

AUDIT COMMITTEE REPORT

The Audit Committee, formed on 24 October 2012 comprising of 5 members have 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	5/5
Dato' Choo Chuo Siong ¹	Independent Non-Executive Director	2/2
Navid Chamdia	Non-Independent Non-Executive Director	4/5
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	5/5
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	5/5
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	4/5
Ang Ah Leck ²	Independent Non-Executive Director	1/1

1 ceased as member due to retirement as director on 18 June 2024

2 appointed on 2 December 2024

Summary of work undertaken by Audit Committee during the year under review were as listed below :-

- 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 Audit Committee to understand financial results of each properties with close attention given to update under "Prospects"
- 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 are no less favourable than those arranged with independent parties
- reviewed the internal audit plans prepared by BDO Governance Advisory Sdn Bhd and ultimately decided on procurement to payment process of operating expenses and property enhancement services with marketing public relations oversight on events
- thereafter, BDO briefed the Audit Committee on their findings of review, proposed recommendations and corresponding Manager's responses including a session without the presence of the Manager's management
- reviewed audit plan with external auditor, KPMG PLT by understanding its audit methodology, significant risk areas and accounting policies / disclosures and timing.
- reviewed audited financial statement and recommend to the Board and trustee for adoption.
- on 12 February 2025, the Audit Committee was briefed privately by KPMG PLT (without presence of the Manager's management) on status of its audit
- reviewed and commented on the audit committee report and statement of risk management and internal control for inclusion into the integrated annual report
- evaluated the work scope, approach and fees to outsourced internal auditor and recommended for their engagement
- evaluated the approach and fees of external auditor and recommended for their engagement for the following year
- reviewed the related party transaction pertaining to the proposed acquisition of Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur (save for Mr Navid Chamdia who is deemed to have an interest in this proposal and who has and will continue to abstain from deliberating and voting on this proposal).

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 RM265,000 and RM177,000 respectively.