

YTL HOSPITALITY REIT

[Established in Malaysia pursuant to a deed dated 18 November 2005 (as amended and restated)]

MINUTES OF THE NINTH ANNUAL GENERAL MEETING (“AGM”) OF YTL HOSPITALITY REIT (“YTL REIT”) CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE PARTICIPATION (“RP”) VIA TIIH ONLINE SYSTEM AT <https://tiih.com.my> (“TIIH Online”) ON THURSDAY, THE 14TH DAY OF OCTOBER, 2021 AT 3.00 P.M.

Present : Directors of Pintar Projek Sdn Bhd, the manager of YTL REIT
Tan Sri (Sir) Francis Yeoh Sock Ping - Executive Chairman & unitholder
Dato’ Mark Yeoh Seok Kah - Chief Executive Officer & unitholder
Dato’ Yeoh Seok Kian - Director
Dato’ Tan Guan Cheong - Director
Dato’ Ahmad Fuaad Bin Mohd Dahalan - Director
Dato’ Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir - Director & unitholder
Dato’ Zainal Abidin Bin Ahmad - Director
Mr Yeoh Keong Shyan - Director & unitholder

Maybank Trustees Berhad, the trustee of YTL REIT

Ms Bernice Lau Kam Mun (“Trustee Representative”)
Ms Amery Yin Wei Ee
Ms Samantha Chen Wei Heng

HLB Ler Lum Chew PLT, the Auditors

Mr Lum Tuck Cheong
Mr Wong Chee Hong (“Engagement Partner”)

In attendance : Ms Ho Say Keng - Secretary of the Manager

Participated : 619 unitholders/corporate representatives/proxies (collectively,
via RP at “Unitholders”), including Chairman as unitholder and proxy for unitholders
TIIH Online and Directors who are also unitholders as per Attendance Lists

1. CHAIRMAN

Tan Sri (Sir) Francis Yeoh Sock Ping presided as Chairman for the AGM in accordance with Paragraph 4(b) of Schedule 2 to the Second Restated Deed dated 25 November 2019 entered into between Pintar Projek Sdn Bhd, the manager of YTL REIT (“**Manager**”) and Maybank Trustees Berhad, the trustee of YTL REIT (“**Trustee**”).

2. WELCOME ADDRESS

On behalf of the Board of Directors of the Manager (“**Board**”), the Executive Chairman welcomed everyone who had logged-in to the meeting platform to participate in the AGM.

The Executive Chairman explained that the AGM was conducted fully virtual due to the pandemic that was ongoing and in compliance with the *Guidance and FAQs on Conduct of General Meetings for Listed Issuers* issued by the Securities Commission Malaysia.

The Executive Chairman then introduced the Trustee Representative, members of the Board, the Engagement Partner and the Secretary.

3. QUORUM

The requisite quorum, having been confirmed by the Secretary with the advice of the share registrar as present, the Executive Chairman called the AGM to order.

4. NOTICE OF MEETING

The notice convening the AGM as set out in the Annual Report was taken as read.

**5. PRELIMINARY -
GENERAL INSTRUCTION ON MEETING PROCEDURES**

The Executive Chairman informed that Tricor Investor & Issuing House Services Sdn Bhd was appointed share registrar for the AGM and that Unitholders were to submit their questions at any time during the AGM using the *Query Box* provided via the RP facility.

6. AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Executive Chairman proceeded with the business of the AGM which was the laying of the audited financial statements of YTL REIT for the financial year ended 30 June 2021 together with the reports attached thereon ("**Audited Financial Statements**").

The Executive Chairman explained that the Audited Financial Statements were tabled/laid only for discussion as these did not require approval of the Unitholders and hence not put for voting.

7. QUESTIONS AND ANSWERS ("Q&A") SESSION

The AGM moved on to the Q&A session.

At the request of the Executive Chairman, the Secretary informed that YTL REIT had received questions prior to the AGM. The questions and answers set out in Appendix I were shown on screen and read by the Secretary.

The Secretary then read the questions submitted live via the RP facility. The Chief Executive Officer addressed questions covering the following issues, duly assisted by the Secretary, wherever relevant:-

- Measures implemented during the COVID-19 pandemic to maintain/improve profit;
- Distribution per unit projection;
- Status of the plan to inject property assets from United Kingdom;
- The cause of the substantial drop in interest expense compared to the previous financial year as recorded in page 134 of the notes to the financial statements;
- Expectation of rental payment recovery from the rental variation arrangement with the lessees in view of the continuing challenging environment and the probability of further variation arrangements with the lessees;
- The cause of the rise in property revenue (master leases), and net property income from master leases compared to the previous financial year as recorded in the *Management Discussion and Analysis* section on page 33 of the annual report;
- Clarification on the accounting treatment for the recognition of accrued lease income (unbilled) amounting to RM83.701 million as revenue (set out in page 131 of the notes to the financial statements) while a sum of RM63.963 million of unbilled lease income was deducted from net property income as recorded in the Income Statements on page 100 of the annual report; and whether accrued lease income is a cash flow item;
- The supply and demand for hotel rooms in Kuala Lumpur over the past 12 months and management's response to this;
- The duration and term basis (i.e. whether contractual) on the Australia portfolio's participation in its government isolation programme which lead to improved revenue and net property income from this segment;
- Clarification on the classification of the Australia properties as 'Property, Plant and Equipment' while the rest of the hotel properties were classified as 'Investment Properties';
- Hurdle rate (minimum acceptable rate of return) of YTL REIT for hotel properties and whether there are conditions for this in the Securities Commission Guidelines on Real Estate Investment Trusts.

8. CLOSE OF MEETING

As there was no further business to be transacted, the Executive Chairman thanked all participants of the AGM for their attendance and support.

The AGM was declared closed at 3.23 p.m.

Confirmed as a correct record,

EXECUTIVE CHAIRMAN

YTL Hospitality REIT
9th Annual General Meeting
14 October 2021

Pre-Submitted Questions from **Shareholders**

Question 1

I would like to request that the company consider giving door gifts in the form of e-voucher to those shareholders who have taken the initiative to attend the company's virtual AGM. Your kind gesture and show of appreciation will be very much appreciated during this trying time. Thank you.

REPLY

We will consider this request.

Question 2

Does the company get any help from Government COVID-19 stimulus packages?

REPLY

YTL Hospitality REIT is the owner/lessor of the Malaysian and Japanese properties and, therefore, does not benefit from the stimulus packages implemented by the Malaysian and Japanese governments as these measures only benefit hotel operators.

The Australian properties have been able to benefit from stimulus measures by the Australian government.

Question 3

- (i) Many of YTLH REIT properties are "high end" resort destinations. What is the average occupancy and revenue per room in each country for this year? What are YTLH REIT's marketing plans to promote and encourage local tourism in view of the COVID-19 lockdowns in many states and countries?

- (ii) Is YTLH REIT looking to acquire more property(s) this year and next? If so, which country? Will it be "high end" resorts or will YTLH REIT be moving into other purpose built accommodations such hostels or rental

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Question 3 – REPLY

- (i) The Trust's properties in Malaysia and Japan have master leases. Therefore, marketing and promotion is undertaken by the lessees, who have focused on attracting domestic tourists with attractive packages and flexible booking arrangements, to accommodate the various movement control orders and other travel restrictions in place.

Meanwhile, the Australian properties also secured contracts or were selected as quarantine hotels by the local governments in New South Wales, Victoria and Queensland, which enabled the hotels to continue to operate at variable levels.

- (ii) The acquisition of new hotels will depend on the outlook for the industry and the rate that global tourism recovers.

Question 4

What is the current occupancy rate for the Australian hotels in view of there is a lockdown in Melbourne and Sydney. What is the current ADR of the Australian hotels and is the hotels getting any form of support from Australia/state government.

REPLY

The occupancy rates are set out on pages 21-23 of the Annual Report.

The Sydney Harbour Marriott secured several quarantine contracts with the New South Wales government, which enabled the hotel to continue to operate profitably.

The Melbourne Marriott was selected as a quarantine hotel by the Victorian government for international repatriation and, therefore, continued to operate periodically during the financial year under review.

The Brisbane Marriott was also allowed to remain open during the pandemic as it was selected as a quarantine hotel by the Queensland government for international repatriation which allowed the business to remain profitable.

Question 5

JW Marriott KL has not been in operation for quite some time, ie. the hotel rooms. When is it expected to be reopened and are the newly renovated rooms ready.

REPLY

The JW Marriott Hotel Kuala Lumpur reopened on 1 October 2021.

Question 6

How does the Board view the limitation on 2-way communication via virtual AGMs?

REPLY

The conduct of virtual AGMs is dependent on the technology available from the service providers and 2-way communication during the virtual meetings is currently not feasible. However, the technology is expected to continue to improve which may facilitate 2-way participation in the future.

Question 7

Corporate governance is part of the ESG best practice. How does the Board intend to improve engagement with shareholders?

REPLY

The Board has a long-standing commitment to strong governance. The main avenues for communication with shareholders continue to be the annual and quarterly reports and updates, and the AGM.

Whilst the main avenue of engagement via physical AGMs is not currently permitted due to COVID-19 restrictions, as mentioned previously, the Board will keep up-to-date on new technological advances that would permit more engagement with shareholders.

Question 8

How much does our Company spend to hold this virtual AGM plus remote participation & voting (RPV)?

REPLY

The cost to hold this virtual AGM is approximately RM17,200.

Question 9

How is the financial performance of next year end?

REPLY

The prolonged COVID-19 pandemic has impacted the outlook of tourism, travel and hospitality industries worldwide, with the expectation that a longer period will be required for businesses to recover in view of the uncertainties and challenges that lie ahead.

Even though the rollout of vaccination programmes has boosted hopes for recovery, there are still challenges that remain and it is likely that the sector will continue to operate in survival mode in 2021.

Nevertheless, the Manager will continue to proactively manage the business and take necessary actions to ensure that the Group's long term business prospects remain stable.

Question 10

In view of delay in getting distributions as a result of provision of rental deferment to tenants, can the company consider giving out distributions based on projected future rental collections in the form of share re-investment scheme?

REPLY

Under the rental deferral programme, the difference between the original and reduced rental amounts will still be paid on a staggered basis within seven years after the rental adjustment period or over the remaining tenures of the existing leases, whichever is earlier.

The programme does not involve any waiver of the rentals as the difference will be paid to YTL REIT over time, and the payments (unlike rental waivers) will increase the distributable income for the benefit of YTL REIT's unitholders in the relevant financial years ahead.

Question 11

Does the company have a capital recycling policy? Will the management consider recycling lower yielding assets to invest in newer & higher yielding properties?

REPLY

YTL Hospitality REIT does not have a capital recycling policy. The Trust's strategy of acquiring prime assets with established operating track records is intended to ensure that only assets with attractive and sustainable yield performances are added to the portfolio.

In addition, the majority of the REIT's properties operate under long-term master leases, which deliver stable income streams to the Trust. The lessees are also proactive in undertaking refurbishments and upgrading activities to refresh the properties, to continue to attract customers and offer new and interesting experiences.