

## YTL HOSPITALITY REIT

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

### MINUTES OF THE TENTH 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 13TH DAY OF OCTOBER, 2022 AT 3.06 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  
Encik Mohamad Hapiz Abdul Wahid (“**Trustee Representative**”)  
Cik Norsyaima Binti Norazman
- HLB Ler Lum Chew PLT, the Auditors  
Mr Wong Chee Hong (“**Engagement Partner**”)  
Ms Chan Sze Hwee
- In attendance : Ms Ho Say Keng - Secretary of the Manager
- Participated : 524 unitholders/corporate representatives/proxies (collectively, via RP at “**Unitholders**”), including Executive Chairman as unitholder and proxy for TIIH Online unitholders 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.

#### 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 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 2022**

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 2022 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 Q&A, annexed hereto as Appendix I, were shown on screen and read by the Secretary.

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

**Rental revenue**

- Rental payment recovery and outlook on rental revenue;

**Audited Financial Statements**

- Fair value adjustments on unbilled lease income to continue until deferred rentals are fully settled;
- Clarification for the higher ‘increase in receivables’ amounting to RM101.391 million at Group level as recorded in the *Statements of Cash Flows* on page 108 of the annual report and the difference between this figure and the ‘trade receivables’ amount of RM36.079 million reported in the *Statements of Financial Position*;
- Clarification as to whether the discount rate used in the valuation of investment properties set out under Note 12 of the *Notes to the Financial Statements* will rise in tandem with rising interest rates and inflation;

**AGM**

- Cost for holding the virtual AGM and whether there are plans to revert back to holding physical AGMs;

**Property occupancy rate & Others**

- Clarification for the rise in revenue and net property income of the Australian properties (as reported in the *Management Discussion and Analysis* on page 32 of the annual report) despite the lower occupancy rate (as reported in the *Management Discussion and Analysis* on page 41 of the annual report);
- Occupancy rate of JW Marriott Hotel Kuala Lumpur and the properties in Japan;
- Rental income yield;
- Buy-back of YTL REIT units.

**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 3.28 p.m.

Confirmed as a correct record,

EXECUTIVE CHAIRMAN

YTL Hospitality REIT  
**10<sup>th</sup> Annual General Meeting**  
**13 October 2022**

# Pre-Submitted Questions from **Unitholders**

## Question 1

Please submit door gift which was omitted since COVID.

## REPLY

As the meeting is being held on a fully virtual basis with no physical attendance at a meeting venue, we regret that door gifts will not be distributed.

## Question 2

How and what has the management done to recover from the Covid pandemic since the current international macroeconomy looks dim?

Continued...

## Question 2 – REPLY

YTL REIT benefits from master leases arrangement for its properties in Malaysia and Japan. The lessees are proactive in their marketing and promotion efforts to increase domestic tourism with attractive packages, staycation promotions and flexible booking arrangements.

As international borders have opened and the global hospitality industry recovers, the Trust's properties have also stepped up initiatives to benefit from pent-up demand.

The Australian properties secured contracts or were selected as quarantine hotels by the local governments in New South Wales, Victoria and Queensland during the pandemic, which enabled the hotels to continue to operate at cashflow positive levels.

With the reopening of borders, the hotels are increasing the promotional efforts and offerings to attract both domestic and international travellers and those travelling for events as the MICE space recovers.

## Question 3

How will the management prepare to withstand and overcome future pandemic-like events and economic crisis?

Continued...



## Question 3 – REPLY

The Manager continuously monitors trends and developments to assess and address any impacts on the REIT's assets and operations. Whilst a global economic slowdown may impact the tourism sector, the lessees of the REIT's assets in Malaysia and Japan have the expertise and ability to adapt to changing conditions to offer attractive packages to guests and continue to innovate to draw tourists to the properties.

The Marriott hotels in Australia are in prime locations in the central business districts of major cities, with a recognised and established brand and, therefore, are expected to continue to maintain a stable performance.

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

## Question 4

Any new investment property in the pipeline to be acquired for coming 5 years ?

## REPLY

We are always on the look-out for acquisitions and continuously explore opportunities that are yield accretive to the REIT.

## Question 5

With the share price selling under NTA plus DPS and DY has been decreasing over the past 5 years, any precautions have the management taken to sustain the dividend?

## REPLY

REIT returns are not measured in terms of NTA. YTL Hospitality REIT's DPU is in-line with the SC's guidelines and tax requirements on distributing 90-100% of distributable income. In addition, the Trust's NAV is revalued every year, ensuring the intrinsic value of the portfolio is properly reflected.

## Question 6

Does new operational cost increase after RM1500 min wages and annual increasement of salaries?

## REPLY

There is no impact on the REIT.

## Question 7

Please revert to quarterly dividend payments for FY2023 starting in the last quarter of 2022

## REPLY

We will continue to assess the distribution policy in light of the operating environment and market practices.

## Question 8

What is the likelihood of rental deferrals not being paid or having to be settled for lesser sums?

### REPLY

The rentals reverted to status quo beginning 1 July 2022. The rental deferral programme does not involve any waiver of the rentals as the difference will be paid to YTL REIT over time.

## Question 9

The master lease for JW Marriott expires end 2023, and there is a large repayment due for FY2024. What are the continuity plans for this lease after the expiry and, in your estimation, will this large repayment be honoured?

## REPLY

Upon expiration of the master lease, the lessee is entitled to extend the lease for a further term of 15 years. The repayment will be undertaken in accordance with the agreed terms.

## Question 10

How is the management managing the rising interest rate environment as BNM and RBA is gradually increasing rates. What is the latest average interest rate paid by YTL Reit in MY and Australia?

### REPLY

The YTL REIT Group manages its interest rate risk by using a mix of fixed and variable rate debts. Derivative financial instruments are considered, where appropriate, to generate the desired interest rate profile.

The weighted average interest rates for the REIT's borrowings denominated in Ringgit and Australian dollars are 4.1% and 2.1%, respectively for FY 2022.

Further details of the YTL REIT Group's management of interest rate risk can be found on pages 165-166 of the Annual Report.



## Question 11

What is the latest (July/Aug) occupancy rate of the Australian property and also the ADR?

## REPLY

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

## Question 12

From the Q4 2022 analyst briefing, it was mentioned that labour shortage is impacting recovery of the Australian properties. Has this issue been resolved yet?

### REPLY

The labour shortage is a global issue and is not unique to Australia. The situation is improving and the Australian properties are able to handle higher occupancy levels.

We have been constantly working closely with Marriott to manage this issue via proactive management of manpower functions, including outsourcing, where practical.

## Question 13

Why YTL hospitality business encourage physical movement but not physical AGM?

As noted that paragraph 2.11 of revised guidance and FAQ of on the conduct of general meeting, listed issuer should consider to conduct hybrid or physical AGM when situation permit if shareholder insisted to attend physically present at a meeting. How the company define "situation permit"?

## REPLY

Decisions on timing of the AGM must be made several months in advance. At the time the Board made the decision, it was in line with the best practices and MOH guidelines to maintain safe physical distancing to curb the spread of the virus.

## Question 14

We entered into deferred rental payment arrangements with master-lease lessees in 2020. However, the deferred incomes (Unbilled Lease Income) were significantly written down over the past 2 years.

- (i) Please explain the rationale for writing down. Does this suggest waiving?
- (ii) If waiving is the intention, as this is to related parties with YTL Group, will this be voted on by the disinterested unitholders?
- (iii) If waiving is not the intention, what measures have been taken to recover this amount?

## REPLY

In reply to part (i) of the question, this is a fair value adjustment of the unbilled lease income in accordance with the accounting standard adopted for Investment Properties.

For (ii) and (iii), the programme does not involve any waiver of the rentals.