

PAVILION REAL ESTATE INVESTMENT TRUST

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

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE ADJOURNED EIGHTH ANNUAL GENERAL MEETING OF PAVILION REAL ESTATE INVESTMENT TRUST HELD AT BOARDROOM, LEVEL 53, BANYAN TREE KUALA LUMPUR, 2, JALAN CONLAY, 50450 KUALA LUMPUR, MALAYSIA (“BROADCAST VENUE”) ON WEDNESDAY, 24 JUNE 2020 AT 10.00 A.M.

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

The Audited Financial Statements of Pavilion REIT for the financial year ended 31 December 2019 together with the Trustee’s Report to the Unitholders issued by MTrustee Berhad, as trustee of Pavilion REIT and the Report and Statement by the Manager issued by Pavilion REIT Management Sdn Bhd, as the manager of Pavilion REIT and the Auditors’ Report thereon were laid at the meeting.

The ordinary resolution on the Proposed Authority to Allot and Issue New Units of up to 20% of the Total Number of Issued Units was tabled at the Adjourned Eighth Annual General Meeting (“Adjourned 8th AGM”) for unitholders’ approval. The voting of the ordinary resolution was conducted by poll as required under the Bursa Malaysia’s Main Market Listing Requirements.

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

Resolution	VOTE FOR		VOTE AGAINST		TOTAL VOTES	
	No. of units	%	No. of units	%	No. of units	%
Ordinary Resolution	2,707,690,183	99.996	109,222	0.004	2,707,799,405	100.00

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

The Adjourned 8th AGM concluded at 11.10 a.m.

Adjourned Eighth Annual General Meeting (“Adjourned 8th AGM”) of Pavilion Real Estate Investment Trust (“Pavilion REIT”) held on 24 June 2020 at 10.00 a.m. (“Adjourned 8th AGM”)

Questions and Answers at the Adjourned 8th AGM of Pavilion REIT

No.	Comments/Questions raised by Unitholders / Proxy Holders	Responses/Answers from the Chairman/Chief Executive Officer
1.	a) How has COVID-19 impacted the business of Pavilion Mall so far?	<p>The COVID-19 has definitely impacted the business of Pavilion Kuala Lumpur Mall.</p> <p>The Management is working very closely with all the tenants to monitor their progress and to assist them as much as possible. We will keep working with the tenants and keep improving the footfall into the mall.</p>
	b) Some of the tenants from the top 10 largest tenants in the Mall will have their tenancy expired/expiring in 2020. Any updates that the Board can give on this?	At the moment, the Management has secured about 20% of the tenancies which are due for renewal in 2020. Only 21% of the tenancies are due for renewal this year. Majority of the tenancies are due for renewal in 2022.
	c) Dadi Cinema, the chain would be replacing GSC is slated to commence operation in third quarter 2020, is it still on track? or is there any expected delay?	There is a delay due to the MCO. We are trying to get it ready by 4 th quarter this year for Dadi cinema in Pavilion Kuala Lumpur and DA MEN Mall.
2.	a) The market value of DA MEN Mall has dropped by a substantial value of RM90 Million in FY2019. The mall was acquired at RM487 Million in 2016. Can the Board explain the reasons for huge drop in market value which is more than 100% from its acquisition cost?	<p>The value of the mall obviously reflects its performance. DA MEN Mall is not performing in line with our expectation. The management has spent a lot of time and thought in trying to reposition and rebuild the mall. During the process, the rental will be affected.</p> <p>The drop of value is not necessarily permanent. As the new repositioning and strategies take hold, rental rates will hopefully increase and consequently the value of the mall increase.</p>

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Questions and Answers at the Adjourned 8th AGM of Pavilion REIT

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2.	<p>b) The average interest cost of Pavilion REIT as at 31 March 2020 was 4.7%. Floating rate borrowings amounted to 56.9% of total borrowings. Is the Management proactively looking at re-financing the floating rate borrowings to take advantage of the current lower interest rates environment?</p>	<p>Once the OPR rates are reduced the floating rates will also reduce. Management is looking at the loans with fixed rates to be converted to floating rates, resulting in savings of some interest.</p>
3.	<p>a) In view of the Pandemic and since the company has been badly affected by the MCO, in which earnings are expected to be depressed, is the BOD going to layoff staff and/or cut salaries?</p>	<p>We have implemented pay cuts.</p>
4.	<p>a) How has the MCO, CMCO and RMCO affected Pavilion’s malls and has the situation improved now during RMCO period (as at 10/6/2020)?</p>	<p>It was a total lock down during the MCO. For CMCO the foot traffic to the malls improved slightly. During the RMCO, the foot traffic has been much better and currently there are a lot of sales.</p> <p>So far foot traffic is about 60% to 70% back to normal. The shopping pattern has changed with shoppers spending shorter time and shopping for specific purposes.</p> <p>The Management has launched various marketing initiatives to attract shoppers to come and shop.</p>

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4.	b) What assistance has been rendered to tenants during all 3 periods? Has it helped in keeping tenants in the malls?	We will do whatever we can to support the tenants. There are various ways to support our tenants such as providing rental rebate and promoting their products. All these measures should help to keep the tenants continue to trade in our malls.
5.	a) Compare with normal period current car park occupancy rate are how many %?	The car park occupancy rate in the malls is about 60% to 70% compared to the normal period.
6.	a) DA Men Mall has performing very poorly for the past years, is there any real potential and has the management thought of disposing off the asset?	The Management is working very hard to reposition the mall. Presently there is no intention to dispose the mall.
7.	a) Will we return to physical AGMs in 2021 (assuming the COVID-19 situation has stabilized)? It would be good for REITs to stimulate activity by utilizing their properties for meetings.	We will hold a physical AGM when the situation normalises and when we are able to hold physical AGMs. We have received questions on the E vouchers. We hope to hold a physical AGM when allowed and when we do, we will make sure you will be well looked after.
	b) What relief has the Company provided to tenants as a result of COVID-19?	Among other things, we are looking at taking the contra vouchers so that they can be used in our marketing and promotion campaigns.

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7.	c) Does the Company anticipate the departure of tenants due to COVID-19? If yes, what percentage?	<p>It is inevitable that some of the businesses may find it very difficult to continue and may want to pre terminate the tenancy. We do not know what is the percentage of such tenants yet.</p> <p>We will do whatever we have to do and work alongside with the tenants to help them through this period.</p>