

PAVILION REAL ESTATE INVESTMENT TRUST
(Established in Malaysia under the Deed dated 13 October 2011)

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE FIFTH ANNUAL GENERAL MEETING OF PAVILION REAL ESTATE INVESTMENT TRUST AT THE SAUJANA HOTEL, SAUJANA RESORT, JALAN LAPANGAN TERBANG SAAS, 40150 SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 30 MARCH 2017 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 2016 together with the Trustee's Report to the Unitholders issued by MTrustee Berhad as trustee of Pavilion REIT and the Statement by the Manager issued by Pavilion REIT Management Sdn Bhd, as the Manager of Pavilion REIT and the Auditors Report thereon were laid at the meeting.

The ordinary resolution on the Proposed Authority to allot and issue new units pursuant to Clause 14.03 of the Securities Commission Malaysia's Guidelines on Real Estate Investment Trusts was tabled at the AGM for unitholders' approval. The voting of the ordinary resolution was conducted by poll as required under the Bursa Malaysia's Main Market Listing Requirements.

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

Resolution	VOTE FOR		VOTE AGAINST		TOTAL VOTES	
	No. of units	%	No. of units	%	No. of units	%
Ordinary Resolution	2,630,479,138	99.896	2,726,100	0.104	2,633,205,238	100.00

The unitholders/proxies 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 AGM concluded at 11.50 a.m.

Fifth Annual General Meeting of Pavilion Real Estate Investment Trust (“Pavilion REIT”) held on 30 March 2017 at 10.00 a.m. (“AGM”)

Questions and Answers at the AGM

No.	Comments/Questions raised by Unitholders / Proxy Holders	Responses/Answers from the Chairman/Chief Executive Officer
1.	<p>Is Menara Khuan Choo which is located next to Pavilion Tower owned by Pavilion REIT or the sponsors? Has a Right of First Refusal (“ROFR”) been granted by the owners of Menara Khuan Choo? If a ROFR has been granted will Menara Khuan Choo be injected into Pavilion REIT?</p> <p>Has a ROFR been granted for Banyan Tree Hotel & Residences to Pavilion REIT?</p>	<p>Menara Khuan Choo and Banyan Tree Hotel & Residences belong to the sponsors or one/two of the sponsors. A ROFR has not been granted to Pavilion REIT. If there is such offer and the price is right it would be considered as it is close to the mall.</p>
2.	<p>Who bears the cost of the overhead pedestrian bridge from the mall to the junction of Jalan Conlay / Raja Chulan?</p>	<p>The owner of Banyan Tree Hotel & Residences bears the cost for the overhead pedestrian bridge and the bridge is maintained by them.</p> <p>The bridge will attract more foot traffic to Pavilion Mall.</p>
3.	<p>Who bears the cost for the underground pass linking Fahrenheit 88 to the Pavilion Mall?</p> <p>Is there any intention that Pavilion REIT will consider injecting Fahrenheit 88 into Pavilion REIT?</p>	<p>The underground pass connects Fahrenheit 88 to the Pavilion Elite and not the Pavilion Mall. The underground pass is not owned by Pavilion REIT and the cost is borne by Pavilion Elite which is owned by the sponsor.</p> <p>A ROFR for Fahrenheit 88 has been granted. However an offer has to be made first before the Management decides whether to acquire Fahrenheit 88.</p>
4.	<p>How long will it take to assess whether the acquisition of new properties are accretive or dilutive or neutral?</p>	<p>As it takes time to build assets it is reasonable to assess the properties over every 3 years on rental /lease cycles. At the next cycle it can be assessed if there is any positive or negative rental reversion.</p>

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5.	Any plan for the new interchange at the MRT and LRT located at Ampang Park in order to create more foot traffic to the Intermark Mall?	The Board is very mindful of the connectivity and the interchange at the MRT and LRT at Ampang Park will definitely create foot traffic to Intermark Mall.
6.	Last 2 years there is an emphasis on online trading and more young people are using it. What is your view and how are we meeting the challenges?	<p>Online trading cannot be ignored as it is another avenue of purchasing. However there will still be physical malls for people to gather and dine and for shoppers who still need to see, feel and try the products physically instead of digitally.</p> <p>The Management is very mindful on the changes in the digital world and encourages customers to sign onto the digital platforms which has been established for all our malls. Shoppers will be informed on any promotions, ongoing activities, and other news of the malls.</p> <p>The Management and other malls do face challenges and do not underestimate online trading. It is confident that inspite of online commerce brick and mortar malls will continue to exist.</p>
7.	Parkson is one of the anchor tenants in DA:MEN Mall. Does it contribute to Pavilion REIT?	Anchor tenants, like Parkson, play an important part in a mall. It offers variety of products and shopping experience to the patrons.
8.	The main revenue of Pavilion REIT is rental. There are increasing numbers of shopping malls which will affect rental rates. How does it affect Malaysian malls?	It is an issue of demand and supply and one has to look at the competition in the area the mall is located in, rather than generalise.

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9.	<p>E-business plays a big part in the trading industry. Will Pavilion REIT be involved in e-business apart from providing e information to attract more patrons?</p> <p>There are promotional activities held during festive period. Is there any data to show that it helps the tenants’ sales?</p>	<p>The Management embraces the technology in the digital world to attract more foot traffic.</p> <p>Pavilion REIT is in the REIT industry owning malls and renting out spaces. Pavilion REIT is not allowed to go beyond its mandate. It will not go into partnership with retailers to own some brands.</p> <p>The Management does monitor foot traffic and retail sales month to month. The promotions do help to increase foot traffic and sales.</p>
10.	<p>The space in DA:MEN Mall is good. However, the crowd over the weekend is not encouraging. What are the leasing and marketing team doing to attract foot traffic?</p>	<p>The Management has established a website/social media for its malls. The shoppers are encouraged to sign into the webpage to follow and to update themselves on the activities and promotions at DA:MEN Mall.</p> <p>The Management puts a lot of attention and hardwork on marketing and promotions.</p>
11.	<p>The road traffic at DA:MEN Mall has caused shoppers to take 15 to 30 minutes to exit from DA:MEN Mall to Persiaran Kewajipan.</p>	<p>The heavy road traffic is a problem. Management is conducting a survey to convince Majlis Perbandaran Subang Jaya to open a side road to Persiaran Kewajipan during certain hours. Police assistance has been sought to control the traffic during heavy rain.</p>
12.	<p>The distribution of income of Pavilion REIT is subjected to 10% withholding tax. Inland Revenue Board (“IRB”) does not allow for refund. What can we do to claim the tax?</p>	<p>Pavilion REIT is corporate tax free. However a withholding tax is imposed on distributions and paid to IRB. It is not refundable.</p>

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13.	<p>Generally the authority to allot and issue new units of Pavilion REIT is 10% of the approved fund size of Pavilion REIT. To confirm the allotment at 20%.</p> <p>If the authority to allot and issue new units are 20% of the approved fund size of Pavilion REIT, it will dilute the unitholdings.</p>	<p>It is confirmed that the authority to allot and issue new units of Pavilion REIT is 20% of the approved fund size of Pavilion REIT in accordance with the Securities Commission Malaysia’s Guidelines on Real Estate Investment Trust (“REITs Guidelines”).</p> <p>The Management must have a purpose for the allotment and issuance of units and is mindful of its effect on the NAV, DPU of the units.</p> <p>Eventhough the authority is given to allot the units there are stringent guidelines to be complied with. The Board has to go through a rigorous process of evaluating new issuances.</p>