ZERIN PROPERTIES

GREATER KUALA LUMPUR RETAIL SECTOR

2024 OVERVIEW & 2025 OUTLOOK

Market Overview & Key Highlights

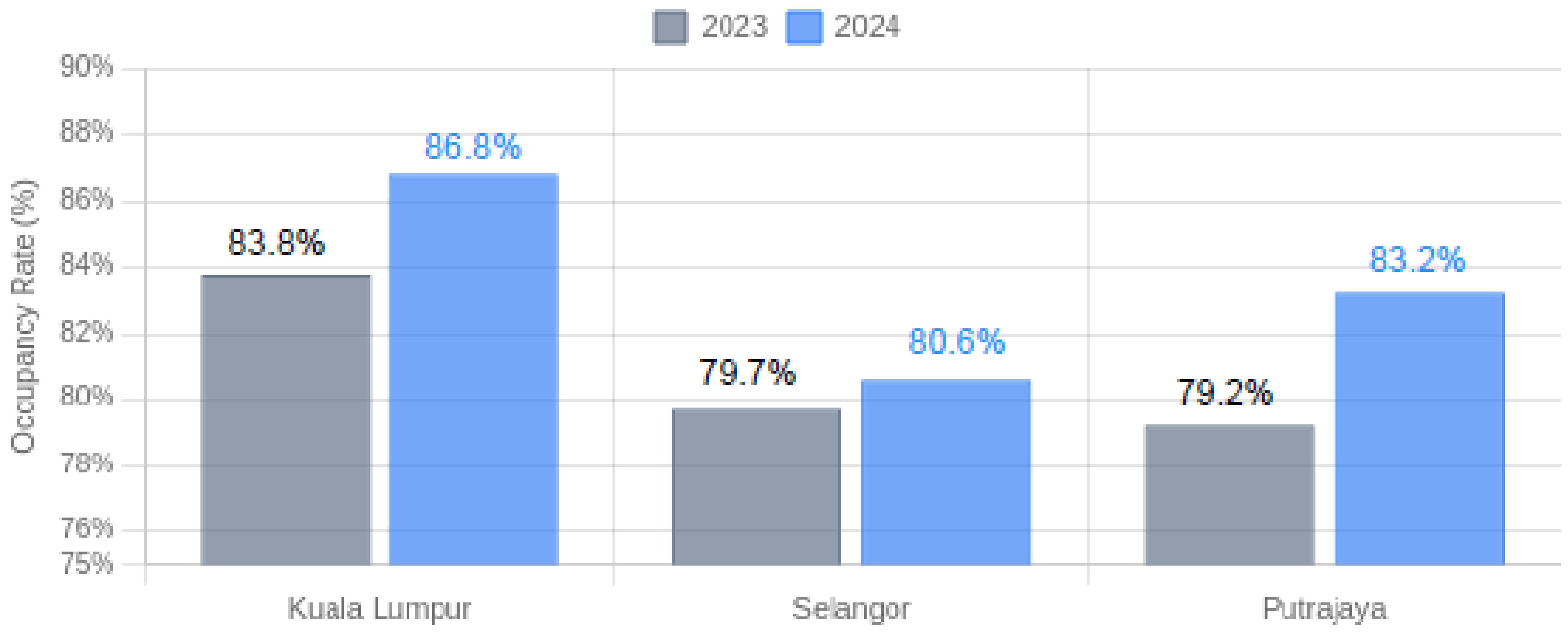
ZERIN PROPERTIES

7.57M s.m.
TOTAL RETAIL SPACE
KLANG VALLEY

82.7%
AVERAGE OCCUPANCY RATE
KLANG VALLEY

+2.6%
YOY IMPROVEMENT
IN OCCUPANCY

Occupancy Rates 2023 vs 2024



Key Market Trends

- Highest retail sector occupancy in 5 years (78.8% nationwide)
- Klang Valley holds 47.7% of national shopping complex space
- Selangor accounts for 22% (4.02mil sf) of Malaysia's retail stock
- KL achieves highest occupancy rate at 86.8% in the Klang Valley region

Source: NAPIC & Zerin Properties Research

Supply & Development Pipeline

ZERIN PROPERTIES

Existing Complexes

274 SHOPPING COMPLEXES

7.57M s.m. TOTAL SPACE

Incoming Supply

12 NEW DEVELOPMENTS

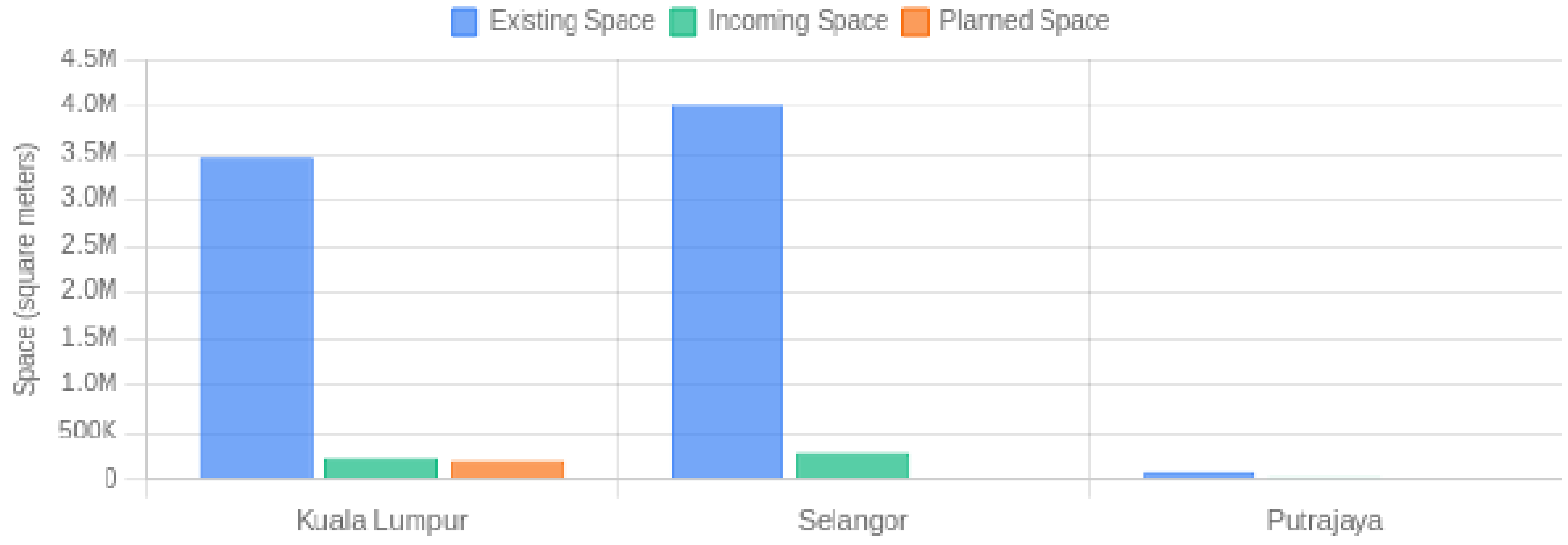
535K s.m. ADDITIONAL SPACE

Planned Projects

3 FUTURE DEVELOPMENTS

196K s.m. PLANNED SPACE (KL)

Retail Space by Development Stage



New Completions in 2024

Bloomsvale Mall — Jalan Puchong, Kuala Lumpur — **27,871 s.m.**

Elmina Lakeside Mall — Shah Alam — **18,175 s.m.**

168 Retail Park — Selayang — **51,000 s.m.**

*Total new mall space (2024): 97,046 s.m.

Kuala Lumpur

114 existing complexes (3.47M s.m.)
6 incoming (226K s.m.), 3 planned (197K s.m.)

Selangor

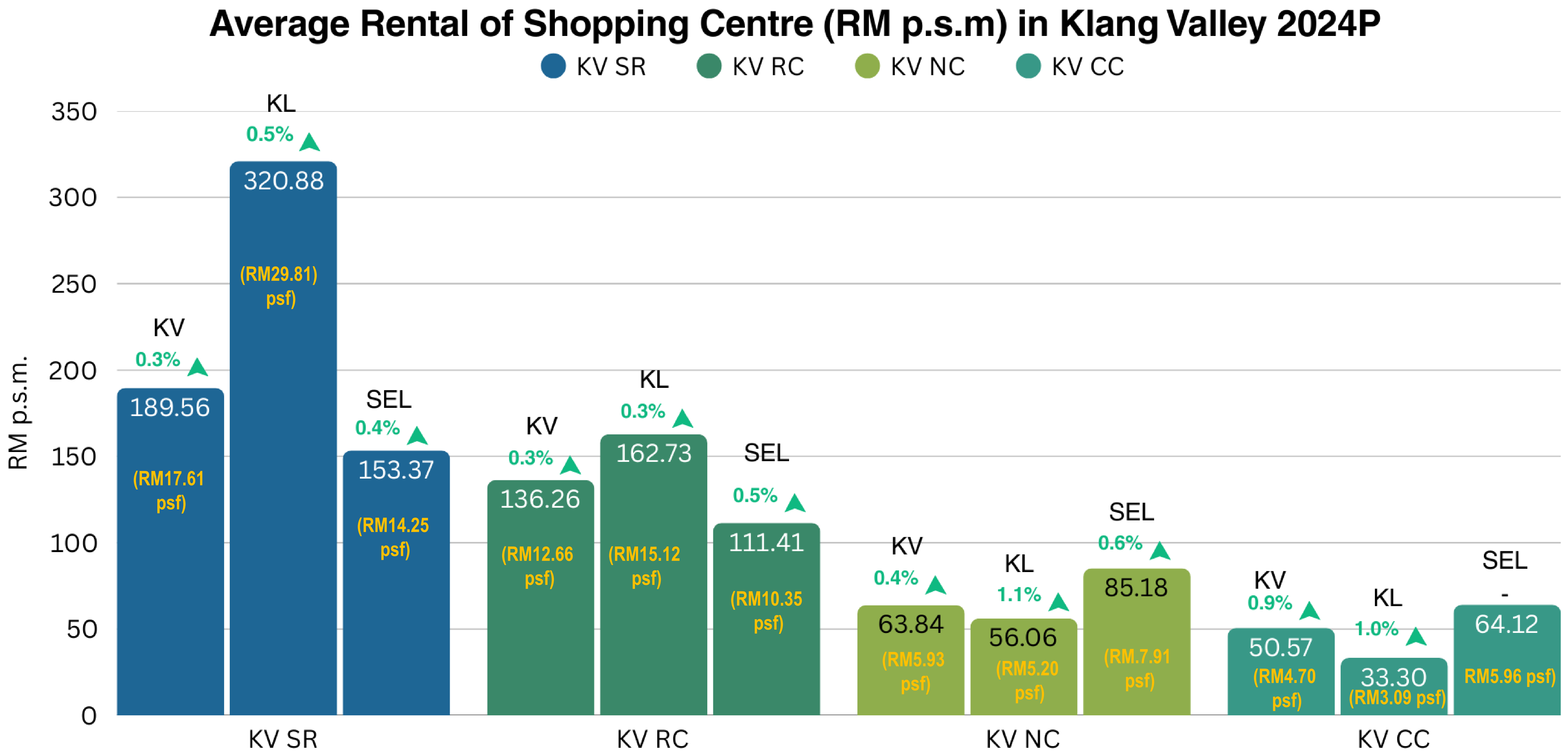
157 existing complexes (4.02M s.m.)
4 incoming (280K s.m.), 0 planned

Putrajaya

3 existing complexes (80K s.m.)
2 incoming (29K s.m.), 0 planned

Source: NAPIC & Zerin Properties Research

Rental Market & Mall Performance



Notes:
KV SR - Klang Valley Super Regional (SR), KV RC - Klang Valley Regional Centre (RC),
KV NC - Klang Valley Neighbourhood Centre (NC), KV CC - Klang Valley Community Centre

▲ *YoY Difference*

Premium Retail Destination

Suria KLCC

Highest Rental Range in Klang Valley

RM 388 - RM 2,227 per s.m./month
(RM36 – RM207 per sf)

Key Success Factors

- Prime location at KLCC, attracting high tourist traffic
- Luxury brand tenancy mix and premium positioning
- Strong anchor tenants and consistent foot traffic

Source: NAPIC & Zerin Properties Research

Rental Market & Mall Performance

ZERIN PROPERT.IES

Malls with Positive Rental Growth - Kuala Lumpur

Kompleks Wilayah	Central Town Prime Area	↑ Growth 4.0% - 6.7%
Intermark	Central Town Prime Area	↑ Growth 2.9% - 34.6%
Shaw Parade	Changkat Thambi Dollah	↑ Growth 4.5% - 10.0%
NU Sentral	KL Sentral	↑ Growth 2.3% - 7.4%
MyTown Shopping Centre	Jalan Cochrane	↑ Growth 4.6% - 8.6%
KL East Mall	Taman Melati	↑ Growth 2.6% - 11.5%

Malls with Positive Rental Growth - Selangor

Citta Mall	Ara Damansara	↑ Growth 3.1% - 6.4%
Paradigm Mall	Kelana Jaya	↑ Growth -7.5% - 6.9%
Klang Parade	Klang	↑ Growth 2.1% - 5.3%
Shaw Centrepoint	Bandar Utama	↑ Growth 4.9% - 6.6%
D'Pulze Cyberjaya	Cyberjaya	↑ Growth 5.3% - 6.7%
GM Klang	Klang	↑ Growth 2.7% - 5.9%

Rental Growth Drivers

New Tenancy Agreements

Incoming retailers securing prime locations with premium rental terms

Rental Renewals

Existing tenants extending leases with updated market-based terms

Market Recovery

Post-pandemic retail sector rebound driving increased rental values

Source: NAPIC & Zerin Properties Research

Market Transaction & Tenant Movement

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2024 Transaction Details

Tropicana Gardens
23-Jul-2024

1,051.107 sq.ft

RM647 per sq.ft

RM680,000,000

D'Pulze Shopping Centre
27-May-2024

311,499 sq.ft

RM1,027 per sq.ft

RM320,000,000

163 Retail Park
Jan-2024

255,535 sq.ft

RM841 per sq.ft

RM215,000,000

Key Move-Ins

Alamanda, Putrajaya	Putrajaya	21,636 sq.m.
SB Mall	Sungai Buloh	12,986 sq.m.
The Gardens	KL City	1,557 sq.m.
The Curve	Mutiara Damansara	1,018 sq.m.
Suria KLCC	KL City	528 sq.m.

Key Move-Outs

SB Mall	Sungai Buloh	1,933 sq.m.
The Curve	Mutiara Damansara	1,296 sq.m.
Klang Parade	Klang	1,109 sq.m.

Transaction Overview

10 transactions in Klang Valley
8 in Selangor, 2 in Kuala Lumpur

4 deals completed in 2024
6 more scheduled for 2025

Ongoing investor interest
Active retail investment landscape as REITs and investors continue to eye quality assets in Greater KL

Source: NAPIC & Zerin Properties Research

Strategic Recommendations & Future Outlook

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Key Recommendations

Targeted Tenant Mix Optimization

Implement data-driven tenant mix strategies focusing on experience-centric retail concepts. High-performing malls show 15-20% higher occupancy with optimized tenant mix.

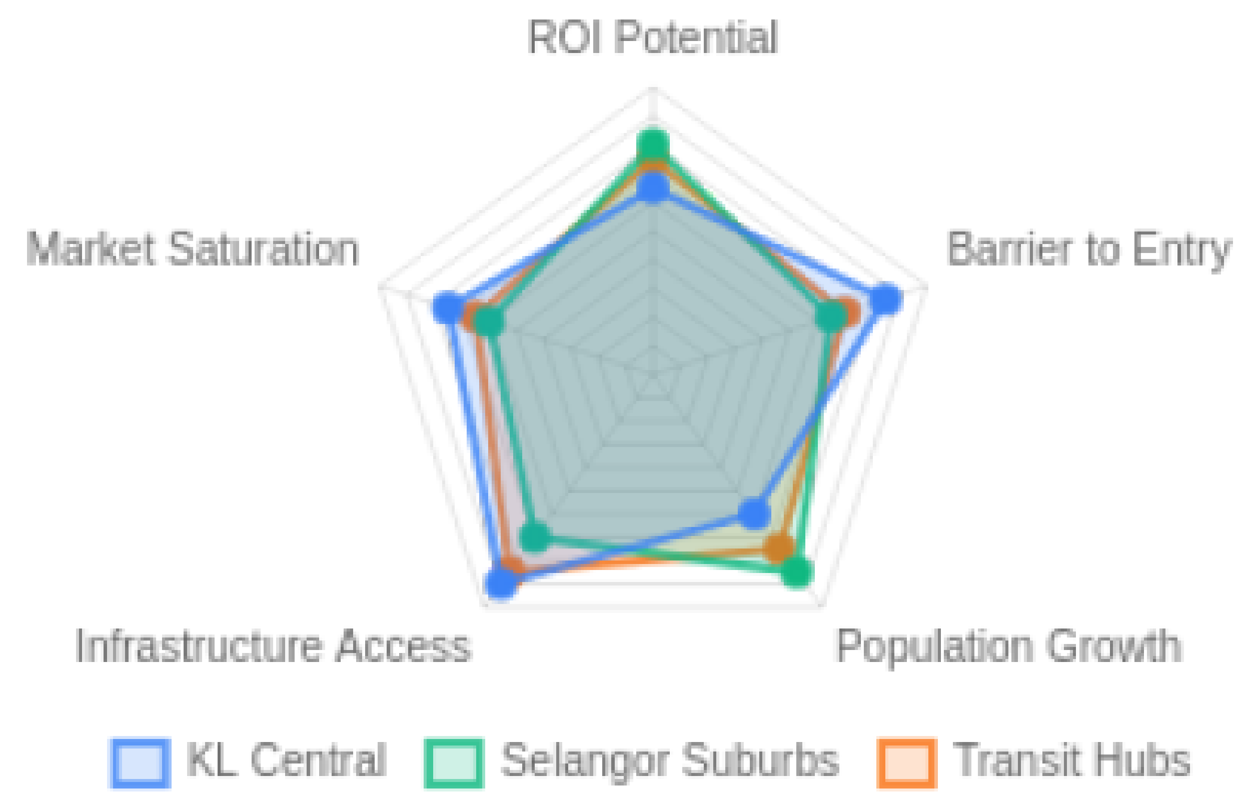
Omnichannel Integration

Develop mall-wide digital platforms that integrate in-store and online shopping experiences. Malls with strong digital integration report 12% higher customer dwell time.

Sustainability Transformation

Invest in energy-efficient systems and green building certifications to attract ESG-conscious tenants and reduce operational costs. Green malls command 5-8% premium rentals.

Investment Opportunities



Opportunity Assessment by Location

Value-Add Acquisitions

Target under-performing malls in high-growth areas with renovation potential. Focus on Selangor suburban areas showing 3-5% annual population growth.

Transit-Oriented Developments

Prioritize locations along future MRT3 Circle Line and LRT extensions where footfall increases of 15-25% are projected.

Source: NAPIC & Zerin Properties Research

Strategic Recommendations & Future Outlook

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Emerging Trends Reshaping Klang Valley Retail

Experiential Retail

Rising allocation of mall space for interactive and immersive experiences (15-25% of GLA)

Neighborhood Convenience

Smaller format malls (15K-25K s.m.) gaining traction in suburban areas with essential services mix

Community Hubs

Integration of public spaces, cultural venues and civic services within mall environments

Key Takeaway

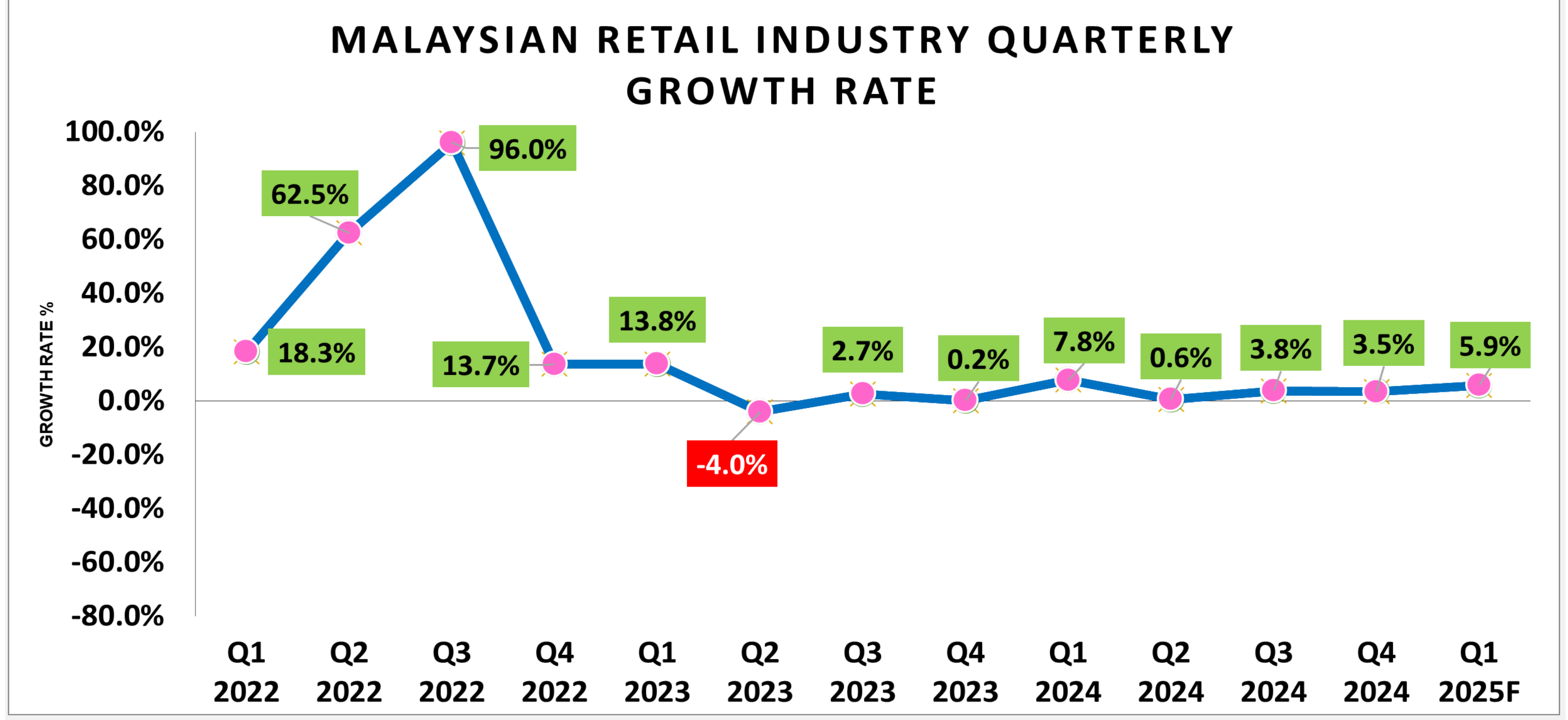
The Klang Valley retail sector is resilient and evolving, with stable occupancy growth and emerging omnichannel integration. Strategic location selection, tenant mix optimization, and experience-focused design will be critical success factors for future investments

Source: NAPIC & Zerin Properties Research

Retail Sector – Market Performance

ZERIN PROPERTIES

KEY HIGHLIGHTS Q4 2024



Source: Retail Group Malaysia (RGM)

2024 Retail Performance:

- **Annual Growth:** Malaysia's retail industry posted a **3.8% growth in 2024**, slightly below Retail Group Malaysia's (RGM) forecast of 3.9%. This shortfall is attributed to rising living costs that weakened consumer purchasing power and dampened overall retail spending.
- **Q4 2024:** The retail sector recorded a 3.5% y-o-y growth in the fourth quarter, underperforming RGM's projection of 4.4%. This reflects cautious consumer sentiment amid inflationary pressures, and despite festive seasons, most retail sub-sectors delivered unsatisfactory sales during this period.

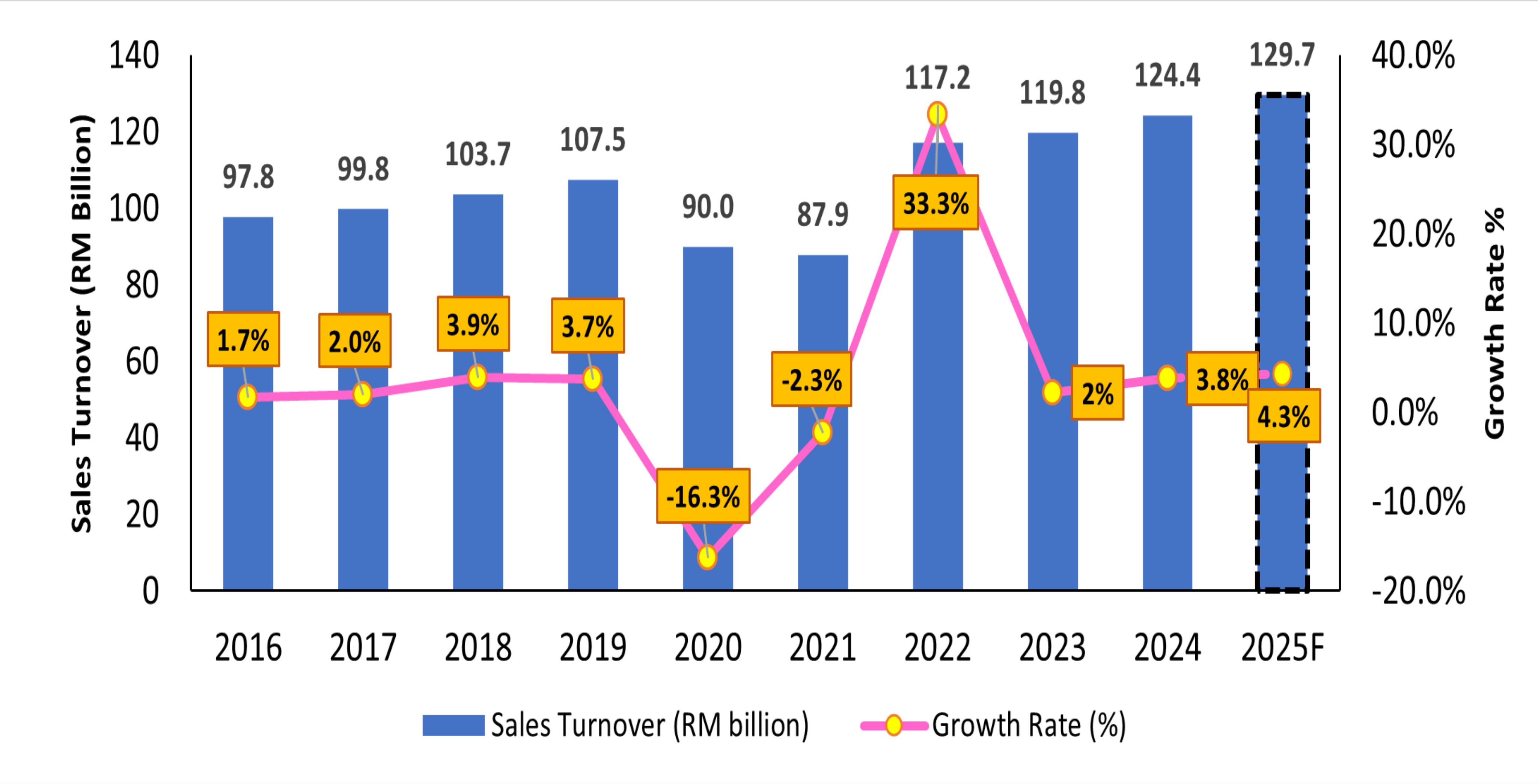
2025 Retail Outlook:

- **RGM Forecast:** Retail Group Malaysia has revised its 2025 retail sales growth forecast to 4.3%, an upward adjustment of 0.3%. This optimism is supported by factors such as Chinese New Year celebrations, extended school holidays, favourable exchange rates and visa-free entry for Chinese tourists.
- **MIDF Projection:** MIDF projects retail sales to grow by 4.6% in 2025, easing from a 5.5% expansion in 2024. This continued growth is expected to be supported by a resilient labour market, manageable inflation, accommodative monetary policy, and a sustained recovery in tourism.

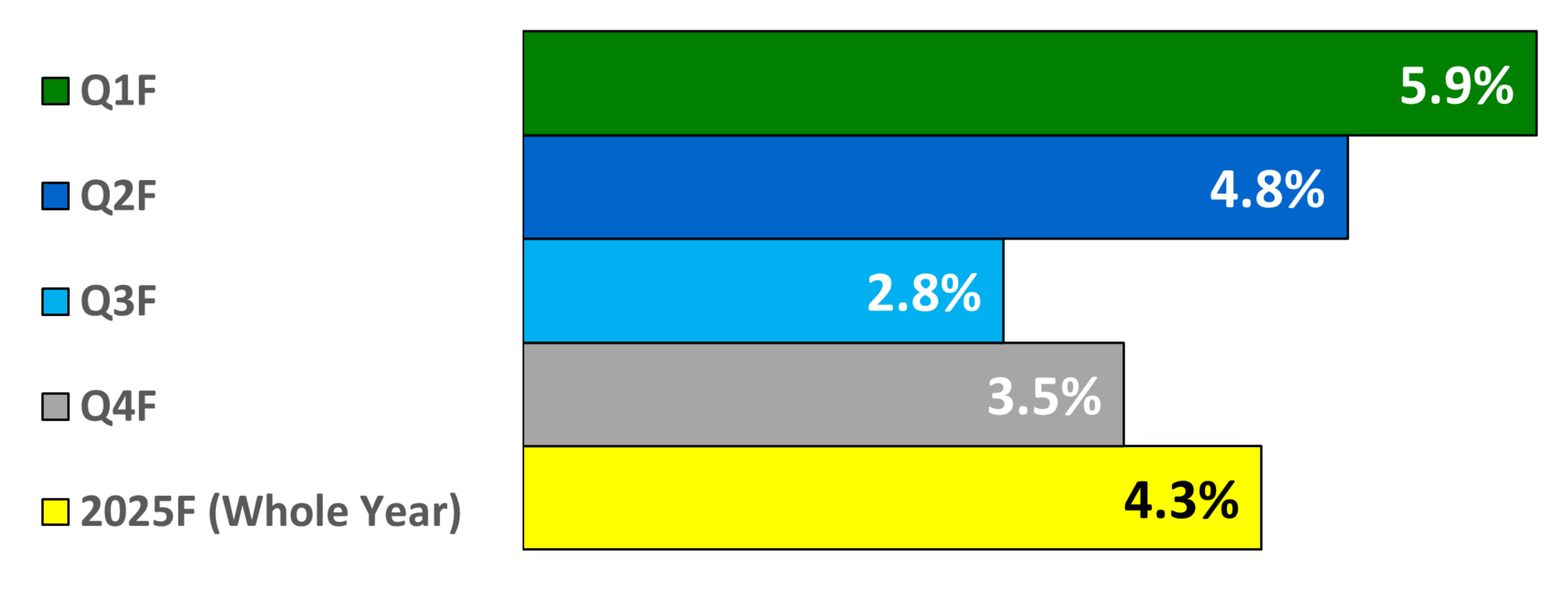
February 2025 Retail Trade Performance:

- Malaysia's wholesale and retail trade recorded RM148.3 billion in sales for February 2025, marking a year-on-year growth of 5.1%. The retail trade sub-sector contributed significantly, rising 5.9% to RM65.2 billion, driven by festive demand

MALAYSIAN RETAIL INDUSTRY ANNUAL GROWTH RATE PERFORMANCE



FORECAST RETAIL INDUSTRY QUARTERLY GROWTH RATE 2025



Source: Retail Group Malaysia (RGM)

E-COMMERCE TRANSACTION

2022

RM1.10 trillion

▲ 6.0% y-o-y

(2021: RM1.04 trillion)

2023

RM1.18 trillion

▲ 4.9% y-o-y

(2022: RM1.04 trillion)

2024

RM1.20 trillion

▲ 3.9% y-o-y

(2023: RM1.18 trillion)

Source: Department of Statistics Malaysia (DOSM)

SHOPPING COMPLEXES – MARKET OVERVIEW

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EXISTING SUPPLY Q4 2024

KUALA LUMPUR
37.36 million sf
114 buildings

SELANGOR
43.30 million sf
157 buildings

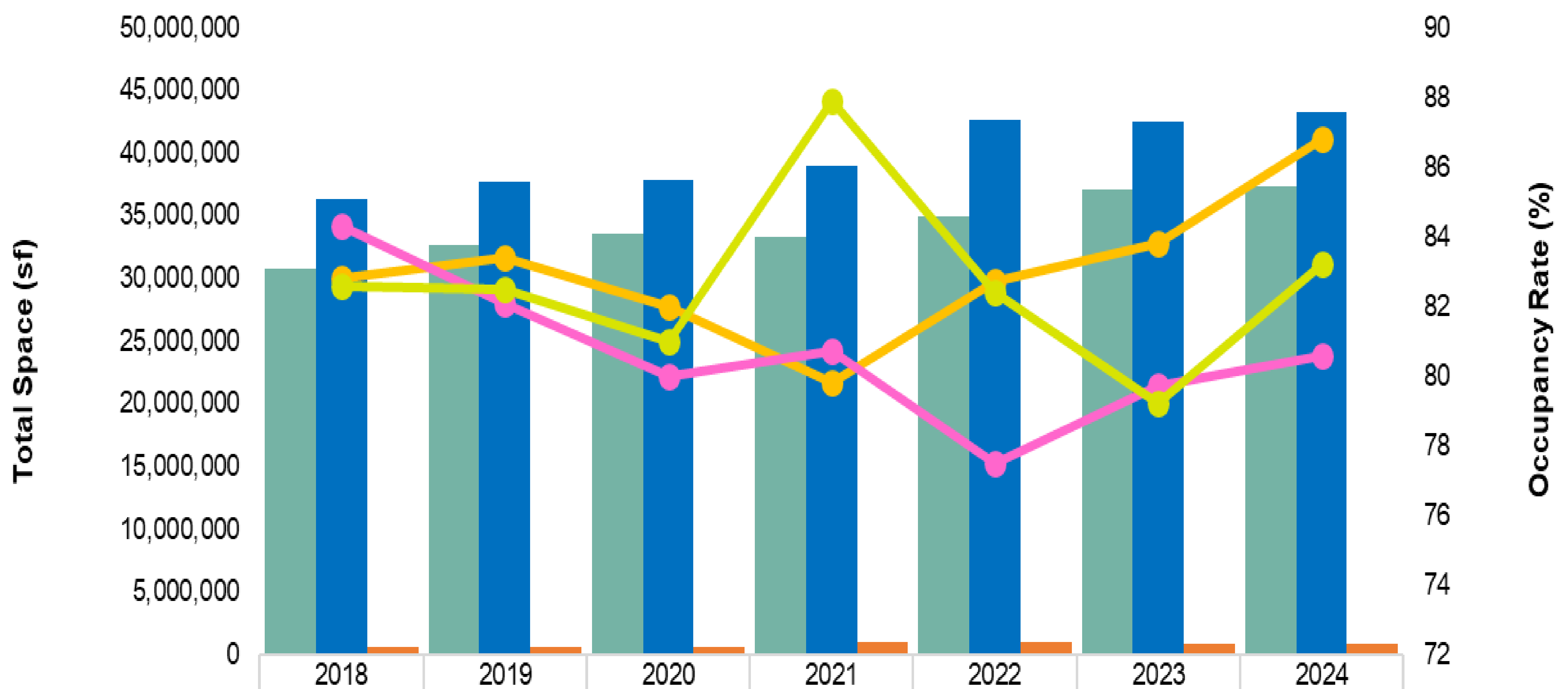
PUTRAJAYA
0.86 million sf
3 buildings

PLANNED SUPPLY Q4 2024

KUALA LUMPUR
2.12 million sf
3 buildings

Source: NAPIC

EXISTING SUPPLY & OCCUPANCY RATE OF RETAIL SPACE IN KLANG VALLEY



	2018	2019	2020	2021	2022	2023	2024
Kuala Lumpur Retail Space (sf)	30,721,344	32,661,849	33,526,976	33,296,155	34,984,205	37,063,821	37,363,822
Selangor Retail Space (sf)	36,363,468	37,700,829	37,785,778	38,970,926	42,614,946	42,552,829	43,297,422
Putrajaya Retail Space (sf)	657,567	657,567	657,567	925,878	925,878	858,356	858,356
Kuala Lumpur Occupancy Rate (%)	82.8	83.4	82.0	79.8	82.7	83.8	86.8
Selangor Occupancy Rate (%)	84.3	82.1	80.0	80.7	77.5	79.7	80.6
Putrajaya Occupancy Rate (%)	82.6	82.5	81.0	87.9	82.4	79.2	83.2

AVERAGE OCCUPANCY Q4 2024

KUALA LUMPUR	SELANGOR	PUTRAJAYA
86.8%	80.6%	83.2%

Source: NAPIC

INCOMING SUPPLY Q4 2024

KUALA LUMPUR
2.431 million sf
6 buildings

SELANGOR
3.016 million sf
4 buildings

PUTRAJAYA
0.315 million sf
2 buildings

Source: NAPIC

Retail Sector – Key Highlights

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1

Shopping malls in Greater Kuala Lumpur continued their upward recovery trend in 2024, outperforming the national occupancy benchmark of 78.8%. Malls in Kuala Lumpur and Selangor closed Q4 with higher average occupancy rates with 86.8% and 80.6% respectively, compared to 83.8% and 79.7% in 2023. Putrajaya also improved to 83.2% from 79.2% the year before.

2

Selangor remained the dominant player in terms of retail supply, offering 43.3 million sq ft across 157 retail centres. Kuala Lumpur contributed 37.63 million sq ft across 114 properties, while Putrajaya had a smaller footprint of 0.858 million sq ft in three retail assets. This highlights Selangor and KL's continued role as core retail markets.

3

Several new shopping complexes are in progress across the region, reinforcing confidence in the retail sector. Selangor leads with four projects totaling 3.016 million square feet, while Kuala Lumpur has both ongoing and planned developments amounting to 4.551 million square feet. Putrajaya is also expanding, with two new retail properties adding 315,135 square feet to its supply.

4

Malaysian retail sales gained momentum toward the end of 2024, bolstered by several contributing factors including tourism recovery, school holiday periods, and improving consumer confidence. The Malaysia Year End Sale (MYES 2024) provided additional stimulus, featuring over 100 promotions through more than 60 participating shopping centers and tourism partners

5

Three new malls launched in 2024 as part of integrated developments:

- **Bloomsvale Shopping Gallery**: 320,000 sq ft with 100 retail units and 85% occupancy, part of the RM1.2 billion Bloomsvale @ OKR project.
- **168 Park Mall:** 235,500 sq ft NLA, rejuvenating the formerly abandoned Selayang Star City.
- **Elmina Lakeside Mall:** 214,000 sq ft mall by Sime Darby Property, launched in August with 99% occupancy and RM20 million in average monthly sales.

6

Other notable openings:

- **SAMA Square by SkyWorld**: 58,000 sq ft within the 42-acre SkySanctuary in Setapak, 90% occupied and home to popular tenants like Inside Scoop and Zus Coffee.
- **Sunway Pyramid – OASIS:** A 300,000 sq ft expansion featuring over 100 new brands including Jaya Grocer and Urban Revivo, enhancing visitor experience and foot traffic.

7

Retail REITs in Malaysia recorded a stable performance in 2024, with improved rental income and occupancy offsetting higher maintenance and utility costs. Despite ongoing economic pressures, the segment remains resilient, with REITs focusing on asset upgrades and strategic leasing to ensure future competitiveness.

Retail Sector – Key Highlights

ZERIN PROPERTIES

8

KLCCP Stapled Group reported a 12% YoY increase in net profit to RM430.91 million in 4QFY2024, benefiting from full retail asset ownership, revised rentals, and improved occupancy. The results surpassed internal targets, with 2024 marking a record year in terms of earnings and dividends.

9

Pavilion REIT saw a dip in net profit to RM409.92 million in FY2024 from RM431.79 million a year earlier, due to higher costs from its Pavilion Bukit Jalil acquisition and increased utilities. However, revenue grew 17% to RM845.87 million, driven by income from the new asset and higher rents at Pavilion KL.

10

Mitsui Outlet Park is bringing the first city-centre outlet mall concept to LaLaport BBCC, developed by Mitsui Fudosan, MFBBCC Retail Mall Sdn Bhd, and BBCC Development (UDA Holdings, Eco World, EPF). The RM1.6 billion mall features six floors and 400 stores within the RM8.7 billion BBCC project, offering seamless transit connectivity and premium retail experiences.

11

Sime Darby Property achieved full take-up for **The Corak**, a freehold commercial hub in Serenia City with 98 units and a GDV of RM186 million. Slated for completion in 2027, the development will feature contemporary design elements, spacious walkways, and abundant parking facilities. The Corak is positioned to become the township's primary lifestyle and business center.

12

The 118 Mall within Merdeka 118 development is scheduled to open in Q2 2026 and will span 808,080 sf of net lettable space with Village Grocer as an anchor tenant, occupying 27,000 sf with 44,000 sf food hall. Merdeka 118 is expected to generate an annual footfall of about 23 million and will have Platinum LEED, GreenRE and Malaysia's Green Building Index

13

KLGCC Mall is set to open in Q3 2025 with 600,000 sf of gross floor area and will house over 80 tenants and has achieved 70% leasing of its retail space. Anchor tenants include Jaya Grocer, Serai Group's flagship concept, ACE Hardware, Asia Ballet Academy and HarborLand kids playland

14

Hextar World at Empire City is set to open in Q4 of 2025 which features European and American inspired High Street with covered street mall, tram connectivity and 28,000 sf supermarket. Key anchor tenants include the Malaysia National Ice Skating Stadium, indoor water park, indoor ski training facility, bowling centre, sports and bar street and immersive edutainment experiences

15

The outlook for 2025 is cautiously optimistic. Prime malls are expected to sustain performance, while underperforming or secondary malls may continue to face leasing challenges. Growth will be anchored by F&B, lifestyle, and value-driven fashion retailers, along with global brands launching flagship outlets in high-traffic areas. REITs are projected to prioritise asset enhancement and tenant optimisation amid rising costs and evolving shopper behaviours.

KEY TRENDS

ZERIN PROPERTIES

SEAMLESS OMNICHANNEL SHOPPING EXPERIENCE

Retailers are integrating online platforms, mobile apps, and physical stores to provide a unified customer journey. This strategy allows consumers to switch between channels effortlessly, increasing convenience and brand loyalty by offering flexible options like click-and-collect, in-store returns for online purchases, and real-time inventory visibility.

ELEVATING RETAIL THROUGH EXPERIENCE

Modern retail focuses on creating engaging, memorable experiences beyond transactions. Malls are blending retail with entertainment, culture, and leisure to boost footfall. This shift meets evolving consumer expectations and positions malls as lifestyle destinations rather than mere shopping venues.

RAPID GROWTH OF Q-COMMERCE

Consumers are embracing fast delivery options for convenience, particularly in food and beverage. Quick commerce platforms are expanding, offering same-day or even under-one-hour services to meet time-sensitive demands—reshaping the future of retail fulfillment.

SURGE IN DIGITAL PAYMENTS

E-wallets and Buy Now Pay Later services are gaining traction, contributing significantly to digital transactions. However, cash-on-delivery remains relevant for a segment of shoppers, emphasizing the importance of offering multiple payment choices to serve a broader audience.

FLEXIBLE RETAIL WITH POP-UPS

Retailers are exploring short-term formats like pop-up stores and local markets to manage costs and test new markets. These alternative retail strategies provide flexibility, allowing businesses to adapt quickly to consumer demand without long-term lease commitments.

KEY TRENDS

ZERIN PROPERTIES

LOYALTY DRIVES CUSTOMER RETENTION

Retailers are strengthening customer ties through well-designed loyalty programs that offer cashbacks, discounts, and tailored incentives. As more shoppers enroll in multiple programs, brands gain valuable data while rewarding long-term engagement.

GREEN MALLS GAIN MOMENTUM

Sustainability is becoming a retail priority. Malls are incorporating eco-friendly designs, energy-saving systems, and waste reduction initiatives. These green strategies not only lower operating costs but also align with growing environmental awareness among consumers.

CONNECTIVITY THROUGH TRANSIT INTEGRATION

Retail developments near public transit hubs are thriving due to increased accessibility. Malls linked to MRT and LRT stations enjoy higher footfall and visibility, making transit-oriented development a strategic move for both retailers and developers.

REPURPOSING STRUGGLING RETAIL SPACES

Older, underperforming malls are being reimagined into mixed-use developments, including co-living spaces, offices, or niche wholesale hubs. This repurposing trend reflects an adaptive response to changing market demands and consumer behaviors.

SMARTER TENANT MIX STRATEGIES

Retailers and landlords are using data analytics to optimize tenant placement based on customer behavior and foot traffic. Performance-based leasing models, such as percentage rent, are also gaining popularity to ensure profitability and better mall curation.

SELECTED RECENT MAJOR TRANSACTIONS

ZERIN PROPERTIES

APR 2025

RM62 million (RM404 psf)

KIP Mall Desa Coalfields
NLA: 153,282 sf

FEB 2025

RM100 million (RM373 psf)

Jaya Shopping Centre, Petaling Jaya
NLA: 268,113 sf

JULY 2024

RM680 million (RM647 psf)

Tropicana Garden Mall, Kota Damansara
NLA: 1,051,107 sf

JULY 2024

RM600 million (RM882 psf)

Paradigm Mall Petaling Jaya
NLA: 680,177 sf

JULY 2024

RM680 million (RM679 psf)

Bukit Tinggi Shopping Centre, Klang
LA: 1,000,950 sf

MAY 2024

RM320 million (RM1,027 psf)

DPulze Shopping Centre, Cyberjaya
NLA: 311,499 sf

SELECTED RECENT MAJOR TRANSACTIONS

JAN 2024

RM215 million (RM841 psf)

163 Retail Park, Mont Kiara

NLA: 255,535 sf est.

DEC 2023

RM178 million (RM406 psf)

Plaza Alam Sentral Mall, Shah Alam

NLA: 438,930 sf

JUNE 2023

RM80 million (RM430 psf)

KIPMall Kota Warisan

NLA: 186,080 sf

NEWLY COMPLETED NOTABLE MALLS

ZERIN PROPERTIES

Q4 2024

KL City Fringe | Selayang

168 Park Mall

NLA: 235,500 sf

Q3 2024

Selangor | Shah Alam

Elmina Lakeside Mall @ City of Elmina

NLA: 214,000 sf

Q2 2024

KL City Fringe | Off Old Klang Road

Bloomsvale Shopping Gallery

NLA: 230,000 sf

Q4 2023

KL City | Tun Razak Exchange

The Exchange TRX Mall

NLA: 1,300,000 sf

Q3 2023

KL City Fringe | Damansara Heights

Pavilion Damansara Heights Mall Phase 1

NLA: 533,361 sf

Q2 2023

Selangor | Bandar Bestari Klang

KSL Esplanade Mall

NLA: 650,000 sf

UPCOMING COMPLETIONS

Z E.R I N PROPERT.IES

Q3 2025

KL City Fringe | Bukit Kiara

KLGCC Mall

NLA: 600,000 sf

2025

KL City Fringe | KL Metropolis

KL Midtown Mall

NLA: 500,000 sf

Q4 2025

Selangor | Petaling Jaya

Hextar World at Empire City

NLA: 1,700,000 sf

SEPT 2025

Selangor | Bandar Sunway

Sunway Square

NLA: 300,000 sf

OCT 2025

KLCC | Persiaran KLCC/Jalan Binjai

Ombak KLCC

NLA: 420,000 sf

2025

KL City Fringe | KL Metropolis

Met Galleria

NLA: 80,000 sf

UPCOMING COMPLETIONS

ZERIN PROPERTIES

2025

KL City | Jalan Ampang

The Boulevard, Oxley Towers
NLA: 60,000 sf

2025

Selangor | Temasya Glenmarie

Retail Component @ Temasya Prisma
NLA: 81,844 sf

2025

KL City Fringe | Dutamas

D'Immersione Avenue @ Mont' Kiara
NLA: 149,185 sf

2026

KL City | Merdeka 118

118 Mall
NLA: 808,080 sf

2026

Bandar Seri Coalfields | Sungai Buloh

Coalfields Retail Park
NLA: 259,000 sf

2026

Selangor | Bandar Puteri Bangi

Bangi Fresco
NLA: 100,000 sf

UPCOMING COMPLETIONS

ZERIN PROPERTIES

KL City Fringe | Damansara Heights

Pavilion Damansara Heights Mall Phase 2
NLA: 500,000 sf

KL City | Jalan Conlay

Lifestyle Retail Quarters @ 8 Conlay
NLA: 200,000 sf

Putrajaya | Precinct 8

Terra Mall
NLA: 196, 290 sf