

MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 27.49% Vacancy Rate | ▼ | ▲ |
| 118.37M QTQ Net Absorption, SF | ▲ | ▼ |
| RM 6.07 Avg. Asking Rent, PSF <i>(Overall, All Property Classes)</i> | ▼ | ▲ |

ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 4.4% GDP Growth | ▲ | ▲ |
| 1.4% CPI Growth <i>April 2025</i> | ▼ | ▲ |
| 3.1% Unemployment Rate <i>March 2025</i> | ▼ | ▼ |

Source: BNM, DOSM (Q1 2025)

ECONOMY: MALAYSIA'S Q1 2025 GROWTH SLOWS TO 4.4% AMID MIXED SECTOR PERFORMANCE

Malaysia's economy expanded by 4.4% in Q1 2025, moderating from 5.0% growth in the previous quarter (Q4 2024). The expansion was primarily driven by the Services sector, which grew by 5.0%, slightly below the pace recorded in Q4 2024. The Construction sector posted a robust growth of 14.2%, although this was a slowdown compared to the previous quarter. The Mining sector continued its decline, registering a growth of just 2.7%, while the Manufacturing sector contracted by 4.1%. Agriculture, on the other hand, saw a modest uptick of 0.6%. From the expenditure side, most GDP components experienced a slowdown. Notably, private consumption surged by 9.2%, marking a significant increase. Meanwhile, both exports and imports declined, falling by 4.1% and 3.1%, respectively.

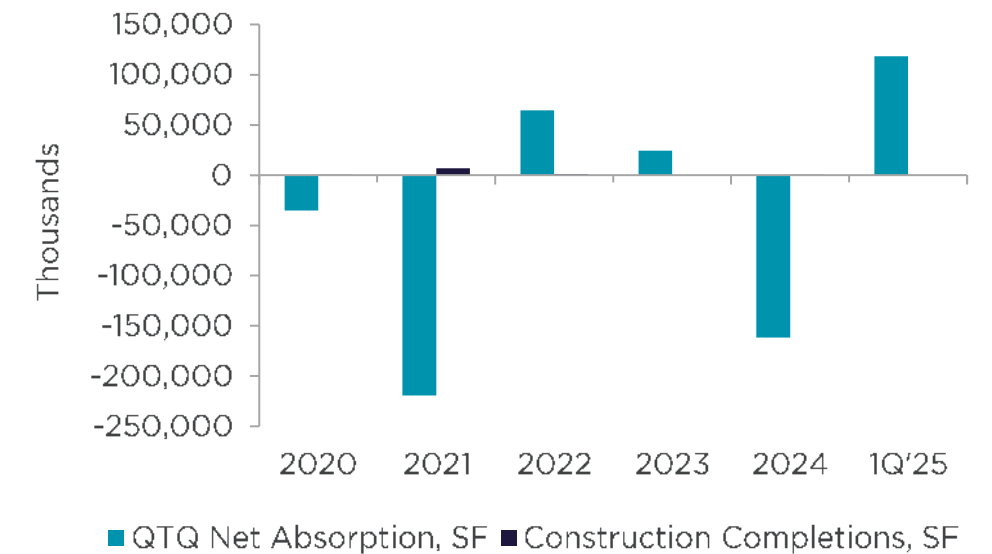
DEMAND: SHIFT TOWARD INTEGRATED OFFICE HUBS IN KLANG VALLEY

Demand is increasingly concentrated in newer integrated commercial hubs in Klang Valley, as tenants especially MNCs—prioritize well-connected, sustainable, and high-quality office environments. These developments, offering green-certified buildings (LEED, GBI) modern amenities, and seamless access to public transport, are outperforming older standalone offices. The shift is driven by a focus on ESG goals, operational efficiency, and the needs of the growing digital economy, making integrated hubs the preferred choice for forward-looking occupiers.

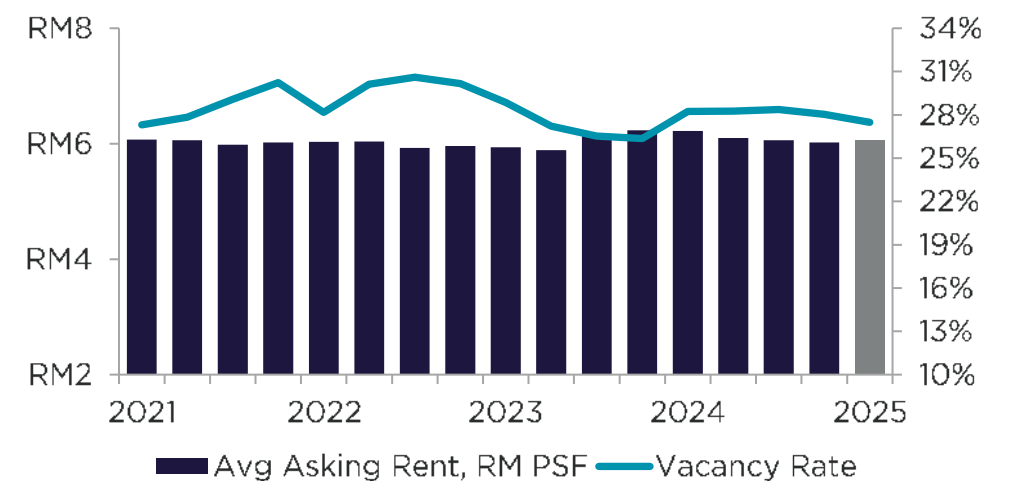
PRICING: AVERAGE RENTS EASE WHILE VACANCY RATES IMPROVE IN GREATER KUALA LUMPUR

In Q1 2025, the average asking rent in Greater Kuala Lumpur declined to RM 6.07 psf per month, compared to the previous quarter. Rental rates across the key regions—KL CBD, KL Fringe and Decentralised areas—have experienced slight fluctuations. KL CBD recorded a slight increase to RM 6.90 psf, up from RM 6.88 in Q4 2024. Meanwhile, the KL Fringe and Decentralised areas saw declines, with average rents of RM 6.50 psf and RM 4.82 psf respectively. The vacancy rate continued to improve, decreasing to 27.49% in Q1 2025 from 28.04% in the previous quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET | INVENTORY (MSF) | OVERALL VACANCY RATE | PLANNED & UNDER CONSTRUCTION (MSF) | OVERALL AVG ASKING RENT (ALL CLASSES, RM PSF PM)* | OVERALL AVG ASKING RENT (ALL CLASSES, USD PSF PM)* |
|---------------|-----------------|----------------------|------------------------------------|---|--|
| KL CBD | 59.92 | 28% | 11.94 | RM 6.90 | USD 1.63 |
| KL FRINGE | 49.31 | 32.9% | 2.2 | RM 6.50 | USD 1.53 |
| DECENTRALISED | 35.51 | 21.58% | 1.33 | RM 4.82 | USD 1.14 |
| TOTAL | 144.74 | 27.49% | 15.47 | RM 6.07 | USD 1.43 |

*Rental rates reflect full service asking; inclusive of service charge.

a) Inventory for all submarket is based on the total supply of office space (all classes).

b) Office space within KL Sentral, Bangsar and those within Damansara Heights vicinity are taken into consideration as KL Fringe submarket.

c) Office space within Petaling Jaya, Damansara, Kelana Jaya, Sunway/Subang/USJ and Shah Alam are taken into consideration as Decentralised submarket.

Source: NAPIC & IVPS/Cushman & Wakefield Research

NOTABLE INCOMING SUPPLY

| PROPERTY | SUBMARKET | NLA (SF) | TARGET COMPLETION |
|---------------------------------|---------------|-----------|-------------------|
| Pavilion Damansara CT10 | KL Fringe | 215,152 | Q4 2025 |
| Sunsuria Forum Corporate Office | Decentralised | 318,550 | 2025 |
| Menara 1194 - Refurbishment | KL CBD | 169,250 | 2025 |
| TNB Gold | KL Fringe | 475,600 | 2025 |
| The Exchange TRX Campus Office | KL CBD | 200,000 | 2025 |
| Menara Golden Eagle | KL CBD | 112,000 | Q1 2026 |
| Sunway Square Tower 1 | Decentralised | 432,500 | Q2 2026 |
| KL Midtown Signature Office | KL Fringe | 600,000 | Q3 2026 |
| The Capitol | Decentralised | 1,200,000 | Q4 2026 |
| Bangsar 61 (Tower 1) | KL Fringe | 548,000 | Q4 2026 |
| Plaza Conlay Tower 2 | KL CBD | 606,000 | 2026 |
| Pavilion Square Bukit Bintang | KL CBD | 167,407 | 2026 |
| Duo Tower (Tower B) | KL Fringe | 432,212 | 2027 |
| Solarvest Tower | KL Fringe | 348,092 | 2027 |
| Lot C7-10, TRX | KL CBD | 800,000 | 2029 |
| Iconic Tower, IOI Resort City | Decentralised | 1,000,000 | 2030 |
| IOI Rio City Office Tower | Decentralised | 350,000 | 2030 |

*Target completion = Building completion with Certificate of Completion and Compliance (CCC)

INVESTMENT TREND/OFFICE DEVELOPMENT ACTIVITIES

- IWG will launch a new Signature centre at Menara Merdeka 118, Kuala Lumpur, in Q3 2025, featuring two floors with 637 workstations, meeting rooms, co-working desks, a lounge, and flexible open spaces.
- Singapore-based company announces the official opening of its new ABP Malaysia office at Mercuri Aspire, KL Eco City.
- Perstorp announces the opening of its inaugural sales office in Malaysia, located on the 46th floor of the PETRONAS Twin Towers.
- WORQ and Sunway Property have unveiled their second collaborative co-working space with the launch of WORQ Sunway Velocity, a 20,000 sf outlet located at Sunway V2 Tower in Cheras.
- Menara Worldwide in Bukit Bintang has been put up for sale with an indicative price of approximately RM250 million.

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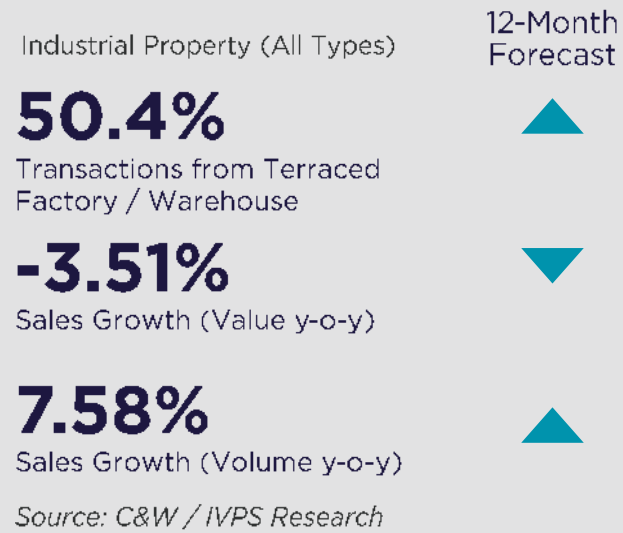
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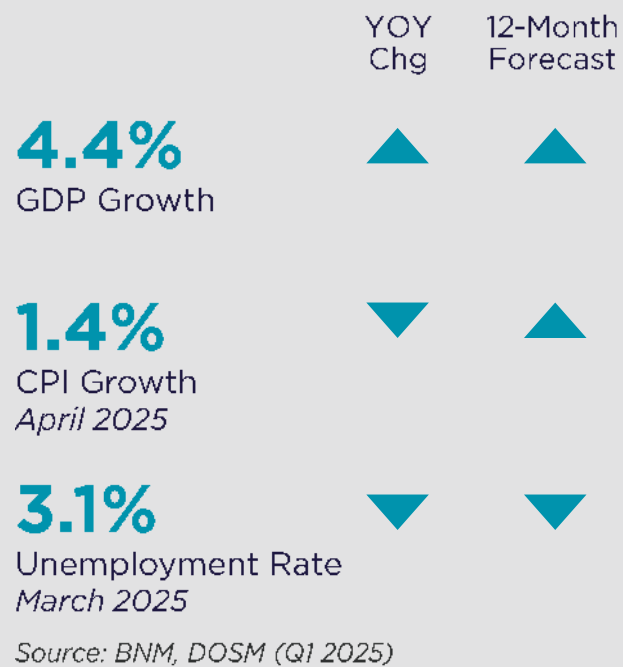
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MARKET FUNDAMENTALS



ECONOMIC INDICATORS



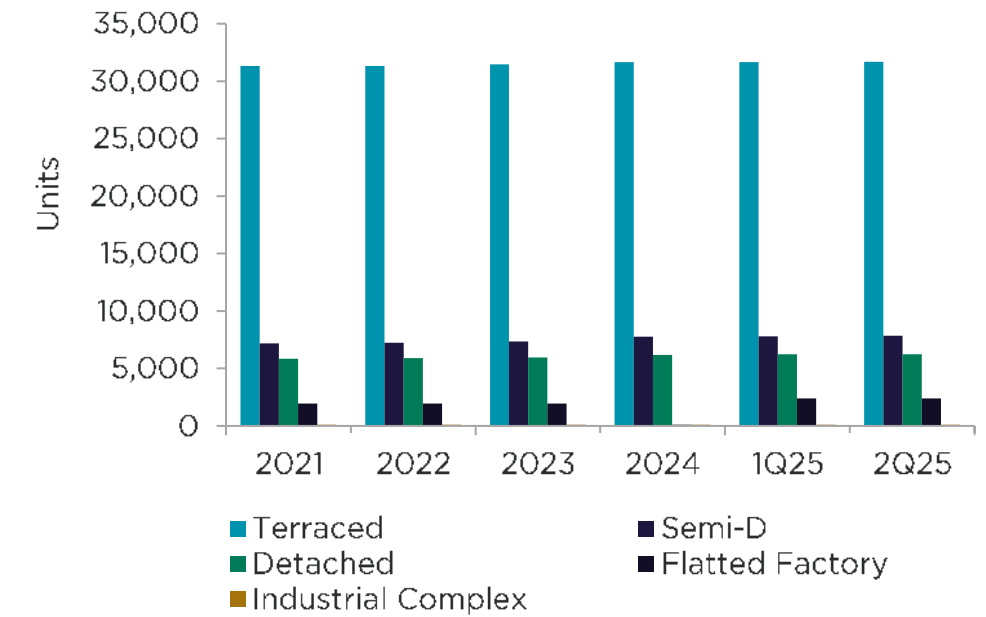
ECONOMY: MANUFACTURING REMAINS THE DOMINANT FORCE BEHIND THE GROWTH OF MALAYSIA'S INDUSTRIAL PRODUCTION INDEX (IPI)

In March 2025, Malaysia's Industrial Production Index (IPI) rose by 3.2% YoY, driven mainly by growth in the manufacturing and mining sectors. The manufacturing sector recorded a 4.0% increase, supported by a 4.8% expansion in export-oriented industries. Key contributors included the manufacture of computer, electronic and optical products, oils and fats from vegetables and animals, and chemicals and chemical products. Meanwhile, the mining sector grew by 1.9%, supported by higher output in both crude petroleum & condensate and natural gas. In contrast, the electricity sector continued to decline, registering a 2.7% contraction. On a month-on-month basis, the overall IPI rose sharply by 9.3%, rebounding from a 6.8% decline in February 2025.

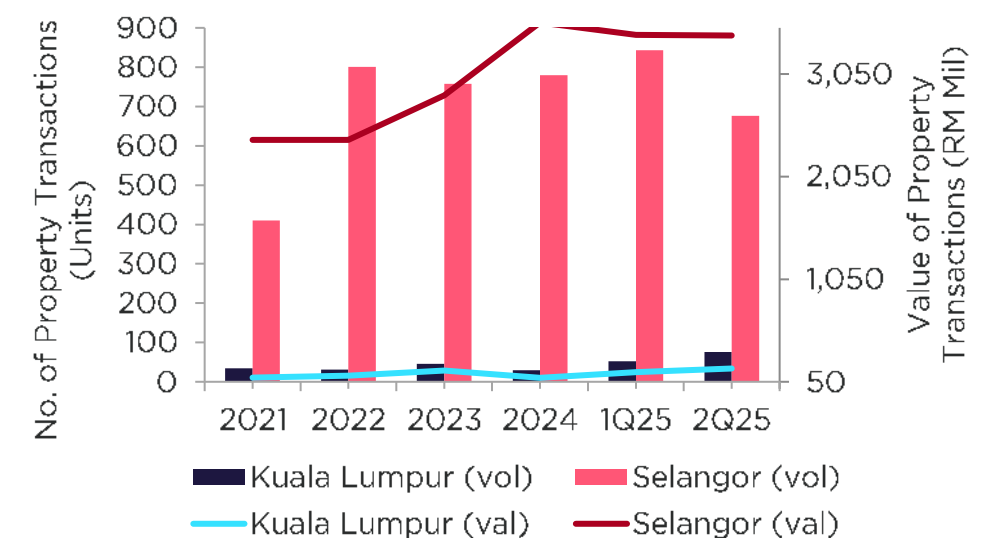
SUPPLY : STRATEGIC DEVELOPMENT - JOHOR-SINGAPORE SEZ SPURS INDUSTRIAL SPACE EXPANSION

The Johor-Singapore Special Economic Zone (JS-SEZ) is gaining significant traction as a strategic cross-border initiative aimed at boosting industrial development and trade integration between Malaysia and Singapore. Supported by MIDA and key government agencies, the zone is expected to catalyze the development of new industrial parks and infrastructure in Johor, particularly near Iskandar Malaysia and the CIQ checkpoints. This initiative is designed to attract high-value industries, including advanced manufacturing, logistics, and renewable energy, thereby expanding Malaysia's industrial supply pipeline. As investor interest builds, developers are preparing to meet demand with modern, high-specification industrial facilities tailored for seamless cross-border operations.

INDUSTRIAL SUPPLY PIPELINE (GREATER KL)



VOLUME & VALUE OF PROPERTY TRANSACTIONS



MARKET STATISTICS

| SUBMARKET | INDUSTRIAL AREA | INVENTORY (UNIT) | PLANNED & UNDER CNSTR (UNIT) | FACE RENT RM PSF PM (ALL TYPES) | FACE RENT USD PSF PM (ALL TYPES) | FACE RENT EUR PSF PM (ALL TYPES) |
|-----------------|---|------------------|------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Central Region | W.P Kuala Lumpur, Gombak, Petaling | 25,009 | 85 | RM 1.90 – RM 4.00 | \$ 0.45 – \$ 0.94 | € 0.39 – € 0.83 |
| Northern Region | Kuala Selangor, Hulu Selangor, Sabak Bernam | 4,961 | 618 | RM 1.20 – RM 2.40 | \$ 0.28 – \$ 0.57 | € 0.25 – € 0.50 |
| Southern Region | Kuala Langat, Sepang | 1,680 | 697 | RM 1.60 – RM 2.80 | \$ 0.38 – \$ 0.66 | € 0.33 – € 0.58 |
| Western Region | Klang | 9,377 | 1,005 | RM 1.90 – RM 3.50 | \$ 0.45 – \$ 0.82 | € 0.39 – € 0.72 |
| Eastern Region | Hulu Langat | 7,376 | 196 | RM 1.40 – RM 2.00 | \$ 0.33 – \$ 0.47 | € 0.29 – € 0.41 |
| TOTALS | | 48,403 | 2,601 | RM 1.20 – RM 4.00 | \$ 0.28 – \$ 0.94 | € 0.25 – € 0.83 |

Cumulative supply for all submarkets are based on total supply of industrial space (all types).

Source: NAPIC & IVPS/Cushman & Wakefield Research

KEY SALES TRANSACTIONS Q2 2025

| PROPERTY | LOCATION | SELLER/BUYER | LAND AREA | PRICE RM |
|--|--|---|-------------|---------------|
| Industrial land | Kedah | Konsortia Etiqa/ Ann Joo Resources | 437 acres | RM 196 Mil |
| Industrial land | Port Dickson | Gamuda/ Pearl Computing Malaysia | 389 acres | RM 455.23 Mil |
| 2 Industrial land parcels with buildings | Kuantan | Mieco Chipboard/ G-Force | 43.9 acres | RM 40 Mil |
| Agriculture land | Seremban | N9 Matrix Development/ Kuntum Kemuning | 38.65 acres | RM 90.91 Mil |
| 3 Industrial properties (under construction) | I-park @ Senai Airport City, I-Tech Valley, Johor | AME Elite Consortium/ AME REIT | 12.81 acres | RM 100.8 Mil |

INVESTMENT TREND/INDUSTRIAL DEVELOPMENT ACTIVITIES

- Area Group Forms US\$20 Billion Alliance with Shenzhen to Develop Industrial Hubs in Kedah and Selangor as Part of China's Belt and Road Initiative.
- Sime Darby Property Unveils RM 2.4 Billion, 760-acre Vision Business Park in Negeri Sembilan to Boost Industrial Growth.
- Ferrotec Breaks Ground on RM 1 Billion, 18.37-acre High-Tech Facility in Kulim, Kedah.
- Horiba announces plans to establish its first manufacturing base in Malaysia, committing a 1 billion yen investment to strengthen regional operations.
- Jingxing Holdings embarks on a RM 1.9 billion expansion project in Banting, Selangor, aimed at boosting production capacity.
- Astino's subsidiary acquires an 85,615.29 square metre land in Seberang Perai Selatan for RM 30.41 million, signaling future industrial development.
- Agricore CS Holdings purchases an industrial property in Penang for RM 5.25 million, marking a strategic move into northern Malaysia.
- Golden Valley Industrial Hub in Jasin, Melaka, spanning 270 acres with RM 900 million investment, poised to drive economic growth.

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MARKET FUNDAMENTALS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| -24.01% CBD Prime Rental Growth | ▼ | ▲ |
| 13% Vacancy Rate | ▲ | ▲ |
| RM 3,045 Median Income | ▼ | ▼ |

Source: C&W / IVPS Research

ECONOMIC INDICATORS

| | YOY Chg | 12-Month Forecast |
|---|---------|-------------------|
| 4.4% GDP Growth | ▲ | ▲ |
| 1.4% CPI Growth April 2025 | ▼ | ▲ |
| 5.0% Consumer Spending Growth | ▼ | ▲ |

Source: BNM, DOSM (Q1 2025)

ECONOMY: CONTINUED GROWTH IN WHOLESALE AND RETAIL TRADE

In March 2025, Malaysia's wholesale and retail trade sector recorded a 5.7% year-on-year (y-o-y) growth, with total sales reaching RM154.0 billion. The wholesale trade segment contributed RM67.8 billion—an increase of RM2 billion—marking a 5.7% y-o-y rise. The wholesale sector was further supported by increased spending on food, pharmaceutical and medical products, perfumes, cosmetics, soaps and toiletries, as well as jewelry. Retail trade rose by 6.6% to RM67.0 billion, reflecting a RM1.9 billion gain. Sales in the motor vehicles sub-sector amounted to RM19.2 billion, registering a modest y-o-y growth of 2.3%. On a quarter-on-quarter basis, the overall volume index recorded a slight decline of 0.3% from the previous quarter.

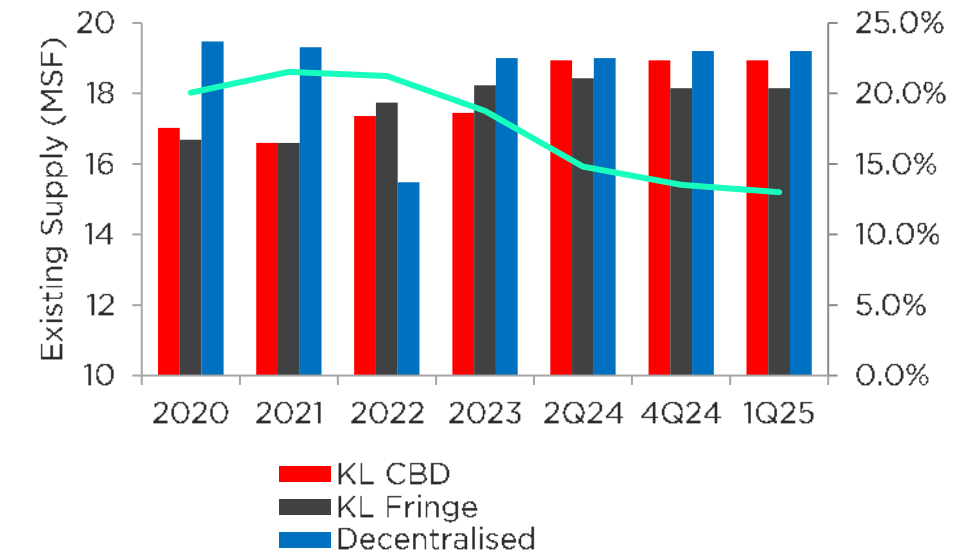
DEMAND: GLOBAL BRANDS PREFER PREMIUM MALLS TO ENTER THE MALAYSIAN MARKET

Global brands entering Malaysia typically choose high-end, well-managed malls with strong foot traffic, such as Pavilion Kuala Lumpur, Suria KLCC and The Exchange TRX. These malls offer strategic locations, affluent and tourist-heavy demographics, premium tenant mixes, and solid brand synergy, making them ideal for global retailers seeking visibility and brand alignment. New lifestyle hubs like The Exchange TRX attract brands with their modern retail concepts and positioning as international lifestyle destinations, while older or budget-oriented malls are generally avoided due to limited brand fit and consumer spending power.

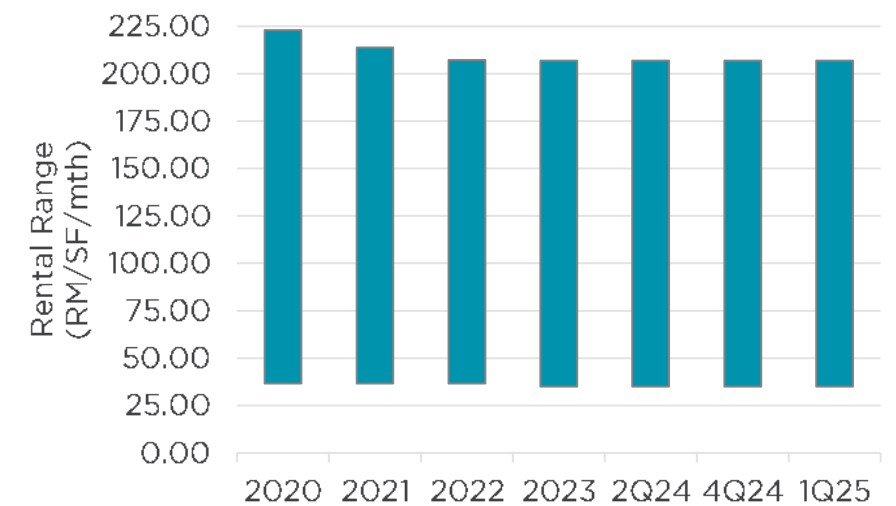
INCOME: POLICY MEASURES HELP CONTAIN INFLATION AND SUPPORT BUSINESS ENVIRONMENT

Moderate inflation has remained largely contained so far. Recent policy changes such as increased diesel prices and higher utility tariffs have had only a limited impact on overall price levels. Additionally, the government's move to postpone the planned expansion of the Sales and Service Tax (SST), intended to support manufacturers and exporters facing a tougher business climate due to higher U.S. tariffs, is expected to help keep inflationary pressures in check.

EXISTING SUPPLY AND OVERALL VACANCY RATE



CBD PRIME RENTAL RANGE



MARKET STATISTICS

| SUBMARKET | INVENTORY (MSF) | OVERALL VACANCY RATE | PLANNED & UNDER CNSTR (MSF) |
|---------------|-----------------|----------------------|-----------------------------|
| KL CBD | 14.87 | 10.6% | 2.14 |
| KL Fringe | 15.16 | 16.2% | 2.64 |
| Decentralised | 18.83 | 12.5% | 2.50 |
| TOTAL | 48.86 | 39.3% | 7.28 |

a) Inventory for all submarket is based on the total supply of shopping complex (all type).

b) Shopping complex within KL Sentral, Bangsar and those within Damansara Heights vicinity are taken into consideration as KL Fringe submarket.

c) Shopping complex within Petaling Jaya, Damansara, Kelana Jaya, Sunway/Subang/USJ and Shah Alam are taken into consideration as Decentralised submarket.

Source: NAPIC & IVPS/Cushman & Wakefield Research

NOTABLE SIGNIFICANT NEW RETAIL PROJECTS

| PROPERTY | SUBMARKET | NLA (SF) | TARGET COMPLETION |
|---|---------------|-----------|-------------------|
| KLGCC Mall | KL Fringe | 600,000 | 2025 |
| Hextar World @ Empire City | Decentralised | 1,800,000 | 2025 |
| Pavilion Damansara Heights Mall (Phase 2) | KL Fringe | 529,353 | 2025 |
| (Refurbishment) – Plaza Alam Sentral | Decentralised | 233,751 | 2025 |
| Sunway Square Mall | Decentralised | 300,000 | 2025 |
| Coalfields Retail Park | Decentralised | TBC | 2026 |
| Maju Kuala Lumpur Mall | KL CBD | 750,000 | 2026 |
| 118 Mall @ Merdeka 118 | KL CBD | 1,506,947 | 2026 |
| Queens Mall Kuala Lumpur @ Queensville | KL CBD | 412,000 | 2027 |
| DA Central Mall | Decentralised | 420,000 | 2028 |
| IOI City Mall (Phase 3) | Decentralised | 1,000,000 | 2029 |
| IOI Rio City Mall | Decentralised | 1,000,000 | 2030 |

*Target completion = Building completion with Certificate of Completion and Compliance (CCC)

INVESTMENT TREND/RETAIL DEVELOPMENT ACTIVITIES

- CJ Foodville, the parent company of Tous les Jours, has entered into a master franchise agreement with local distributor Stream Empire Holdings. The first outlet is slated to open at Sunway Pyramid Mall, followed by a second outlet at Sunway Velocity Mall.
- Sentral REIT is set to acquire UEM Sunrise’s retail assets in Mont Kiara for RM70 million.
- IOI Properties has introduced the Bangi Fresco retail hub, located within the 360-acre Bandar Puteri Bangi township in Bangi, Selangor.

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