as well as its outlet in Shaftsbury Putrajaya which was taken over by MBG Fresh Mart.
- p) MMCineplexes closed down all its cineplexes in Malaysia after it announced that the company had been placed under creditors' voluntary liquidation in September 2025.
- q) Jalan Jalan Japan closed down its first outlet in One City USJ and moved to The Summit USJ.

# MARKET OVERVIEW

Cont'd

- r) Cold Storage replaced Giant supermarket at Plaza Sungei Wang in early November.
- s) The Food Merchant opened in Pavilion KL at the end of November, replacing Mercato.
- t) ST Rosyam Mart opened in December at Jakel Square, replacing Lulu Hypermarket and Department Store.
- u) The 10-screen TGV Cinemas opened at Alamanda Shopping Centre in December, replacing GSC that closed down in 2023.
- v) NSK took over part of Lulu Hypermarket and Department Store's space in 1 Shamelin Mall and planned for its opening in December. The latter closed down in April 2025.
- w) AEON's first AEON Style supermarket opened at EcoHill Walk Mall during the month of December. It replaced Lulu supermarket.
- x) Escape PJ will be closing down in Paradigm Mall PJ after December 31.
- y) Lotus's had been secured to replace The Food Merchant at Datum Jelatek Shopping Centre in Wangsa Maju.

## Sale and Refurbishment of Shopping Centres

A number of sales and refurbishments of shopping centres took place during the year:

- a) KL Gateway in Bangsar South was sold for over RM 237 million in 2024 and the transaction was completed in 2025.
- b) Plaza 63 in Sungei Besi was sold for almost RM 34 million in 2024 and the transaction was completed in 2025. Plaza 63 was a 7-storey commercial building with a built-up area of 173,000 sq ft. Formerly occupied by Ninso between 2020 and 2024, it has been taken over by another Johor-based discount store operator, Cowboy.
- c) Since 2024, Shaw Centrepoint in Klang has been undertaking major refurbishments. It is expected to be completed in 2026.
- d) Jaya Shopping Centre in PJ was acquired by Asian Pac Holdings for RM 100 million.
- e) In February, Exsim Group bought Lucky Plaza in Old Klang Road for redevelopment.
- f) Da Men Mall was re-branded as EasyHome in March. A large majority of its tenants on the ground floor were vacated to make room for a new home furniture and furnishing centre.
- g) In May, Sentral REIT acquired 38 stratified retail units and 1,432 parking lots in Arcoris Mont Kiara from UEM Sunrise Bhd for RM 70 million.
- h) NSK acquired retail space at the 2-storey Plaza Pelangi Astana for RM 25.85 million.
- i) Paradigm REIT was launched on June 10 with 3 retail malls - AEON Mall Bukit Tinggi in Klang, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru.
- j) The nearly abandoned One Kesas Mall was rebranded as VV eMall in June with new F&B outlets and an upcoming exhibition centre.
- k) The new owner of IOI Mall Damansara in Kota Damansara started a series of upgrading works on the shopping centre since the middle of 2025. The main entrance was upgraded, the car parking system was updated and new escalators near the supermarket were added. The former Village Grocer space has been divided into a new supermarket space and several retail shops. West Walk was also revamped with new F&B tenants.
- l) During the third quarter of this year, Kompleks Selangor in Jalan Sultan Kuala Lumpur commenced refurbishment of its building. It will upgrade its building façade as well as add a new alfresco dining area in front of the retail centre.
- m) Since September 2025, Klang Parade in Klang has started its refurbishment while the shopping mall remained open to the public.
- n) 1 Shamelin Mall in Shamelin Perkasa started its upgrading works during the fourth quarter of 2025 with new escalators, new air-conditioning system, new event hall, new toilets, etc.
- o) Plaza Alam Sentral in Shah Alam closed down temporarily from November 1 for a major refurbishment exercise. Many of the existing tenants shifted its stores to nearby shopping centres including SACC Mall, Ole Ole Shopping Centre, Giant Section 13, etc.
- p) After Sunway Group acquired MCL Land from Singapore in September, it re-branded Wangsa Walk Mall in Wangsa Maju as Sunway Wangsawalk Mall in November.
- q) In November, part of the basement at Sunway Velocity Mall was re-opened with 30% more in retail floor area. Branded as Market Place, it offers 40 F&B outlets and retail stores.
- r) In November, a prime 3.837-acre land in Bandar Baru Sri Petaling was put up for sale. This land is currently occupied by The Store and about 15 retail shops.
- s) Lendlease sold its 40% stake in TRX mall and 60% stake in TRX Campus office for a total consideration of RM1.1b in December

# MARKET OVERVIEW

Cont'd

## New Government Policies

The introduction of an 8% SST on rental and leasing services since 1 July 2025 has led to higher operations costs for retail landlords in Malaysia. This has pushed retail landlords in the Klang Valley to increase rental rates.

## Klang Valley Retail Market in 2025

Malaysia's retail industry is expected to grow by 3.6% for the whole year of 2025.

## Quarterly Retail Sales Performances

- a) For the first quarter of 2025, Malaysia's retail industry recorded a positive growth rate of 5.6% in retail sales as compared to the same period in 2024.
- b) During the first quarter of 2025, retail sales were driven by the Chinese New Year festival in end January, the month-long national school holidays from January to February as well as the Hari Raya celebrations at the end of March.
- c) Chinese New Year was celebrated from 29 January 2025. Retail spending started from the end of 2024 and the whole month of January.
- d) The final school holidays for the academic school calendar 2024/25 started from January 17 for one whole month. This allowed parents more time to bring their children for frequent shopping activities.
- e) Hari Raya Aidilfitri was celebrated from the last day of March. Festive shopping started a month before the largest festival in Malaysia.
- f) Malaysia attracted 10.1 million foreign tourists during the first quarter of 2025. It was the most visited country in Southeast Asia during this quarter. The attractive Malaysian currency as well as the visa-free entry for visitors from China and India brought in large number of foreign tourists to the country during the first 3 months of 2025.
- g) Hari Raya Aidilfitri was celebrated from March 31. The pre-festive sales has been captured in the first quarter. In comparison, this major festival was celebrated in 2024 from April 10. Only part of the festive shopping was made during the first quarter of 2024.
- h) The second quarter results also signaled higher living costs and reduced purchasing power among Malaysian households. Malaysian consumers, especially those living in major cities, needed to navigate their monthly expenditures carefully in order to maintain their lifestyles.
- i) Retail prices of many non-essential goods and services continued to rise during the second quarter of 2025. During this period, the disrupted supply chains due to the United States tariff war contributed to higher cost of imports that impacted retail companies in Malaysia.
- j) For the third quarter of 2025, Malaysia's retail industry achieved a better-than-expected growth rate of 4.9% in retail sales, as compared to the same period in 2024.
- k) While Malaysian consumers continued to shop for goods and services during the third quarter of 2025, retail prices of many grocery items as well as discretionary goods continued to rise.
- l) Several new government policies were implemented during the third quarter. This had a direct impact on consumers' purchasing power and shopping behaviour.
- m) For the second quarter of 2025, Malaysia's retail industry achieved a weaker-than-expected growth rate of -3.0% in retail sales, as compared to the same period in 2024.

## Malaysia Retail Sales and Other Economic Indicators, 2025

Economic Indicator (%)	First Qtr.	Second Qtr.	Third Qtr.	Fourth Qtr.	Whole Year
Retail sales	5.6	-3.0	4.9	(e) 5.0	(e) 3.6
GDP	4.4	4.4	5.2	NA	(e) 4.0-4.8
Private consumption	5.0	5.3	5.0	NA	NA
Inflation rate	1.5	1.3	1.3	NA	NA

Notes:

NA - not available

(e) - estimate

Source: Retail Group Malaysia/ Bank Negara Malaysia

# MARKET OVERVIEW

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- n) A new electricity tariff structure was implemented within Peninsular Malaysia from July 1. The Malaysian government started the expansion of the Sales and Services Tax (SST) from July 1 for selected services. Higher sales tax rates were also imposed on selected luxury consumer items at the same time.
- o) On July 9, Bank Negara Malaysia cut its Overnight Policy Rate (OPR) from 3.00% to 2.75%.
- p) The enforcement of the monthly minimum wage for companies with less than 5 workers started from August 1.
- q) Every Malaysian aged 18 and above received a one-off RM 100 credit through MyKad from August 31 under the expanded Sumbangan Asas Rahmah (SARA) initiative. Every Malaysian citizen can use this credit to purchase essential goods from 14 categories at more than 4,100 retail stores located throughout the country until 31 December 2025. Before the end of September, more than 13 million Malaysians have redeemed the credit worth about RM 11 billion.
- r) The price of RON95 petrol was reduced to RM 1.99 per litre from September 30 for more than 16 million Malaysian citizens.
- s) For the fourth quarter of 2025, the growth rate of Malaysia's retail industry was estimated at 5.0%.
- t) Malaysian consumers will continue to shop for goods and services during the year-end holiday season. They will spend their hard-earned money on goods and services that offered good values at reasonable prices.
- u) Malaysia's school holiday schedules are slowly returning to that of the pre-covid period. For 2025, the year-end school holidays will start from 20 December 2025 and end on 11 January 2026.
- v) Commencing from 1 October 2025, all employers are required to contribute 2% of monthly wages for all non-Malaysian citizen employees working in Malaysia, except for domestic servants. At the same time, these foreign employees are required to contribute another 2% of their wages through monthly deductions.

## Retailing Trends in the Klang Valley

In 2025, young Klang Valley consumers brought excitement to the Malaysian retail market at both physical outlets and online stores.

- a) Higher cost of goods led to several discount retail chains increasing its prices. In April, Setia increased its standard price for all its goods from RM 2.40 to RM 2.60 for Peninsular Malaysia. Its direct competitors, NINSO and ECO-Shop followed with similar price increases in the same month.
- b) Numerous online retailers started physical outlets in 2025 to increase their customer bases. Online furnishing retailer KAPAS opened its first physical outlet in Pavilion Bukit Jalil. Online sports retailer Sportsclick opened its first outlet in IOI Mall Damansara. Online jeweller Gnoce opened its first outlet at The Exchange TRX. My Ballerine, operator of online fashion accessories, opened on the ground floor of IOI Mall Puchong whilst online shoe retailer Malove opened within Parkson Elite at Pavilion KL.
- c) The Blind box trend did not slow down in 2025. China-based retail brand Pop Mart continued to attract long queues at its stores. A large number of retailers and food manufacturers used the blind box concept as part of its promotional activities to generate sales.
- d) Pavilion Bukit Jalil offered the greatest number of retail stores that offered blind boxes. It included Pop Mart, Top Toy, Gaming Gadgets, ISA Hobby, Milolo, Miniso Pink, Cotton Blue by Toy Garden, KKV, The Green Party, M&G Live, X11, etc.
- e) Sunway Pyramid had Pop Mart, Milolo, Art Live and Not Only Toy and 1 Utama had Pop Mart, Cubix, Comic Paradise, HobiLity, Box Hunt and Miniso.
- f) The craze of Jellycat plushies reached Malaysia in early 2025. The first retail store that sold Jellycat plushies was Abbie & Friends Luxe located at Exchange 106 @ TRX. There was even a Malaysian retailer named Chubbies that specialised in food plushies.
- g) For the first 6 months of 2025, the Buy Now Pay Later (BNPL) scheme has accumulated 102.6 million transactions worth RM 9.3 billion. This was a 31% increase as compared to the same period last year. 40% of these transactions were made by Malaysians aged 30 and below. Many Malaysians used the BNPL scheme to purchase lifestyle and high-valued goods with interest-free instalments.

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## Food & Beverage Trends in the Klang Valley

- a) Higher food prices and higher operation costs remained the greatest challenges for F&B operators in 2025. To avoid losses, many F&B operators increased its menu prices and/or reduced food serving portions.
- b) The Israel-Palestine conflict led to a few international F&B franchisees and licensees closing down numerous retail outlets in prime areas in all parts of the Klang Valley due to loss of business arising from the boycotts.
- c) Many F&B outlets continued to use social media influencers to drive retail sales.
- d) In addition, many F&B outlets used Buy 1 Free 1 or 50% Off promotional campaigns to generate large crowds at its stores.
- e) Modern kopitiam remained popular tenants for both shopping centres and shop offices. Many local operators opened during the year, while many also closed down as well due to poor business.
- f) Many cafes opened during the year due to high demand for western pastries and specialty beverages. However, there were many which closed down as well due to unsustainable business. The once popular Sugar & I closed down its two outlets at The Starling Mall and TTDI during the year.
- g) Many online F&B operators started physical outlets in 2025 to reach out to more customers. Doublelayer Cheesecake opened its first café in Subang Jaya SS15. The Flour Whisperer opened its café at Micasa Hotel. After selling its popular mochi cakes online, MMG Patisserie opened its first take-away store at Bandar Baru Sri Petaling.
- h) Home-based F&B operators joined numerous operators of artisan markets in 2025 to promote their products to enlarge their customer bases. They set up their stalls inside shopping centres, in front of property galleries, at outdoor parks and within the public space of commercial buildings.
- i) Specialty beverages, artisan breads, petit gateaux and gourmet cookies were highly sought after by the younger segment of the population in the Klang Valley.
- j) F&B outlets specialising in gourmet bagels, fancy treats, yogurt-based desserts and gelato ice creams emerged in large numbers during the year.
- k) Food and beverages made with pistachio were also popular in 2025.
- l) The Coffee Bean & Tea Leaf (CBTL) started the tiramisu craze in Malaysia. This dessert became the highlight of many cafes subsequently. Many F&B operators developed their own versions of tiramisu. Examples of F&B chains included Chizu, Gula Cakery, Baskin Robins, Kenangan Coffee and many others. There was even a tiramisu-themed café called Tiramiss U located in Bandar Baru Sri Petaling.
- m) Plushie toys became highly demanded merchandise in Malaysia after the Jellycat craze reached Malaysia. Many F&B operators introduced plushie toys to generate more sales. Examples include Bungkus Kaw Kaw, KFC, Ilao Ilao, CBTL, HWC Coffee, Gigi Coffee, Beutea, ZUS Coffee, etc.
- n) The blind box phenomenon reached a climax in 2025 among F&B operators in Malaysia. Koi The, Kenangan Coffee, Ilao Ilao, Beutea, Inside Scoop, Starbucks, Krispy Kreme and many others organised blind box promotional campaigns to capture more sales.

## Opening of Foreign Retailers in Klang Valley

For Year 2025, at least 101 new brands from 12 countries opened their first stores (shopping centres only) in Malaysia. This was the highest number of first store openings by foreign brands ever recorded in the history of Malaysia's retail industry. The Klang Valley accounted for more than 87% of these new entries in Malaysia. In addition, Kuala Lumpur contributed 72% of Klang Valley's new supply of foreign retailers. 50% of the new brands came from China (including Hong Kong). For the second consecutive year, Malaysia was one of the most popular countries for retailers originating from China. 55% of the new store brands were in food & beverage business whilst 19% of these new brands were in the business of fashion and fashion accessories.

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## Opening of First Stores (Shopping Centres only) in Malaysia by Foreign Retailers, 2025

No	Country of Origin	Brand Name	Trade
1	Canada	The Ordinary	Health & Beauty
2		La Vie en Rose	Fashion & Fashion Accessories
3	Japan	Bruno's*	Furniture & Furnishing
4		Issey Miyake	Fashion & Fashion Accessories
5		Sushiro	Food & Beverage
6		Karaku	Fashion & Fashion Accessories
7		Kamakura	Food & Beverage
8		Regal	Fashion & Fashion Accessories
9		Earth, Music & Ecology	Fashion & Fashion Accessories
10		Honolu Ramen	Food & Beverage
11		3COINS	Lifestyles
12		Animate	Lifestyles
13		Mono Loop	Lifestyles
14		Ani Honbu	Lifestyles
15		Hide-Chan Ramen	Food & Beverage
16		Matsukiyo	Health & Beauty
17		Ramen Takahashi	Food & Beverage
18	Gokoku	Food & Beverage	
19	South Korea	Super Matcha	Food & Beverage
20		GOPIZZA	Food & Beverage
21		Tous les Jours	Food & Beverage
22		Sawee	Food & Beverage
23		Lotteria	Food & Beverage
24		Hanau BBQ	Food & Beverage
25	Thailand	Toro Fries	Food & Beverage
26		Rev Runnr	Fashion & Fashion Accessories
27	United States	Tory Burch*	Fashion & Fashion Accessories
28		NIID	Fashion & Fashion Accessories
29		Benihana	Food & Beverage
30		Keen Garage	Fashion & Fashion Accessories
31		Allbirds	Fashion & Fashion Accessories
32		Smith & Wollensky	Food & Beverage
33	France	Devialet	Electrical & Electronics
34		Kilian	Health & Beauty
35		Yogurt Factory	Food & Beverage

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No	Country of Origin	Brand Name	Trade
36	China	Q Pocket*	Lifestyles
37		SEMIR*	Fashion & Fashion Accessories
38		JNBY	Fashion & Fashion Accessories
39		Luckin Coffee	Food & Beverage
40		Roborock	Electrical & Electronics
41		361	Sporting Goods
42		Dreame	Electrical & Electronics
43		Sparkora BBQ	Food & Beverage
44		BalaBala	Toys & Children Products
45		Ant Cave	Food & Beverage
46		WOW Beauty	Health & Beauty
47		Chuchat	Food & Beverage
48		Dai Chun Ling	Health & Beauty
49		MIAO	Food & Beverage
50		Cabbeen	Fashion & Fashion Accessories
51		JO's Cha	Food & Beverage
52		Yun Nans	Food & Beverage
53		On Lee Noodle	Food & Beverage
54		Zhou Liu Fu	Fashion & Fashion Accessories
55		So Do Fun	Food & Beverage
56		Malove	Fashion & Fashion Accessories
57		Fish Master	Food & Beverage
58		X11	Lifestyles
59		Ningji	Food & Beverage
60		OCE	Lifestyles
61		Space & Time Cube	Recreation & Entertainment
62		Que Tang Yu Fang	Food & Beverage
63		Tang Xiao Man	Food & Beverage
64		Taning	Food & Beverage
65		HUI Hotpot	Food & Beverage
66		Face Wash Bear	Health & Beauty
67		Wok Man	Food & Beverage
68		Zui De Yi	Food & Beverage
69		Kumo Kumo	Food & Beverage
70		Shanguoguolidenfen	Food & Beverage
71		Lao Miao	Fashion & Fashion Accessories
72		13DE Marzo	Food & Beverage
73		ALittle Tea	Food & Beverage
74		Insta360	Electrical & Electronics
75		Yee3	Food & Beverage
76		Uwant	Electrical & Electronics
77		Kumo Kumo	Food & Beverage
78		Dun Wu 24	Food & Beverage
79		Su Xiao Xian	Food & Beverage
80		McHugs	Toys & Children Products
81		Sour Little 7	Food & Beverage
82		Lilanz	Fashion & Fashion Accessories
83		Hot Crush	Food & Beverage

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No	Country of Origin	Brand Name	Trade
84	Hong Kong	TamJai MiXian	Food & Beverage
85		San Xi Lou	Food & Beverage
86	Singapore	Cow Play Cow Moo	Recreational & Entertainment
87		Lad & Dad	Food & Beverage
88		O.BBa.Jjajang	Food & Beverage
89		Ichiru	Furniture & Furnishing
90		Onecare	Health & Beauty
91		Tofu G	Food & Beverage
92		Modu Samgyetang	Food & Beverage
93		Xiang Xiang Hunan Cuisine	Food & Beverage
94		Polar Bakery	Food & Beverage
95		Longjing	Food & Beverage
96	Italy	Missoni	Fashion & Fashion Accessories
97		RARE	Fashion & Fashion Accessories
98	United Kingdom	The Great Chase	Food & Beverage
99	Taiwan	Plus One	Food & Beverage
100		Taro Yuan	Food & Beverage
101	Sweden	BYREDO	Health & Beauty

Note: \*- opened in December 2024. CoCo bubble tea (Taiwan), QB House hair salon (Japan) and Tous les Jours bakery (South Korea) returned to Malaysia in 2025 after these brands exited the country many years ago.

Source: Henry Butcher Retail

## Closures of Foreign Retailers in Klang Valley

- Both Delifrance (France) and Long John Silver (United States) returned to Malaysia the second time but failed to keep their businesses alive. In 2025, Delifrance closed down its only outlet in Mont Kiara. Long John Silver closed down its last outlet in Putrajaya during the month of February.
- In February, Australia's largest fabric and craft chain Spotlight closed down in MyTown Shopping Centre and IPC Shopping Centre.
- In March, Forever 21 closed down all its remaining Malaysian stores after its parent company in United States filed for Chapter 11 bankruptcy.
- The viral café from United Kingdom, EL&N shut down its outlet in Pavilion KL in mid 2025.
- By June 2025, Lulu from UAE has closed down all its 6 outlets in Malaysia after 9 years of operation.
- Skincare retailer mtm labo from Hong Kong closed down its two outlets in Suria KLCC and Pavilion Damansara Heights during the month of July.
- By end of July 2025, Hoshino Coffee (Japan) has closed down all its 3 outlets in Malaysia.
- Lotus Vegetarian from Singapore closed down its only outlet in Berjaya Times Square in the month of September.
- Started from October, South Korean F&B brand Street Churros in Malaysia changed its name to Churros+.

## Tourist Arrivals in 2025

For the first 8 months of 2025, Malaysia received 28.2 million foreign tourists. This was an increase of 14.5% as compared to the same period last year. This achievement has exceeded the annual tourist arrivals during pre-covid era. The total foreign tourist arrivals in 2019 was only 26.1 million.

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In terms of foreign tourist receipts, it achieved RM 186.4 billion for the first 8 months of this year. This was a significant increase of 84.9% as compared to the same period last year. For the first 8 months of 2025, about 50% of the foreign tourists came from Singapore. This was an increase of 18.1% as compared to the same period a year ago. The cheap Malaysian currency had been especially attractive for visitors from Singapore. The second largest group of foreign tourists came from China at 3.3 million visitors, up 27.5% compared to the same period last year. Since December 2023, the Malaysian government has granted visa-free entry to citizens of China for stays up to 30 days. In July 2025, the Malaysian government expanded this visa exemption to 90 days for another 5 years. The third largest group of foreign tourists were from Indonesia with 2.9 million people, up from 6.8% as compared to the same period a year ago. This was followed by Thailand with 1.6 million visitors (up 5.8%). India was the fifth largest group of foreign tourist arrivals in Malaysia for the first 8 months of 2025. This market had the second highest growth rate with 22.5%. Similar to China, the Malaysian government has granted visa-free entry to citizens of India for stays up to 30 days since December 2023. In July 2025, the Malaysian government extended this visa exemption until December 2026.

The targets for 2025 were 31.4 million in foreign tourist arrivals and RM 216 billion in tourism receipts. Based on the encouraging performance for the first 8 months, this forecast is deemed achievable. During the year, RM 550 million was allocated to enhance tourism promotions and activities. An additional RM 110 million was used to upgrade tourism areas, establish ecotourism partnerships and support UNESCO nominations.

The Malaysia Mega Sale Campaign, organized by Tourism Malaysia in collaboration with Mastercard, ran between June 15 and July 31. It featured over 100 participating industry players and more than 150 activities, deals and rewards during the campaign period. The 2025 Malaysia Year-End Sale Campaign, also organized by Tourism Malaysia, started from 15 November 2025 and will run until 1 January 2026. It has over 100 exciting offers and activities spread throughout the country with discounts up to 70% at selected shopping centres and retail outlets.

The Malaysian government planned to introduce a High Value Goods Tax (HVGT) at a rate of 5.0% to 10.0% on certain high-value retail goods based on the threshold value of the goods. This tax, delayed since 1 May 2024, was to be re-introduced in 2025. However, the Malaysian government has delayed this new tax indefinitely.

Retailers and food operators located in major cities, tourist-oriented towns and resort islands have generally enjoyed better sales due to the higher tourist arrivals in 2025.

## Rental Rates of Selected Shopping Centres in the Klang Valley in 2025

The rental rates of selected shopping centres in Klang Valley in 2025 are detailed out in the table :

### *Rental Rates of Selected Shopping Centres in Klang Valley, 2025*

Name	Rental Rate (RM psf per month)					
	Lower Ground	Ground floor	First floor	Second floor	Third floor	Fourth floor
Suria KLCC	53.00 – 207.00	50.00 – 138.00	82.00 – 110.00	38.00 – 96.00	43.00 – 93.00	38.00 – 56.00
Low Yat Plaza	18.00 – 28.00	19.00 – 48.00	23.00 – 42.00	10.00 – 32.00	14.00 – 37.00	13.00 – 22.00
Cheras Leisure Mall	20.00 – 32.00	13.00 – 17.00	11.00 – 28.00	8.00 – 22.00	NA	NA
Mid Valley Megamall	25.00 – 36.00	45.00 – 80.00	34.00 – 38.00	23.00 – 25.00	15.00 – 22.00	NA
Melawati Mall	5.60 – 17.00	9.00 – 33.00	5.00 – 9.00	6.00 – 19.00	9.00 – 23.00	5.00 – 12.00
The Mines	NA	7.00 – 18.00	8.00 – 18.00	5.00 – 24.00	9.00 – 19.00	NA
SACC Mall	7.00 – 13.00	4.50 – 14.00	3.00 – 11.00	2.60 – 7.00	2.00 – 4.50	NA

Note: NA -not applicable Source: Property Market Report, NAPIC/Henry Butcher Retail

The achieved rental rates did not include rental rates of anchor tenants such as supermarket, department store, cineplex, bowling alley, etc.

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## Klang Valley Retail Supply in 2026

At least 9 new shopping centres are expected to be completed in 2026 with a total nett floor area of more than 2.7 million sq ft. Five of them are located in Kuala Lumpur, two are in Selangor and another two are situated in Putrajaya. Many of these new shopping centres were supposed to open in 2025 but have been delayed.

The list of new shopping centres in the Klang Valley include the following:

### New Shopping Centres in Klang Valley for the Year 2026

No.	Name	Location	Nett Floor Area (sq ft)
1	Ombak KLCC	Kuala Lumpur City Centre	420,000
2	Destina Putrajaya	Putrajaya	97,000
3	The Boulevard	Kuala Lumpur City Centre	42,000
4	Plaza Terra	Putrajaya	196,000
5	118 Mall	Kuala Lumpur CBD	800,000
6	MET Galleria	Mont Kiara	90,000
7	KL Midtown Mall	Mont Kiara	500,000
8	Coalfields Retail Park	Sungai Buloh	500,000
9	Temasya Prisma Galleria	Shah Alam	82,000
	<b>TOTAL</b>		<b>2,727,000</b>

Source: Henry Butcher Retail

- Originally planned for October 2025, Ombak KLCC's opening has been delayed till 2026. This shopping centre has 6 retail levels with 120 shops. It has allocated 200,000 sq ft of space for gallery and cultural programmes. In addition, it has a 38,000 sq ft rooftop garden.
- Destina Putrajaya is a transit-oriented development located between Putrajaya Sentral and Putrajaya Hospital. Developed by Putrajaya Holdings Sdn Bhd, it has 3 retail levels and 8 car parking levels. This retail centre offers 58 retail shops over 97,000 sq ft of space.
- The Boulevard is part of the Oxley Towers KLCC development with other components such as SO/ Kuala Lumpur Hotel & Residences, Jewel by Oxley KLCC, The Langham Hotel and a 25,000 sq ft public park. The 2-level retail centre is managed by Pavilion Group.
- Plaza Terra is part of a mixed-use development in Precinct 8 of Putrajaya which consists of 2 blocks of residential towers, a 15-storey service residence by Frasers Hospitality, a shopping centre and an event hall. Plaza Terra is targeted for opening during the first quarter of 2026.
- 118 Mall is a 7-storey shopping mall located at the base of the second tallest building in the world, Merdeka 118. This shopping mall is surrounded by a 4-acre linear park and offers 800,000 sq ft of retail space over 7 floors with 300 shops. Village Grocer is the confirmed supermarket operator. In addition, it has a 40,000 sq ft Makanizm food hall, Merdeka Textile Museum and Malaysian Artisan District (MAD). Over 70% of the retail space has been leased.
- MET Galleria is a 2-storey shopping centre located below a residential tower with 616 units of apartments and is the first retail component within the mega mixed development of KL Metropolis.
- KL Midtown Mall is part of a RM 5 billion mixed-use development jointly developed by Hap Seng and NAZA TTDI. AEON has been secured as the anchor tenant of the shopping mall.
- Coalfields Retail Park, located within Bandar Seri Coalfields in Sungai Buloh, is targeting for opening by the second quarter of 2026. It offers 135 retail lots with confirmed major tenants including Village Grocer, Harvey Norman, Decathlon, KKV, Panda Eyes, Harborland, Blue Ice skating ring and Pickle Park.
- Temasya Prisma Galleria is part of a mixed-use development with an 18-storey tower with 216 residential units. Located within Temasya Glenmarie township, this retail centre is targeted for opening before end 2026.

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## Outlook for the Klang Valley Shopping Centre Market in 2026

The Klang Valley shopping centre market in 2026 will remain highly competitive, with many new exciting concepts and brands.

### The Klang Valley Shopping Centre Market

Major shopping malls in the Klang Valley will continue to draw family shoppers and hungry diners during weekends as well as public holidays. More recreational facilities and consumer services will be found as new tenants of shopping centres in the Klang Valley. Many retail landlords in the Klang Valley will try to fill up vacant space with many mass-market overseas retailers, especially foreign food & beverage brands. Shopping centres with weak occupancy rates in 2025 will continue to struggle to find new tenants in the coming new year. The year-long Visit Malaysia 2026 campaign will benefit Klang Valley shopping centres located in areas popular with tourists.

Shopping centre owners in the Klang Valley will continue to face high operating costs in the new year because of high electricity charges, a new 8% SST\* on rental and leasing services, increased fuel charges due to subsidy rationalisation, increased third-party maintenance charges, etc. (\*NB: The SST rate for micro and qualified SMEs has now been reduced to 6% wef 1 January 2026. The annual sales threshold for MSMEs to be exempt from paying this service tax has also been raised from RM1 million to RM1.5 million.)

Imposed by the Malaysian government, all shopping centres must offer a recycling facility within its premises starting from January 2026. Failure to do so will lead to its building managers unable to renew its business licenses. This will contribute to higher operating cost for these shopping centres.

### The Klang Valley Consumer Market

Retail Group Malaysia (RGM) forecasts a 4.0% growth rate for Malaysia's retail industry in 2026. For the same period, the Malaysian government expects the national economy to grow by between 4.0% and 4.5%.

Similar to previous years, the biggest challenges for the Malaysian retail industry in the new year will be the rising cost of living for Malaysian consumers as well as the increasing operating costs for retailers.

Phase 4 of e-invoicing will commence from 1 January 2026. All companies in Malaysia with an annual turnover above RM 1 million and up to RM 5 million will require to start generating e-invoices for all B2B, B2C and B2G transactions. Tax payers with an annual turnover or revenue of less than RM 1,000,000 are currently exempted from e-Invoice implementation. (NB: The Prime Minister has just announced that the e-invoicing deadline for firms with annual sales of RM 1m to RM5m which was set to take effect on 1 January 2026, has now been extended by another year).

Based on Budget 2026, several monetary incentives will be implemented to assist Malaysian consumers to manage their rising cost of living. The Malaysian government has allocated RM 15 billion for Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (SARA), up from RM 13 billion in 2025. In 2026, 9 million STR recipients will receive SARA up to RM 100 per month. 1 million STR recipients under e-Kasih will receive SARA up to RM 200 monthly. Singles will receive RM 50 per month through SARA. A household with income below RM 2,500 a month and with 5 children will receive up to RM 4,600 per annum. Similar to the monetary incentive introduced on 31 August 2025, the Malaysian government will provide one-off RM 100 SARA to 22 million Malaysians aged 18 years and above in the new year. It will begin in February for Malaysians to prepare for Ramadan and the celebration of Chinese New Year.

Phase 2 of Sistem Saraan Perkhidmatan Awam (SSPA) will come into effect in January 2026. For all civil servants under the management and professional category, they will receive a 7% increment on 1 January 2026. For all civil servants in the upper management category, they will receive a 3% raise on the same date.

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## New Foreign Retailers

New foreign retailers expected in Klang Valley for Year 2026 include:

- Gentlewomen, Thailand
- Godzilla Store, Japan
- TopTen10, South Korea
- Saizeriya, Japan
- Mardi Mercredi, South Korea
- T'ang Court, Hong Kong
- Jean-Georges, France
- Etc.

## Malaysia Tourism in 2026

Year 2026 is the highly anticipated Visit Malaysia Year. The Malaysian government is targeting 47 million foreign tourist arrivals and RM 329 billion in tourism receipts during this year-long campaign. Under Budget 2026 announced in October 2025, the Malaysian government will allocate RM 500 million to promote this Visit Malaysia Year 2026 (VM2026) campaign. Nevertheless, the stronger Ringgit may affect tourist arrivals as the country may become more costly as a holiday destination.

In addition, funds will be distributed for the following:

- RM 60 million for promotion, marketing, organising of tourism events and cultural activities
- RM 50 million to support craftsmen
- RM 50 million matching grant to encourage international flights and charter flights to Malaysia
- RM 25 million to improve tourism facilities
- RM 20 million for health tourism programmes

Tourism Malaysia has partnered with 70 local and international brands to promote VM2026. Furthermore, the government is providing RM 50 million in matching grants to encourage international airlines to launch new routes and increase charter flight services to Malaysia during VM2026. Local tour operators will be granted a 100% income tax exemption on the increased value of income derived from inbound tour packages to Malaysia. Approved tourism operators that renovate or upgrade their business premises will be granted a tax deduction of up to RM 500,000 on selected expenses. Companies or organisations that organise international-level conferences, exhibitions and incentive trips will receive a 100% income tax exemption on statutory income.

Besides attracting international tourists to visit all parts of Malaysia, the Malaysian government is also offering direct financial incentives to encourage domestic tourism. For Malaysians only, a special income tax relief of up to RM 1,000 will be offered for expenses incurred on entrance fees to local tourist attractions, cultural programmes and heritage activities. These generous monetary incentives offered by the Malaysian government will definitely push higher tourists' spending (from both domestic and international tourists) in 2026. This will benefit retail businesses located in major cities and tourism towns throughout Malaysia.

## Hospitality Sector

Malaysia recorded a strong performance in the tourism sector in 2025, attracting a total of 28.2 million international tourists in the first eight months of the year and generating a revenue of RM 186.4 billion. Compared to the 24.7 million tourist arrivals for the same period in 2024, this represents a 14.5% y-o-y increase over 2024 and is 16.4% higher than the pre-Covid year of 2019. In terms of revenue, the performance was even more impressive as the percentage increase came up to 84.9%. In the process, Malaysia emerged as the best performing country in South East Asia in terms of tourist arrivals for the period.

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## International tourist arrivals in South East Asia (Jan – Aug 2025)

Country	International tourist arrivals (millions)
Malaysia	28.25
Thailand	21.88
Vietnam	13.9
Singapore	11.6
Indonesia	10.04
Philippines	3.96

Source: Seasia

Key factors which helped to drive the tourism sector included favourable government policies such as the introduction of visa free arrivals for visitors from China and India, the upcoming Visit Malaysia Year 2026 promotional campaign and growth in niche markets such as Muslim-friendly, M.I.C.E., medical and education tourism. Singapore (14 million), China (3.3 million), Indonesia (2.9 million), Thailand (1.6 million) and India (1.1 million) were the top source markets during this period and all these countries recorded increases in tourist arrivals compared to the previous year. (source: The Edge 26.11.25)

The government is targeting 31 million international tourist arrivals and RM 216 billion in tourism receipts for 2025 and has set a higher goal of 47 million visitors and RM 329 billion in tourism receipts for VMY2026.

International Tourist arrivals in Malaysia 2024/2025 ('million) Source: MOTAC

Month	2024	2025
Jan	2.43	3.76
Feb	2.69	2.98
Mar	3.14	3.37
Apr	2.80	3.28
May	3.00	3.56
Jun	3.41	3.66
July	3.52	3.93
Aug	3.66	3.71
<b>Total</b>	<b>24.65</b>	<b>28.25</b>

## Hotel supply and occupancy rates

Malaysia has a total of 3,645 hotels as at Q3 2025 with a total of 297,226 hotel rooms. Hotels with between 100 to 299 rooms contribute the largest number of rooms (35%) although in terms of number of hotels, this category only make up 16% of the total. The category with the largest number of hotels is the 20 to 49 rooms group (39%) but its contribution to the total number of rooms is less than 15%. The largest hotels with 300 rooms and above make up less than 6% of the total but contribute 33% of the total number of rooms. Johor is the state with the most number of hotels (495) offering about 34,000 rooms. This is followed by Sabah (438) and Sarawak (390) which have a combined total of 47,747 rooms which is however less than the 51,293 rooms offered by the 269 hotels in Kuala Lumpur. Penang has 252 hotels with a total of 25,583 rooms whilst Perak has a higher number of hotels (341) but lesser number of rooms (18,181). Selangor has 211 hotels and 26,781 rooms. 3, 4 and 5 star hotels make up 22% of the total supply of hotels in the country but provide 59% of the total supply of rooms.

# MARKET OVERVIEW

Cont'd

## Supply of hotels and rooms according to state, Q3 2025

State	Total		>300		100 - 299		50 - 99		20 - 49		10 - 19	
	Hotel	Rooms	Hotel	Rooms	Hotel	Rooms	Hotel	Rooms	Hotel	Rooms	Hotel	Rooms
WP KL	269	51,293	60	28,120	98	18,301	37	2,637	57	2,002	17	233
WP Putrajaya	7	1,769	2	835	4	896	0	0	1	38	0	0
WP Labuan	43	1,858	0	0	5	622	5	397	18	619	15	220
Selangor	211	26,781	32	13,831	48	8,178	29	1,998	78	2,418	24	356
Johor	495	34,062	23	9,838	60	11,044	66	4,622	217	6,756	129	1,802
Pulau Pinang	252	25,583	26	9,852	49	9,427	37	2,644	98	3,062	42	598
Perak	341	18,181	3	1,313	45	7,071	53	3,773	152	4,715	88	1,309
Negeri Sembilan	160	13,145	9	4,617	18	3,620	35	2,386	66	2,104	32	418
Melaka	180	19,863	17	7,764	38	7,012	40	2,843	55	1,825	30	419
Kedah	179	13,539	2	681	48	7,722	37	2,742	61	1,960	31	434
Pahang	305	26,037	13	12,823	33	5,404	46	3,036	113	3,386	100	1,388
Terengganu	251	11,677	1	340	24	3,973	45	3,100	107	3,210	74	1,054
Kelantan	91	4,360	0	0	8	1,584	16	1,072	44	1,343	23	361
Perlis	33	1,321	0	0	4	500	5	263	16	450	8	108
Sabah	438	25,692	13	5,368	53	8,574	65	4,351	180	5,624	127	1,775
Sarawak	390	22,065	8	3,071	53	9,458	44	2,868	166	4,941	119	1,727
<b>MALAYSIA</b>	<b>3,645</b>	<b>297,226</b>	<b>209</b>	<b>98,453</b>	<b>588</b>	<b>103,386</b>	<b>560</b>	<b>38,732</b>	<b>1,429</b>	<b>44,453</b>	<b>859</b>	<b>12,202</b>

Source: Nopic

The supply of hotels will increase in the coming years with a large number of the planned hotels located in Kuala Lumpur, Johor and Penang.

## Future supply of hotels, Malaysia as at Q3 2025

Status	No. of hotels	No. of rooms
Completion	10	1,445
Incoming	64	12,830
Starts	2	357
Planned	36	6,309
New planned supply	6	1,044

Source: Nopic

The average occupancy rate of hotels in Malaysia in the first nine months of 2025 was recorded at 56.3% which is an improvement from the 54.4% recorded in 2024 and 50.5% in 2023 but lower than the 56.6% recorded in 2019. All states, except for Perak, Sarawak and Trengganu, recorded an increase in average occupancy rates with the highest occupancy rate recorded by Pahang (76.2%) followed by Kuala Lumpur (65.4%), Penang (57.65%) and Putrajaya (55.9%). The lowest occupancy rates were recorded by Labuan (39.2%) and Perlis (41.3%).

# MARKET OVERVIEW

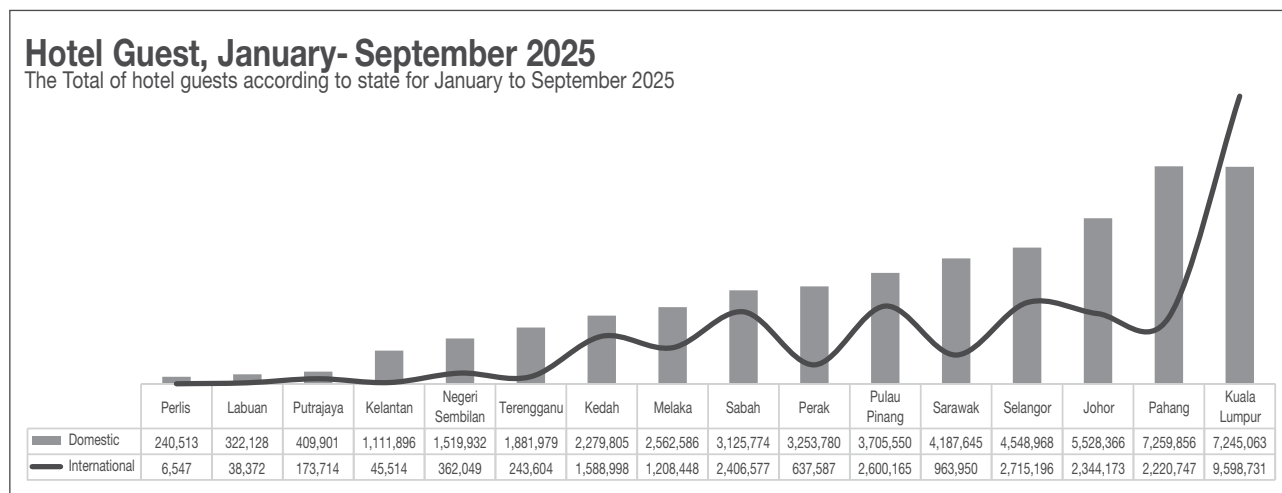
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## Average occupancy rates of hotels in Malaysia Jan-Sep 2024/5

State	2024 (%)	2025 (%)	Increase (Decline) (%)
Kuala Lumpur	61.2	65.4	4.2
Putrajaya	55.7	55.9	0.2
Selangor	50.8	53.6	2.8
Pulau Pinang	55.6	57.6	2.0
Perak	45.9	45.6	-0.3
Kedah	46.2	50.8	4.6
Perlis	40.6	41.3	0.7
Negeri Sembilan	41.0	43.0	2.0
Melaka	44.0	44.5	0.5
Johor	51.5	53.7	2.2
Pahang	75.3	76.2	0.9
Terengganu	47.6	46.5	-1.1
Kelantan	45.3	45.6	0.3
Sabah	52.4	54.4	2.0
Labuan	35.0	39.2	4.2
Sarawak	47.2	46.9	-0.3
<b>Malaysia</b>	<b>54.4</b>	<b>56.3</b>	<b>1.9</b>

Source: Tourism Malaysia

The country recorded a 3.6% rise in the number of hotel guests in the first nine months of 2025 from 73.6 million to 76.3 million. Domestic guests increased 3.1% from 47.6 million to 49.1 million whilst international guests went up 4.5% from 25.9 million to 27.5 million. Kuala Lumpur received the highest number of domestic as well as international hotel guests followed by Pahang, Johor, Selangor and Penang.



Source: Chart from Tourism Malaysia

# MARKET OVERVIEW

Cont'd

Based on data released by the Strategic Planning Division of Tourism Malaysia, the national average room rate (ARR) achieved in the first nine months of 2025 registered a slight drop of just 0.8% over the same period in 2024. Nevertheless, we note that each of the top five states in terms of ARR recorded a rise, with the best performing being Sabah which recorded a close to 27% jump in ARR followed by Terengganu with close to 21%. We also noted that six out of the thirteen states (Kedah, Penang, Terengganu, Pahang, Johor and Sabah) recorded a rise in the ARR whilst only one of the three Federal Territories registered an increase (Kuala Lumpur).

## Average daily rates of hotels, Jan – Sep 2024 vs 2025

Location	2024	2025
Malaysia	240	238
Terengganu	355	428
Kuala Lumpur	350	363
Sabah	271	344
Penang	284	294
Pahang	275	279

Source: Tourism Malaysia

## Hotel sale transactions

There were not many recorded sale transactions of hotels in 2025. The following are the reported major transactions which occurred during the year.

Hotel	Vendor	Buyer	Sale consideration
Impiana KLCC (519 rooms)	Magma/KLCC	Harum Aspirasi (Valiram group)	RM 315 m
Eastin KL (388 rooms)	CP Group	TSM Global	RM 200 m
Empire City Hotel PJ (294 rooms)	Mammoth Empire	Exsim Hospitality	RM 240.25 m
Banyan Tree KL (55 rooms)	Lumayan Indah	Pavillion REIT	RM 140 m
Pavillion Hotel (325 rooms)	Harmoni Perkasa	Pavillion REIT	RM 340 m
Corus Hotel KL (388 rooms)	MUI Group	Mah Sing Group	RM 260 m
Bayview Hotel Langkawi (282 rooms including suites)	Boon Siew Group	Oriental Holdings	RM 91 m
Bayview Beach Resort, Penang (360 rooms)	Boon Siew Group	Oriental Holdings	RM 167 m
Bayview Hotel Penang (340 rooms)	Boon Siew Group	Oriental Holdings	RM 153 m
Thistle Hotel JB (381 rooms)	JB Parade (Guocoland)	YTL	RM 150 m
Puteri Pacific Hotel JB (424 rooms)	Johor Corp	Undisclosed company belonging to TS Desmond Lim	RM 100 m (Unconfirmed)

Source: reports compiled from various newspapers

# MARKET OVERVIEW

Cont'd

## Outlook for 2026

- a) Malaysia's tourism industry is expected to record a strong growth in 2026, driven by the "Visit Malaysia Year 2026" campaign. Tourist arrival figures may however be affected by the stronger Ringgit.
- b) A key thrust of VMY2026 is to attract higher-spending tourists and promote sustainable tourism, including eco-tourism, cultural heritage, and Muslim-friendly options.
- c) The government is allocating a budget of RM 500 million for promotions and infrastructure upgrades alongside tax reliefs and incentives for tourism operators to boost both inbound and domestic tourism.
- d) The strong performance of the tourism sector is expected to spur investment in new hotel developments and refurbishments of old ones in major cities as well as in serviced residences and short-stay apartments.
- e) Domestic tourism is expected to play a big part in the tourism landscape as more Malaysians are expected to spend their holidays within the country instead of travelling abroad in view of concerns of a slowdown in economic growth if current global conflicts escalate and the hoped for stronger growth of major economies like China and USA take a longer time to materialize. The stronger Ringgit may make it viable for Malaysians to travel abroad especially to nearby destinations but at the same time, make it less competitive and attractive for foreign tourists to head to Malaysia.
- f) Some areas of the industry are continuing to face labour shortages, which could impact service quality despite efforts to import foreign workers.
- g) The way Malaysia regulates platforms like Airbnb could affect the availability of accommodation options and impact the growth of tourism.
- h) The Malaysian Association of Hotels has expressed its view that the increased in the minimum wage from RM 1,500 to RM 1,700 w.e.f 1 February 2025 will further increase operational costs of hotels and put additional strain on their financial resources

## Bright spots for 2026

- a) The government will be promoting medical tourism as part of its plans to boost tourist arrivals in the country.
- b) The visa-free policy for China and India has been extended until December 31, 2026. The policy allows nationals of these countries to stay in the country for up to 30 days for business, tourism and family visits. This also applies to nationals of ASEAN countries except Myanmar. Countries which enjoy a 90-day visa free entry include Canada, Australia, New Zealand, United Kingdom, Japan and South Korea.
- c) VMY 2026 is being eagerly awaited by the leisure and hospitality as well as retail industries as the promotional efforts by the government is expected to lead to an increase in tourist arrivals and boost hotel occupancy rates as well as spending on food & beverage and shopping.
- d) For Melaka, it was reported that close to 144,000 tourists out of nearly 250,000 who boarded the ships landed in Melaka via luxury cruise ships for the period November 2024 to October 2025. This is a huge boost to the tourism sector in the state.
- e) In Budget 2025, more than RM 700 million will be allocated to elevate the tourism sector whilst in conjunction with Visit Malaysia 2026, the Government plans to provide tax incentives for the tourism and cultural sectors. A sum of RM 20 million has also been set aside to boost health tourism programmes by the Malaysia Healthcare Travel Council (MHTC) and allocations have also been made to upgrade tourism facilities, including the restoration of Unesco sites such as Taman Negara Gunung Mulu, Sarawak; Lembah Lenggong, Perak; and FRIM Forest Park, Selangor, as well as geotourism attractions in Langkawi.

# MARKET OVERVIEW

Cont'd

## THE MALAYSIAN REITS (M-REITS) MARKET OVERVIEW 2025

The Malaysian REIT (MREIT) sector continued to grow in 2025. A new REIT (Paradigm REIT), was added during the year, bringing the total number of REITs listed on Bursa Malaysia to 20 comprising 15 conventional and 5 Islamic REITs and expanding its market capitalization from RM 49.14 billion as at 2 January 2025 to RM 59.32 billion as at 31 December 2025. This represents a year on year increase of nearly 21% and is a huge jump from the market capitalisation of only RM 9 billion recorded in 2010. It has also been reported that IOI Properties Group Berhad is currently in the process of establishing a new REIT to be listed on Bursa Malaysia's Main Board whilst a state corporation is rumoured to be looking into the setting up of another REIT under its portfolio.

The MREIT sector enjoyed stable growth, boosted by the country's resilient economy which provided strong support to the retail and office sectors. The increase in tourist arrival figures as well as receipts in 2025 even before Visit Malaysia Year 2026 kicks in has helped to boost earnings recorded by retailers and shopping centre owners. Based on a report by Retail Group Malaysia (RGM), Malaysia's retail industry is estimated to grow by 3.6% in 2025, buoyed by the stronger than expected growth in Q3 and is projected to expand by 4% in 2026. Among the three main subsectors of REITs, fund managers and analysts have been reported to favour retail and industrial REITs whereas office REITs remain the least favoured, especially older assets or those located outside prime transit-oriented locations because of lower occupancy rates of such properties and the issue of a possible oversupply situation looming in the horizon.

We have carried out a review and analysis of the financial performance of six major REITs which own shopping malls, hotels and office buildings and our findings reveal that in FY 2025, five of the REITs posted a higher gross revenue compared to the year before whilst one reported lower revenue. Five of them also reported an improvement in Net Property Income for FY 2025 compared to FY 2024 whilst one recorded a decline in NPI.

### Financial performance of selected REITS (2024 – 2025)

REIT	Gross Revenue 2024 (RM'000)	Gross Revenue 2025 (RM'000)	% change in Gross Revenue 2024 vs 2025	Net Property Income 2024 (RM'000)	Net Property Income 2025 (RM'000)	% change in nett Property Income 2024 vs 2025
IGB REIT*	467,797	496,728	6.2%	347,830	377,886	8.6%
Sunway REIT *	546,300	666,700	22.0%	404,200	493,000	22.0%
Pavilion REIT *	627,076	669,398	6.7%	387,909	418,067	7.8%
YTL REIT	554,908	548,324	-1.2%	289,527	292,072	0.88%
KIP REIT	102,159	136,133	33.3%	77,817	96,823	24.4%
Hektar REIT **	64,963	62,929	-3.1%	35,095	30,863	-12.0%

NB: Not many of the REITS have reported their financial performance for 2025 at the point of preparing this report

\* FY end is Dec. Results analysed for YTD as at Q3 2024 & 2025

\*\* Results analysed for YTD as at Q2 2024 & 2025

The financial figures for some of these REITS were not yet audited

Source: HB/Bursa Malaysia/individual company annual reports.

As at 31 December 2025, KLCCP maintained its top position as the largest REIT in Malaysia by capitalization at RM 15.742 billion followed by IGB REIT at RM 11.802 billion, Sunway REIT at RM 7.911 billion and Pavilion REIT at RM 7.103 billion. There are six other REITs which have market capitalizations of above RM 1 billion viz., Axis REIT (RM 3.887 billion), YTL Hospitality (RM 1.891 billion), Capitaland Malaysia Mall Trust (RM 2.082 billion), IGB Commercial REIT (RM 1.535 billion), Paradigm REIT at RM 1.520 billion and Al Alaqaq, at RM 1.074 billion.

# MARKET OVERVIEW

Cont'd

Overall, the market capitalisation of Malaysian REITs rose 21% from RM 49.14 billion as at 2 January 2025 to RM59.32 billion as at 31 December 2025 due to better performances in the office, retail, hospital services and industrial sectors. However, the number of REITs which declared dividends of above 6% declined to eight in 2025 compared to nine in 2024 and twelve in 2023. The performance of the M REITs for 2025 are summarized in the table overleaf.

## Malaysian REITs – Performance as at 31 December 2025

No	Company	Property Portfolio	Market Capital (RM)	Last share price (RM)	P/E Ratio	Dividend Yield (%)	ROE (%)
1	Al-Aqar	Health Care	1,074.69	1.28	18.71	5.25	5.48
2	Al-Salam	Islamic diversified	284.20	0.49	31.70	3.30	1.38
3	AME Reit	Real Estate	880.25	1.66	17.39	4.87	8.36
4	AmFirst	Office / Retail	216.22	0.32	8.09	8.48	3.27
5	Amanah Raya	Diversified	192.03	0.34	131.70	4.87	0.21
6	Atrium	Industrial	363.80	1.37	7.82	8.00	11.93
7	Axis	Offices/Industrial/Retail	3,887.80	1.92	15.41	5.30	7.77
8	CLMT	Retail	2,082.05	0.63	9.14	7.74	6.69
9	Hektar	Retail	308.54	0.44	17.65	5.23	2.43
10	IGBCR	Commercial	1,535.08	0.64	17.72	6.16	3.73
11	IGBREIT	Real Estate	11,802.11	2.73	15.99	4.16	14.84
12	KIP	Retail	857.97	0.95	0.96	7.91	14.70
13	KLCCP	Office/Retail	15,742.50	8.72	15.25	5.11	7.70
14	Pavillion	Office/Retail	7,103.96	1.81	14.85	5.46	8.78
15	Sentral	Office/Retail	950.43	0.80	12.21	7.99	5.65
16	Sunway	Diversified	7,911.31	2.31	14.99	5.46	9.73
17	Tower	Office	149.72	0.31	18.75	4.07	1.75
18	UOA	Office	564.13	0.84	15.35	8.37	3.75
19	YTL Hospitality	Hotels	1,891.87	1.11	12.51	6.98	5.16
20	Paradigm	Retail	1,520.95	0.95	n.a.	n.a.	n.a.

Source: Bursa Malaysia (as at 31.12.25)

## Major acquisitions / disposals by REITs in 2025

- Axis REIT has announced the acquisition of an industrial property comprising a single storey detached factory with a double-storey office annex, a standalone double-storey office and canteen block and a single-storey detached warehouse with a double-storey office annex and additional ancillary buildings with a combined gross floor area of 22,350 sq m and situated on a 10.10 acre site in the Bandar Sultan Suleiman industrial area in Port Klang for a cash consideration of RM 80 million. The property was acquired from TS Worldwide Warehousing Sdn Bhd. and is currently leased to Tuck Sun Logistics Sdn Bhd which is a forwarding agent providing of haulage, freight and warehouse services.
- Axis REIT acquired a large freehold industrial property in Seberang Perai Tengah, Penang for RM 800 million, its single largest acquisition to date. The property which sits on about 55 hectares of industrial land is leased back to Ann Joo Steel for fixed term of eight years at RM4.16 million per month.

# MARKET OVERVIEW

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- c) Axis REIT has announced the proposed acquisition of a double storey detached factory in Senai, Johor for a cash consideration of RM 34.6 million. The buildings which will have an approximate gross built up area of 115,363 sq ft upon completion, will be developed by the vendor, Banyan Estate Malaysia Sdn Bhd, based on a build and lease arrangement wherein Axis Reit will lease the buildings to FCI Connectors Malaysia Sdn Bhd for a period of five years at an initial monthly rental of RM 207,653.40, subject to step-ups during the lease period.
- d) IGB REIT has completed the RM 2.65 billion acquisition of The Mall, Mid Valley Southkey in Johor Bahru, a significant move to capture growth in the Iskandar Malaysia region.
- e) Sunway REIT has acquired Aeon Mall Seri Manjung in Perak for RM138 million, an acquisition expected to enhance its retail portfolio's net property income yield.
- f) Capitaland Malaysia Trust (CLMT) announced plans to acquire three freehold industrial properties in the Johor-Singapore Special Economic Zone (JS-SEZ) for a total of RM 72 million, diversifying its portfolio into the industrial segment.
- g) Pavillion REIT is expected to complete the acquisition of the Pavilion Hotel Kuala Lumpur and Banyan Tree Kuala Lumpur hotels for RM 480 million.
- h) AME REIT is undergoing RM 148 million worth of asset acquisitions, which will increase its total asset value by 31% to RM931 million from RM710 million in December 2024.
- i) Hektar REIT has proposed the acquisition of an industrial property in Bayan Lepas, Penang, for RM 30 million, marking its first foray into industrial assets and also announced plans to acquire a 90% equity stake in Terramark Sdn Bhd, a real estate backed company with land earmarked for a solar farm development in Chuping, Perlis.
- j) In March 2025, KIP REIT signed a memorandum of understanding with AEON Co (M) Bhd to expand and refurbish AEON Mall Kinta City. AEON has also renewed its existing lease on the AEON Mall Kinta City for another five years and will sign a master lease for the new space upon its expected completion in 2028.
- k) Sentral REIT is expected to complete its RM 70 million acquisition of Arcoris Plaza located in Mont' Kiara, Kuala Lumpur as part of its strategy to diversify its asset base. The firm also said that a potential disposal of the vacant Wisma Sentral Inai could help to reduce borrowing costs.
- l) Al-Aqar REIT sold a six storey purpose built office building with a basement level together with fittings located in Bukit Mertajam and operated as KPJ Healthcare College Penang for RM 12 million, below its market value as well as original investment cost, to Icon Square Sdn Bhd.

## Outlook for 2026

The overall outlook for REITs for 2026 appears to be generally positive if occupancy and rental rates for office space and retail space can be sustained although earnings could be relatively flat. Improved tourism arrivals and increasing medical tourism which could be expected to be generated by the efforts undertaken by the government to promote and drive the tourism sector during the lead up to VMY 2026 could provide steady returns to retail, leisure and medical REITs. The Malaysia Healthcare Travel Industry Blueprint 2021-2025 is meant to guide the industry towards delivering the "Best Malaysia Healthcare Travel Experience" whilst the Flagship Medical Tourism Hospital (FMTH) Programme recognizes and supports leading institutions involved in the healthcare industry. In this regard, the medical tourism industry is targeted to generate approximately RM 3 billion in revenue in 2025, up from the RM 2.72 billion earned in 2024.

Nevertheless, there is concern that the stronger Ringgit may affect the government's plans to bring in more tourists as Malaysia, as a tourist and health care destination, becomes less competitive. Further, the uncertainty over whether the withholding tax (WHT) concession which expired on 31 December 2025 may be extended or reworked based on a similar attractive structure, may pose a challenge to the REITs sector and erode the relative appeal of Malaysian REITs against its regional peers. Based on this concession which ran from 2016 to 2025, most investors enjoy a 10% final WHT. Corporations which are Malaysian are subjected to corporate tax whilst non-resident corporations are subjected to withholding tax of 24% of its REIT distributions.

# ADDITIONAL COMPLIANCE INFORMATION

This information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia and SC's Guidelines on Listed REITs:

## 1. Utilisation of Proceeds

In conjunction with the acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, placement of new units was undertaken. Its utilisation of expenses are as below:-

RM (million)	Estimated	Incurred to Date
Placement fee	10.8	5.6
Manager's fee	4.8	4.8
Professional fees	3.0	3.0
Miscellaneous expense	1.2	0.1

## 2. Sanctions and/or Penalties

There is no public sanction and/or penalty imposed on Pavilion REIT, the Manager or Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 December 2025.

## 3. Audit and Non-Audit Fees

Audit and non-audit fees payable to the external auditor of Pavilion REIT for the current financial year amounted to RM310,000 and RM98,700 respectively.

## 4. Recurrent Related Party Transactions

For more information, please refer to disclosure in Audited Financial Statements.

## CORPORATE INFORMATION

**BOARD OF DIRECTORS OF THE MANAGER****Chairman and Non-Independent Executive Director**

Tan Sri Lim Siew Choon

**Non-Independent Executive Director**

Puan Sri Tan Kewi Yong

Dato' Lee Tuck Fook

**Non-Independent Non-Executive Director**

Ahmad Mohammed F Q Al-Khanji

Navid Chamdia

Abdul Rahim bin Mohamed Ali

**Independent Non-Executive Director**

Dato' Seri Mohamed Azahari bin Mohamed Kamil

Dato' Mearia @ Massahariah binti Hamzah

Baljeet Kaur Grewal A/P Jaswant Singh

Nor Rejina binti Abdul Rahim

Ang Ah Leck

**MANAGER & ITS PRINCIPAL PLACE OF BUSINESS**

Pavilion REIT Management Sdn Bhd  
 [Company Number: 201101011359 (939490-H)]  
 Lot 10.00.00, Level 10, Pavilion Kuala Lumpur  
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 E-mail : info@pavilion-reit.com  
 Website : www.pavilion-reit.com

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 Telephone No. : +603 2118 2089  
 Facsimile No. : +603 2118 2092

**AUDIT COMMITTEE**

Baljeet Kaur Grewal A/P Jaswant Singh (Chairman)  
 Dato' Seri Mohamed Azahari bin Mohamed Kamil  
 Dato' Mearia @ Massahariah binti Hamzah  
 Nor Rejina binti Abdul Rahim  
 Ang Ah Leck  
 Navid Chamdia

**NOMINATING COMMITTEE**

Dato' Seri Mohamed Azahari bin Mohamed Kamil (Chairman)  
 Dato' Mearia @ Massahariah binti Hamzah  
 Abdul Rahim bin Mohamed Ali

**RISK MANAGEMENT COMMITTEE**

Ang Ah Leck (Chairman)  
 Dato' Seri Mohamed Azahari bin Mohamed Kamil  
 Dato' Mearia @ Massahariah binti Hamzah  
 Baljeet Kaur Grewal A/P Jaswant Singh  
 Nor Rejina binti Abdul Rahim  
 Abdul Rahim bin Mohamed Ali

**SUSTAINABILITY COMMITTEE**

Nor Rejina binti Abdul Rahim (Chairman)  
 Dato' Seri Mohamed Azahari bin Mohamed Kamil  
 Dato' Mearia @ Massahariah binti Hamzah  
 Baljeet Kaur Grewal A/P Jaswant Singh  
 Ang Ah Leck  
 Abdul Rahim bin Mohamed Ali

# CORPORATE INFORMATION

Cont'd

## COMPANY SECRETARIES OF THE MANAGER

Teh Peng Peng (MAICSA 7021299)  
Lim Mei Yoong (Licensed Secretary No: LS0002201)  
Unit 6-3A, Level 6 Pavilion Tower  
75 Jalan Raja Chulan  
50200 Kuala Lumpur, Malaysia

## TRUSTEE

MTrustee Berhad  
[Company Number: 198701004362 (163032-V)]  
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Telephone No. : +603 7983 1088  
Facsimile No. : +603 7984 9612

## PROPERTY MANAGER

Henry Butcher Malaysia Sdn Bhd  
[Company Number: 198701001968 (160636-P)]  
No. 25, Jalan Yap Ah Shak  
Off Jalan Dang Wangi  
50300 Kuala Lumpur, Malaysia

## AUDITOR

KPMG PLT  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

## PRINCIPAL BANKERS

Affin Bank Berhad  
Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
RHB Bank Berhad

## REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd  
[Company Number: 197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia  
Telephone No. : +603 2783 9299



## GLOSSARY

ABC	:	Anti-Bribery and Corruption
AEIs	:	Asset Enhancement Initiatives
AI	:	Artificial Intelligence
AML/CFT/CPF	:	Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of the Manager
Bursa Malaysia	:	Bursa Malaysia Securities Berhad
Company	:	Pavilion REIT Management Sdn Bhd
CEO	:	Chief Executive Officer of the Manager
CPI	:	Consumer Price Index
CSR	:	Corporate Social Responsibility
Deed	:	The First Amended and Restated Deed dated 18 February 2019 entered into between the Trustee and the Manager constituting Pavilion REIT
DOSH / JKPP	:	DOSH (Department of Occupational Safety and Health), or JKPP (Jabatan Keselamatan dan Kesihatan Pekerjaan)
DPU	:	Distribution per Unit
EESG	:	Economic, Environmental, Social and Governance
EHS	:	Environment, Health & Safety
EPF	:	Employees' Provident Fund
ERM	:	Enterprise Risk Management
EPU	:	Earnings per Unit
EV	:	Electric Vehicle
Fund	:	Pavilion Real Estate Investment Trust
FBM KLCI	:	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FY	:	Financial year from 1 January to 31 December
GDP	:	Gross Domestic Product
GET	:	Green Electricity Tariff
GFA	:	Gross Floor Area
GHG	:	Greenhouse Gas
GRI Standards	:	Global Reporting Initiative Standards
HIRARC	:	Hazard Identification, Risk Assessment and Risk Control
KLP	:	Kuala Lumpur Pavilion Sdn Bhd
Manager	:	Pavilion REIT Management Sdn Bhd
MER	:	Management Expense Ratio - ratio of trust expenses incurred in operating Pavilion REIT to its NAV
MMLR	:	Bursa Malaysia's Main Market Listing Requirements
M-REIT	:	Malaysian Real Estate Investment Trust
MTNs	:	Medium-Term Notes
NDCs	:	Nationally Determined Contribution

# GLOSSARY

Cont'd

NGO	:	Non-Governmental Organisation
NRES	:	National Resources and Environmental Sustainability
OPR	:	Overnight Policy Rate
Paris Agreement	:	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016.
Pavilion REIT	:	Pavilion Real Estate Investment Trust
Pavilion Malls	:	Pavilion Kuala Lumpur Mall and Elite Pavilion Mall
Prospectus	:	Pavilion REIT's prospectus dated 14 November 2011
PPKM	:	Persatuan Pengurusan Kompleks Malaysia / Malaysia Shopping Malls Association
QIA	:	Qatar Investment Authority
REIT	:	Real Estate Investment Trust
Report	:	Integrated Annual Report
SASB	:	Sustainability Accounting Standards Board
SC	:	Securities Commission Malaysia
SOP	:	Standard Operating Procedures
TAV	:	Total Asset Value
Trust	:	Pavilion Real Estate Investment Trust
Trustee	:	MTrustee Berhad
TNB	:	Tenaga Nasional Berhad
Unit	:	An undivided interest in Pavilion REIT as provided for in the Deed
WALE	:	Weighted Average Lease Expiry

# NOTICE OF ANNUAL GENERAL MEETING

## PAVILION

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### REAL ESTATE INVESTMENT TRUST

(Established in Malaysia under the First Amended and Restated Deed dated 18 February 2019 entered into between MTrustee Berhad [198701004362 (163032-V)] and Pavilion REIT Management Sdn Bhd [201101011359 (939490-H)])

**NOTICE IS HEREBY GIVEN** that the Fourteenth Annual General Meeting (“**14th AGM**”) of Pavilion Real Estate Investment Trust (“**Pavilion REIT**”) will be held at Pavilion Ballroom, Level 7, Pavilion Hotel Kuala Lumpur Managed by Banyan Tree, 170, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Tuesday, 12 May 2026 at 10.00 a.m. to transact the following businesses:-

#### ORDINARY BUSINESS

- To lay the Audited Financial Statements of Pavilion REIT for the financial year ended 31 December 2025 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.

*(Please refer to Explanatory Note I)*

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

- PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED UNITS (“PROPOSED AUTHORITY”)**

*Ordinary Resolution  
(Please refer to Explanatory Note II)*

“**THAT** pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Directors of Pavilion REIT Management Sdn Bhd (“**the Manager**”) to allot and issue new units of Pavilion REIT (“**New Units**”) from time to time to such persons and for such purposes as the Directors of the Manager may in their absolute discretion deem fit in the best interest of Pavilion REIT, provided that the aggregate number of New Units to be issued pursuant to this resolution, when aggregated with the number of units in Pavilion REIT issued during the preceding 12 months does not exceed 20% of the total number of units issued in Pavilion REIT, and the placement to any single placee for the number of units to be issued pursuant to this resolution does not exceed 10% of the total number of units issued;

**THAT** the Proposed Authority shall continue to be in force until:

- the conclusion of the next annual general meeting (“**AGM**”) of the Unitholders, at which time it shall lapse, unless by a resolution is passed at the meeting to renew the authority; or
- the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or
- the Proposed Authority is revoked or varied by a resolution passed by the Unitholders in a Unitholders’ meeting;

whichever occurs first (“**Validity Period**”);

# NOTICE OF ANNUAL GENERAL MEETING

Cont'd

**THAT** the New Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Units except that the New Units will not be entitled to any distributable income, right, benefit, entitlement, and/or any other distributions that may be declared before the date of allotment and issuance of such New Units;

**THAT** authority be and is hereby given to the Directors of the Manager and the Trustee, acting for and on behalf of Pavilion REIT, to give effect to the Proposed Authority with full powers to assent to any condition, variation, modification, and/or amendment in any manner as the Manager and the Trustee may deem fit in the best interest of Pavilion REIT and/or as may be imposed by the relevant authorities, and to deal with all matters relating thereto;

**AND THAT** authority be and is hereby given to the Directors of the Manager and the Trustee, acting for and on behalf of Pavilion REIT, to take all such steps and do all acts, deeds, and things in any manner (including the execution of such documents as may be required) as they may deem necessary or expedient to implement, finalise, complete, and give full effect to the Proposed Authority.”

By Order of the Board of  
Pavilion REIT Management Sdn Bhd [201101011359 (939490-H)]  
(as the Manager of Pavilion Real Estate Investment Trust)

Lim Mei Yoong (LS0002201)  
(SSM PC No. 201908003397)

Teh Peng Peng (MAICSA 7021299)  
(SSM PC No. 202008000736)

Joint Company Secretaries

Kuala Lumpur  
31 March 2026

## Notes:

1. A unitholder who is entitled to attend at the meeting is entitled to appoint not more than 2 proxies to attend instead of him. A proxy need not be a unitholder. Where a unitholder appoints 2 proxies, the appointments shall be invalid unless the proportions to be represented by each proxy is specified (expressed as a percentage of the whole).
2. Where a unitholder is a corporation, its duly authorised representative shall be entitled to attend the meeting and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to attend.
3. Where a unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with units standing to the credit of the said securities account. Where a unitholder appoints 2 proxies, the appointments shall be invalid unless the proportions to be represented by each proxy is specified (expressed as a percentage of the whole).
4. The proxy form shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.

# NOTICE OF ANNUAL GENERAL MEETING

Cont'd

5. The original proxy form or certificate of appointment of corporate representative or power of attorney must be deposited at the Registered Office of the Manager of Pavilion REIT i.e. Pavilion REIT Management Sdn Bhd either by hand or by post at Unit 6-3A, Level 6, Pavilion Tower, 75 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia not later than **Sunday, 10 May 2026 at 10.00 a.m.**, being 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. Only unitholders registered in the Record of Depositors as at 5 May 2026 shall be entitled to attend and vote at the meeting or appoint proxies to attend and vote on his/her behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Proposed Ordinary Resolution set out in the Notice of the 14th AGM will be put to vote by way of poll.

## **Explanatory Note on Ordinary Business:**

- (I) The Audited Financial Statements are laid before the unitholders for discussion only pursuant to the provision of the Guidelines on Listed Real Estate Investment Trusts ("Listed REITs Guidelines"). The Audited Financial Statements do not require formal approval of the unitholders. Hence, this matter will not be put to vote.

## **Explanatory Note on Special Business:**

- (II) **Proposed Authority to Allot and Issue New Units of up to 20% of the Total Number of Issued Units**

The Proposed Ordinary Resolution, if passed, would enable the Directors of the Manager to allot and issue New Units from time to time provided that the aggregate number of the New Units to be issued during the Validity Period, when aggregated with the number of units issued during the preceding 12 months does not exceed 20% of the total number of units issued in Pavilion REIT.

The Proposed Authority will allow the Manager the flexibility to allot and issue New Units to raise funds to finance future investments, acquisitions, and/or capital expenditure, to enhance the value of Pavilion REIT and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations. With the Proposed Authority, delays and further costs involved in convening separate general meetings to approve such issue of New Units to raise funds can be avoided.

The Manager may, subject to relevant laws and regulations, use the net proceeds from the issuance of New Units under the Proposed Authority at its absolute discretion for other purposes as permitted for under the Listed REITs Guidelines.

Any allotment and issuance of New Units pursuant to the Proposed Authority will be subject to the relevant approvals of the Securities Commission Malaysia and Bursa Malaysia Securities Berhad.

# ADMINISTRATIVE GUIDE

## PAVILION

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### REAL ESTATE INVESTMENT TRUST

(Established in Malaysia under the First Amended and Restated Deed dated 18 February 2019 entered into between MTrustee Berhad [198701004362 (163032-V)] and Pavilion REIT Management Sdn Bhd [201101011359 (939490-H)])

#### ADMINISTRATIVE DETAILS FOR UNITHOLDERS ATTENDING THE 14TH ANNUAL GENERAL MEETING ("THE MEETING")

Date : Tuesday, 12 May 2026  
Time : 10.00 a.m.  
Venue : Pavilion Ballroom, Level 7, Pavilion Hotel Kuala Lumpur Managed by Banyan Tree  
170, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Malaysia

#### REGISTRATION

1. Registration will start at **8.00 a.m.** The unitholders are requested to be punctual.
2. Please produce your **ORIGINAL Identity Card ("IC")** or **Passport (for foreigners)** during registration for verification. **No photocopy of IC or Passport will be accepted.**

After registration and signing on the Attendance List, please vacate the registration area and proceed to the meeting hall.

3. You will be given a wristband. If you are attending the Meeting as a unitholder as well as proxy, you will be registered once and will only be given one wristband. No person will be allowed to enter the meeting hall without wearing the wristband.

There will be no replacement in the event that you lose or misplace the wristband.

4. Please note that you will not be allowed to register on behalf of another person, even with the original IC or Passport of that other person.
5. Food voucher will be distributed upon registration on the basis of one voucher for one unitholder/proxy.

#### HELP DESK

6. The registration counters will only handle verification of the identity of the unitholder/proxy and his/her unitholdings. If you have other queries or need clarification relating to registration, please proceed to the Help Desk.
7. The Help Desk will also handle revocation of proxy appointments.

#### PARKING

8. Parking is complimentary.

# ADMINISTRATIVE GUIDE

Cont'd

## DOOR GIFT

9. There will be no door gift given to unitholders who attend the Meeting.

## REFRESHMENT

10. Food can be redeemed after the Meeting at a designated counter. It will be given on “per head” basis.

Each unitholder and/or proxy attending the Meeting in person will be entitled to only one (1) food pack. Where a unitholder and/or proxy is also appointed as proxy for different unitholders to attend the AGM, he/she will only be entitled to one (1) food pack regardless of the number of unitholders he/she is representing.

## ENTITLEMENT TO ATTEND

11. For the purpose of determining the unitholders who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors (“**ROD**”) as at 5 May 2026.

Only unitholders whose names appear on the ROD as at 5 May 2026, shall be entitled to attend and vote at the AGM or appoint proxy(ies) to attend and vote on their behalf.

12. A unitholder who is entitled to attend the Meeting, is entitled to appoint not more than 2 proxies to attend on his behalf. A proxy need not be a unitholder. Where a unitholder appoints 2 proxies, the appointments shall be invalid unless the proportions to be represented by each proxy is specified (expressed as a percentage of the whole).
13. The proxy form shall be deposited at the registered office of Pavilion REIT Management Sdn Bhd at Unit 6-3A, Level 6, Pavilion Tower, 75 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia not later than Sunday, 10 May 2026 at 10.00 a.m., being 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
14. If you wish to attend the Meeting yourself, please do not submit any proxy form for the Meeting. You will not be allowed to attend the Meeting together with the proxy appointed by you i.e. you will attend as unitholder for all the CDS accounts registered under your name. You are not allowed to attend as a unitholder for certain CDS accounts registered under your name and appoint proxies for the balance CDS accounts.
15. If you have submitted your proxy form prior to the Meeting and subsequently decide to attend the Meeting yourself, please proceed to the Help Desk to revoke the appointment of your proxy before registration.

## ENQUIRIES

16. If you have any enquiry(ies) relating to the Meeting, please contact the Registrar as follows during office hours (9.00 a.m. to 5.00 p.m.) from Monday to Friday:

Tricor Investor & Issuing House Services Sdn Bhd  
[Registration No.: 197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Telephone No. : +603 27839299

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# PAVILION

## REAL ESTATE INVESTMENT TRUST

(Established in Malaysia under the First Amended and Restated Deed dated 18 February 2019 entered into between MTrustee Berhad [198701004362 (163032-V)] and Pavilion REIT Management Sdn Bhd [201101011359 (939490-H)])

No. of Units Held	CDS Account No.

### PROXY FORM

I/We \_\_\_\_\_ (name of unitholder as per NRIC, in capital letters)

NRIC No./Passport No./Company No. \_\_\_\_\_ Tel./Mobile No. \_\_\_\_\_

of \_\_\_\_\_

(full address) being a unitholder of PAVILION REAL ESTATE INVESTMENT TRUST ("Pavilion REIT") and entitled to vote, hereby appoint:-

#### 1<sup>st</sup> PROXY 'A'

Full name :		Proportion of unitholdings represented	
		No. of Units	Percentage (%)
Address :	NRIC No./Passport No.		

and/or failing \*him/her

#### 2<sup>nd</sup> PROXY 'B'

Full name :		Proportion of unitholdings represented	
		No. of Units	Percentage (%)
Address :	NRIC No./Passport No.		

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Fourteenth Annual General Meeting ("14<sup>th</sup> AGM") of Pavilion REIT to be held at Pavilion Ballroom, Level 7, Pavilion Hotel Kuala Lumpur Managed by Banyan Tree, 170, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia on Tuesday, 12 May 2026 at 10.00 a.m. and any adjournment thereof.

\* *Strike out whichever not applicable*

Please indicate with an "X" in the space below how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting on the resolution at his/her/their discretion.

Ordinary Resolution – Special Business	For	Against
Ordinary Resolution - Proposed Authority to Allot and Issue New Units		

Dated this \_\_\_\_\_ day \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature of Unitholder/Common Seal

Fold This Flap For Sealing

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Notes :

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4. The proxy form shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
5. The original proxy form or certificate of appointment of corporate representative or power of attorney must be deposited at the Registered Office of the Manager of Pavilion REIT i.e. Pavilion REIT Management Sdn Bhd either by hand or by post at Unit 6-3A, Level 6, Pavilion Tower, 75 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia not later than **Sunday, 10 May 2026 at 10.00 a.m.**, being 48 hours before the time appointed for holding the meeting or any adjournment thereof.
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AFFIX  
STAMP

The Manager of Pavilion Real Estate Investment Trust

**PAVILION REIT MANAGEMENT SDN BHD**

[201101011359 (939490-H)]

Unit 6-3A, Level 6

Pavilion Tower

75 Jalan Raja Chulan

50200 Kuala Lumpur

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# PAVILION

REAL ESTATE INVESTMENT TRUST

**Pavilion REIT Management Sdn. Bhd.**

[201101011359 (939490-H)]

Lot 10.00.00, Pavilion Kuala Lumpur, 168 Jalan Bukit Bintang, 55100 Kuala Lumpur  
T : +603 2118 8888 F : +603 2118 8889 E : info@pavilion-reit.com

[www.pavilion-reit.com](http://www.pavilion-reit.com)



Natural  
Resource



Waste  
Management



Solar  
Panel



Society



Rainwater  
Harvesting



Corporate  
Governance



Sustainability