

**HEKTAR REAL ESTATE INVESTMENT TRUST**  
**Managed by**  
**HEKTAR ASSET MANAGEMENT SDN BHD (“HAMS B”)**  
Registration No: 200601012511 (732261-T)

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF HEKTAR REAL ESTATE INVESTMENT TRUST (“HEKTAR REIT”) HELD AS A FULLY VIRTUAL MEETING FROM THE BROADCAST VENUE AT THE BOARDROOM, HEKTAR ASSET MANAGEMENT SDN BHD, D1-U3-10, SOLARIS DUTAMAS, NO 1 JALAN DUTAMAS 1, 50480 KUALA LUMPUR ON MONDAY, 15 JANUARY 2024 AT 10.30 AM.**

**PRESENT FROM BROADCAST VENUE**

- BOARD OF DIRECTORS OF HEKTAR ASSET MANAGEMENT SDN BHD (“MANAGER”)** : En Johari Shukri bin Jamil (Chairman)  
Puan Norliza binti Suleiman  
En Wan Kamaruddin bin Wan Mohamed Ali
- COMPANY SECRETARY OF THE MANAGER** : Dato’ Muhammad Hafidz bin Nuruddin (Joint Company Secretary)
- INVITEES** : Representatives of the Management:  
Mr Lim Kek Siang (Senior General Manager, Finance of the Manager)  
Pn Sabrina binti Halim (General Manager, Business Development & Strategy of the Manager)
- Representative of UOB Kay Hian Securities (M) Sdn Bhd:  
Mr Wilson Loh (Director, Corporate Finance of UOB)

**PARTICIPATING REMOTELY**

- TRUSTEE OF HEKTAR REIT** : Puan Nurizan binti Jalil (CEO of MTrustee Berhad)
- INVITEES** : Representative of Asia Equity Research Sdn Bhd:  
Mr Ong Tee Chin (Director)
- UNITHOLDERS AND PROXIES** : As per the summary of attendance list via the Remote Participation and Voting (“RPV”) Facility

## **OPENING OF MEETING**

The Company Secretary welcomed all those who were present at the virtual Extraordinary General Meeting (EGM) of Hektar REIT. The Meeting was informed that pursuant to Clause 18.4.2 (b) (2) of the Amended and Restated Trust Deed made between the Manager and MTrustee Berhad that if the meeting was convened at the instance of the Management Company, the meeting should be chaired by a person appointed by the Management Company. In the absence of the Chairman, the meeting was chaired by En Johari Shukri bin Jamil, Executive Director and Chief Executive Officer (CEO) of the Manager. En Johari Shukri bin Jamil was invited to preside over the meeting.

## **CHAIRMAN'S WELCOME NOTE**

The Chairman welcomed all those who were present and informed that in view of the health interest of all Unitholders and participants, the Board of Directors had decided that this EGM be conducted via live stream webcast and voting to be done remotely using the RPV facilities without physical attendance by Unitholders and proxies.

He then proceeded to introduce the members of the Board, the Trustee, as well as the representatives of the Manager and the representatives from the Advisors, UOB Kay Hian Securities (M) Sdn Bhd, Principal Adviser and Asia Equity Research Sdn Bhd, Independent Adviser to the Unitholders and proxies.

## **QUORUM**

The Company Secretary explained that in accordance with Section 18.4.1 (a) of the Amended and Restated Trust Deed, where only an Ordinary Resolution is to be proposed, at least 5 Unitholders present in person or by proxy representing at least 10% of the total issued units should constitute the quorum for the Meeting. The Company Secretary confirmed the presence of the requisite quorum.

With the requisite quorum being present, the Chairman declared the Meeting duly convened and called the Meeting to order.

## **NOTICE AND PROCEDURES FOR MEETING**

The notice convening the Meeting, having been circulated earlier to all the Unitholders of Hektar REIT on 21 December 2023, was taken as received and read.

The Chairman highlighted that the Unitholders had the right to ask questions and vote on the resolutions of the Meeting in accordance with the EGM Notice and were allowed to post their questions to the Chairman or Board of Directors electronically by email or via real time submission of typed texts through a text box within the e-Portal before the start or during the live streaming of the Meeting.

The Chairman informed the Unitholders that the resolutions tabled before the Meeting would be voted by poll using the online polling system via the RPV Facility. Hektar REIT had appointed SS E Solutions Sdn Bhd as the Poll Administrator and Commercial Quest Sdn Bhd as Independent Scrutineers to verify the poll result of the Meeting.

The Meeting was informed that the voting module had been made accessible to all Unitholders and proxies to submit their votes from the start of this Meeting and an additional 10 minutes after all the questions transmitted to the Poll Administrator during the Meeting had been dealt with, to cast and submit their votes.

He then requested the Poll Administrator to present the video clip to guide Unitholders and proxies on how to cast their votes via the online voting platform.

#### **EGM 2024/1**

#### **ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION BY MTRUSTEE BERHAD, BEING THE TRUSTEE OF HEKTAR REIT OF A SINGLE, 1 ½, 2 AND 3-STOREY BUILDINGS WHICH ARE CATEGORISED INTO ADMINISTRATION, ACADEMIC, RESIDENTIAL AND STUDENT FACILITIES FORMING PART OF THE FULLY RESIDENTIAL AND CO-EDUCATIONAL PRIVATE SCHOOL KNOWN AS 'KOLEJ YAYASAN SAAD' ("KYS COLLEGE" OR THE "SUBJECT PROPERTY") LOCATED AT AYER KEROH, MELAKA AND ERECTED ON PART OF THE LEASEHOLD LAND HELD UNDER PN 62892, LOT 9808, MUKIM OF DURIAN TUNGGAL, DISTRICT OF ALOR GAJAH, STATE OF MELAKA FROM KYS COLLEGE SDN BHD AT THE PURCHASE CONSIDERATION OF RM150 MILLION ("PURCHASE CONSIDERATION"), TOGETHER WITH THE NOVATION OF THE LEASE AGREEMENT TO THE TRUSTEE ON THE COMPLETION OF THE ACQUISITION ("PROPOSED ACQUISITION AND LEASE")**

The Chairman proceeded with the first agenda of the Meeting, which was to consider and if thought fit, to pass with or without any modification the ordinary resolution to approve the Proposed Acquisition and Lease. The Unitholders were welcome to submit questions or seek clarifications during the Q&A session of the Meeting. The Board and the Management would

address all the questions during the Question and Answer(Q&A) Session after tabling all the proposed motions.

**EGM 2024/2                      ORDINARY RESOLUTION 2**

**PROPOSED PLACEMENT OF UP TO 145,353,768 NEW UNITS IN HEKTAR REIT ("UNIT(S)") ("PLACEMENT UNIT(S)", REPRESENTING UP TO 25% OF THE ISSUED UNITS TO THIRD PARTY INVESTORS ("PROPOSED PLACEMENT"))**

The Chairman then proceeded with the next agenda of the Meeting, which was to consider and if thought fit, to pass with or without any modification the ordinary resolution to allow the issuance of new units pursuant to the Proposed Placement.

The Unitholders were welcome to submit questions or seek clarifications during the Q&A Session of the Meeting. The Board and the Management would address all the questions then.

**EGM 2024/3                      SPECIAL RESOLUTION 1**

**PROPOSED AMENDMENT TO THE INVESTMENT OBJECTIVES OF HEKTAR REIT TO FACILITATE THE PROPOSED ACQUISITION AND LEASE ("PROPOSED AMENDMENT")**

The Chairman then proceeded with the last agenda of the Meeting, which was to consider and if thought fit, to pass with or without any modification the special resolution to allow the Proposed Amendment.

The Unitholders were welcome to submit questions or seek clarifications during the Q&A Session of the Meeting. The Board and the Management would address all the questions then.

**EGM 2024/4                      Q&A SESSION**

The Chairman declared the commencement of the Q&A session, which began with a presentation of the answers to pre-submitted questions by Unitholders via email, followed by questions submitted by remote participants at the EGM, which were moderated to avoid repetition.

Questions, clarifications, and comments submitted via text box within the e-Portal by remote participants at the EGM were addressed by the Chief Executive Officer. The questions and answers are annexed as Annexure I.

At the conclusion of the Q&A session, the Chairman again requested the Poll Administrator to present the video clip on how Unitholders and proxies could cast their votes via the online voting platform and advised the Unitholders and proxies to submit their vote via the RPV facility.

#### **EGM 2024/5                      POLLING SESSION**

The Chairman gave 10 minutes for the voting session.

After 10 minutes, the Chairman announced the closure of the online voting session.

#### **EGM 2024/6                      POLL RESULTS**

The Chairman requested the Poll Administrator to project out the poll results of the Meeting to the Unitholders. He announced that the results of the poll voting had been verified by the Scrutineer and based on the outcome of the verified poll votes, declared that all the following Ordinary Resolutions and Special Resolution were duly carried:

#### **ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION BY MTRUSTEE BERHAD, BEING THE TRUSTEE OF HEKTAR REIT OF A SINGLE, 1 ½, 2 AND 3-STOREY BUILDINGS WHICH ARE CATEGORISED INTO ADMINISTRATION, ACADEMIC, RESIDENTIAL AND STUDENT FACILITIES FORMING PART OF THE FULLY RESIDENTIAL AND CO-EDUCATIONAL PRIVATE SCHOOL KNOWN AS 'KOLEJ YAYASAN SAAD' ("KYS COLLEGE" OR THE "SUBJECT PROPERTY") LOCATED AT AYER KEROH, MELAKA AND ERECTED ON PART OF THE LEASEHOLD LAND HELD UNDER PN 62892, LOT 9808, MUKIM OF DURIAN TUNGGAL, DISTRICT OF ALOR GAJAH, STATE OF MELAKA FROM KYS COLLEGE SDN BHD AT THE PURCHASE CONSIDERATION OF RM150 MILLION ("PURCHASE CONSIDERATION"), TOGETHER WITH THE NOVATION OF THE LEASE AGREEMENT TO THE TRUSTEE ON THE COMPLETION OF THE ACQUISITION ("PROPOSED ACQUISITION AND LEASE")**

#### **RESOLVED:**

**THAT** subject to the passing of Ordinary Resolution 2 and Special Resolution 1, the fulfilment of all other conditions precedent under the conditional sale and purchase agreement dated 11 September 2023 between the MTrustee Berhad ("**Trustee**") and KYS College Sdn Bhd ("**KCSB**" or

the "**Vendor**") ("**SPA**") (which was subsequently amended by the letter of variation dated 4 December 2023) and the approvals of all relevant authorities and/ or parties (where required) being obtained, approval be and is hereby given to the Trustee, for and on behalf of Hektar REIT, to acquire the Subject Property and its building system at the Purchase Consideration, in accordance with the terms and conditions of the SPA;

**THAT** subject to the completion of the acquisition of the Subject Property, approval be and is hereby given to the Trustee, for and on behalf of Hektar REIT, to enter into a deed of novation between the Vendor, Trustee and KYSA Education Sdn Bhd (being the existing operator of KYS College) ("**KESB**" or the "**Lessee**") for the novation of the lease from the Vendor to the Trustee. The Vendor had on 22 June 2023 leased the Subject Property to KESB;

**AND THAT** the board of directors of Hektar Asset Management Sdn Bhd ("**Board**"), being the management company of Hektar REIT ("**Manager**") and the Trustee be and are hereby authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver any arrangements, guarantees and/ or documents as the Board and the Trustee deem fit, necessary, expedient and/ or appropriate in order to implement, finalise and/ or give full effect to and complete the Proposed Acquisition and Lease for and on behalf of Hektar REIT and in the best interest of Hektar REIT and where applicable, with full powers to assent to any terms, conditions, modifications, variations and/ or amendments as may be required by the relevant regulatory authorities or as the Board and the Trustee may deem fit, necessary, expedient and/ or appropriate to implement, finalise and/ or give full effect to and complete the Proposed Acquisition and Lease.

## **ORDINARY RESOLUTION 2**

**PROPOSED PLACEMENT OF UP TO 145,353,768 NEW UNITS IN HEKTAR REIT ("UNIT(S)") ("PLACEMENT UNIT(S)'), REPRESENTING UP TO 25% OF THE ISSUED UNITS TO THIRD PARTY INVESTORS ("PROPOSED PLACEMENT")**

### **RESOLVED:**

**THAT** subject to the passing of Ordinary Resolution 1 and Special Resolution 1, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board and the Trustee to allot and issue up to 145,353,768 Placement Units;

**THAT** the Placement Units will be priced at not more than 10% discount to the five-day volume weighted average market price ("**VWAP**") of Hektar REIT Units immediately preceding the price-



fixing date(s) to be determined later, for such purpose and use of proceeds as set out in Part A, Section 3.6 of the circular to unitholders dated 21 December 2023 ("Circular");

**THAT** the Placement Units will, upon allotment and issuance, rank equally in all respects with the existing Units, save and except that the holders of new Units shall not be entitled to any distributable income, rights, benefits, entitlements and/ or any other forms of distributions that may be declared, made or paid to unitholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of the Placement Units;

**AND THAT** the Board and the Trustee be and are hereby authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver any arrangements, guarantees and/ or documents as the Board and the Trustee deem fit, necessary, expedient and/ or appropriate in order to implement, finalise and/ or give full effect to and complete the Proposed Placement for and on behalf of Hektar REIT and in the best interest of Hektar REIT and where applicable, with full powers to assent to any terms, conditions, modifications, variations and/ or amendments as may be required by the relevant regulatory authorities or as the Board and the Trustee may deem fit, necessary, expedient and/ or appropriate to implement, finalise and/ or give full effect to and complete the Proposed Placement.

#### **SPECIAL RESOLUTION 1**

##### **PROPOSED AMENDMENT TO THE INVESTMENT OBJECTIVES OF HEKTAR REIT TO FACILITATE THE PROPOSED ACQUISITION AND LEASE ("PROPOSED AMENDMENT")**

###### **RESOLVED:**

**THAT** subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, and the requisite approval being obtained, approval be hereby given to the Manager to alter, modify, add and/ or delete the provisions in the Trust Deed dated 5 October 2006 (as amended by the Supplemental Trust Deed dated 20 March 2012, Second Supplemental Deed to the Trust Deed dated 23 November 2016 and Amended and Restated Trust Deed dated 8 February 2021) between the Manager and the Trustee constituting Hektar REIT, in the manner as set out in Part A, Section 4 of the Circular pursuant to the Proposed Amendment;

**AND THAT** the Board and the Trustee be hereby authorised to do all such acts, deeds and things and to execute, enter into, sign and deliver any arrangements, guarantees and/ or documents as the Board and the Trustee deem fit, necessary, expedient and/ or appropriate in order to implement, finalise and/ or give full effect to and complete the Proposed Amendment for and on behalf of Hektar REIT and in the best interest of Hektar REIT and where applicable, with full powers to assent to any terms, conditions, modifications, variations and/ or amendments as may be required by the relevant regulatory authorities or as the Board and the

HEKTAR REAL ESTATE INVESTMENT TRUST  
- Minutes of the Extraordinary General Meeting

Trustee may deem fit, necessary, expedient and/ or appropriate to implement, finalise and/ or give full effect to and complete the Proposed Amendment.

#### **EGM 2024/7 CLOSURE OF MEETING**

There being no other business to be transacted, the Meeting concluded at 10.45 am with a vote of thanks to the Chairman, the Board, the invitees and the Unitholders and proxies.

Confirmed as a correct record,

A handwritten signature in black ink, appearing to read 'S. M. M.', is written above the title 'CHAIRMAN'.

CHAIRMAN



Q&A SESSION	
1.	Please give the Unitholders a door gift for attending this EGM.
	The Management thank you for taking your valuable time to attend Hektar REIT's EGM. There won't be any door gifts, but the Management take into account the request and will be providing door gifts for the upcoming AGM.
2.	Please send a printed copy of the EGM Circular.
	The Management has taken note of the request and would appreciate it if the Unitholders could drop an email to the IR department. The email address is ir@hektarreit.com. The IR Department will then arrange the delivery of the EGM Circular.
3.	Rental income of RM8 million over asset value of RM150 million, which only represents 5.33% without counting costs like maintenance cost etc, which doesn't seem to be very attractive. (a) What is the length of the rental, and are there step-up rates? (b) What is the per annum net yield after counting all the costs, e.g. maintenance cost, financial cost, cost of capital?
	The lease arrangement is based on a quadruple net lease, where the Lessee is responsible for all outgoings including maintenance, operating expenses, as well structural repairs. Therefore, the lease income of RM8 million in the first year is clean income to the REIT. This translates to an initial yield of 5.3%, averaging to close to 8% annual yield over the 30 years lease period. Furthermore, a 2.5% annual increment has been built-in in the Lease Agreement over the 30 years lease period.
4.	After the proposed placements and acquisition, the DPU will drop from 7.72 cents to 4.90 cents (page 19), while Net Asset per share will drop from RM1.27 to RM0.97 per unit (page 20). Both DPU and NAV dropped significantly, this seems to be not a good deal for minority unit holders. Please explain.
	The reduction in the DPU and NAV per unit is expected since the proposed acquisition is part-financed through the issuance of new units via the Proposed Placement exercise. However, the DPU and NAV per unit are expected to increase over the years driven by the 2.5% annual increment in the rental charged to the Lessee, and the improving performance of the overall Hektar REIT portfolio.
5.	Ms Reevanash a/p Poravi gave her full support for all the resolutions.
	The Management thank you for the continuous support towards Hektar REIT and really appreciate it.