

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

MINUTES OF THE FULLY VIRTUAL 12TH ANNUAL GENERAL MEETING OF HEKTAR REAL ESTATE INVESTMENT TRUST (“HEKTAR REIT”) HELD ON THURSDAY, 25 APRIL 2024 AT 10.30 AM VIA REMOTE PARTICIPATION (“RP”) FACILITY AT THE BROADCAST VENUE, THE BOARDROOM, HEKTAR ASSET MANAGEMENT SDN BHD, D1-U3-10, SOLARIS DUTAMAS, NO 1 JALAN DUTAMAS 1, 50480 KUALA LUMPUR

PRESENT FROM BROADCAST VENUE

BOARD OF DIRECTORS OF HEKTAR ASSET MANAGEMENT SDN BHD (“MANAGER”) : En Johari Shukri bin Jamil (CEO & Executive Director)
Pn Norliza binti Suleiman (Independent Non-Executive Director)
En Wan Kamaruddin bin Wan Mohamed Ali (Independent Non-Executive Director)
Mr Chong Kai Wooi (Independent Non-Executive Director)
En Sr Zulazman bin Zulkifli (Independent Non-Executive Director)

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)
Pn Sabrina binti Halim (General Manager, Business Development & Strategy)
En Fahmi Rasni (Senior Manager, Business Strategy)

PARTICIPATING REMOTELY

TRUSTEE OF HEKTAR REIT : Puan Nurizan binti Jalil (CEO of MTrustee Berhad)

INVITEES : Representatives of BDO PLT, the Auditors:
Ms Amy Lu Yan Fen

UNITHOLDERS AND PROXIES : As per the summary of attendance list via the Remote Participation and Voting (“RPV”) Facility

OPENING OF MEETING

The Chairman, En Johari Shukri bin Jamil, welcomed all to the fully virtual Twelfth Annual General Meeting (“12th AGM”) of Hektar Real Estate Investment Trust. He explained that due to the health interest of all Unitholders and participants, it was decided that the 12th AGM be conducted on a fully virtual mode through live streaming and RPV. He then introduced the Members of the Board and the CEO of the Trustee, Puan Nurizan Jalil. He went on to introduce the members of the Management of HAMSB and the representative of the Auditor, Ms Amy Lu Yan Fen.

QUORUM

In response to the Chairman’s enquiry the Secretary explained that under Section 18.4.1(a) of the Trust Deed, at least 5 Unitholders representing at least 10% of the total issued units would constitute the quorum. The Secretary confirmed the presence of the requisite quorum. The Chairman then declared the meeting as properly convened after the notice of the meeting has taken as read.

CHAIRMAN’S WELCOME NOTE

The Chairman gave a brief explanation on the meeting proceedings and the voting procedures for the 12th AGM. In accordance with the AGM Notice, the Unitholders had been allowed to post the questions online prior to the start of the meeting from 29 February 2024 and during the meeting. The Chairman said that these questions would be addressed during the Q&A session at a later part of the meeting.

SS E Solutions Sdn Bhd was appointed as Poll Administrator whilst Commercial Quest Sdn Bhd was appointed as Independent Scrutineer to verify the results of the poll voting. The step-by-step guide together with a short audio clip on the online voting module within the e-Portal was shown to the Unitholders.

The Chairman also shared a summary of Hektar REIT’s performance in 2023 by the presentation of slides to the Unitholders.

AGM 2024/1 REPORTS AND FINANCIAL STATEMENTS OF HEKTAR REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Chairman clarified that the Audited Financial Statements of Hektar REIT for the financial year ended 31 December 2023 together with the Trustee’s Report to the Unitholders, Statement by the Manager and the Independent Auditors’ Report had been duly approved by the HAMSB Board of Directors and the Hektar REIT Trustee. It did not require any approval or voting on the

part of the Unitholders in accordance with the provisions under the Securities Commission's Guidelines on Listed Real Estate Investment Trust. The Unitholders were however welcomed to ask questions or seek clarifications during the Q&A session at a later part of the meeting.

AGM 2024/2 SPECIAL BUSINESS

The Chairman proceeded with the next agenda being a special business of the meeting, which was to consider and if thought fit, to pass with or without any modification the following ordinary resolutions:-

- i) Ordinary Resolution 1
Proposed authority to allot and issue new units pursuant to Paragraph 6.59 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Authority").

- ii) Ordinary Resolution 2
Proposed renewal of the authority to allot and issue new units pursuant to the Income Distribution Reinvestment Plan ("IDRP") aimed to provide unitholders with an option to elect to reinvest their income distribution in new units in Hektar REIT ("Proposed Renewal of IDRP Authority").

The Chairman and the Management would be answering any questions on this business during the Q&A session later.

AGM 2024/3 Q&A SESSION

The Chairman read out the questions raised from the Unitholders and the Management was pleased to answer the questions, as per the list annexed hereto.

As there was no other business to be dealt with, the Chairman announced the adjournment of the meeting for 10 minutes to allow time for voting and procurement of results.

CONTINUATION OF AGENDA AGM 2024/2 UNFINISHED BUSINESS

As the poll results were ready, the Chairman resumed the special business pertaining to the Proposed Authority and Proposed Renewal of IDRP Authority. He announced the following:-

RESOLUTIONS	Vote For	%	Vote Against	%
<u>Ordinary Resolution 1:</u> Proposed authority to allot and issue new units pursuant to Paragraph 6.59 of the Main Market	162,787,259	99.3274	1,102,325	0.6726

Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Authority")				
<u>Ordinary Resolution 2:</u> Proposed renewal of the authority to allot and issue new units pursuant to the Income Distribution Reinvestment Plan ("IDRP") that provides unitholders with an option to elect to reinvest their income distribution in new units in Hektar REIT ("Proposed Renewal of IDRP Authority")	155,377,818	99.6735	508,965	0.3265

Consequently, the Chairman declared that the following ordinary resolutions were duly carried:

1) PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED AUTHORITY")

THAT pursuant to the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and the approval of any relevant regulatory authorities, where such approval would be required, the Manager be hereby authorised to allot and issue new units in Hektar REIT (Units) from time to time to such persons and for such purposes as the Manager may in its absolute discretion deem fit and in the best interest of Hektar REIT, provided that the number of new Units to be allotted and issued pursuant to this resolution does not exceed 20% of the existing issued units of Hektar REIT.

AND THAT the Proposed Authority shall be effective and continue to be in force from the date of receipt of all relevant authorities' approval or the date the Unitholders pass this resolution, whichever later, until:

- (a) The conclusion of the next AGM of the Unitholders, at which time it shall lapse, unless the authority be renewed by Unitholders by a resolution passed at the meeting; or
- (b) The expiration of the period within which the next AGM of the Unitholders would be required by law to be held; or
- (c) The Proposed Authority would be revoked or varied by the Unitholders in a Unitholders' Meeting;

whichever were to occur first (Validity Period);

AND THAT the new Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the

new Units would not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of allotment and issuance of such new Units;

AND FURTHER THAT the Manager and the Trustee (acting for and on behalf of Hektar REIT) be authorised to give effect to the aforesaid Proposed Authority with full power to assent to any condition, variation, modification and/or amendment in any manner as required by any relevant authorities or as the Manager and the Trustee may deem to be in the best interest of Hektar REIT and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as they may deem necessary or expedient to implement, finalise, complete and give full effect to the Proposed Authority

2) PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS PURSUANT TO THE INCOME DISTRIBUTION REINVESTMENT PLAN ("IDRP") TO PROVIDE UNITHOLDERS WITH AN OPTION TO ELECT TO REINVEST THEIR INCOME DISTRIBUTION IN NEW UNITS IN HEKTAR REIT ("PROPOSED RENEWAL OF IDRP AUTHORITY")

THAT pursuant to the IDRP as approved by the Unitholders at the Extraordinary General Meeting held on 15 December 2022, and subject to the approvals of all relevant authorities being obtained, approval be hereby given to the Board to allot and issue such number of new Units from time to time as may be required to be allotted and issued pursuant to the IDRP until the conclusion of Hektar REIT's next AGM, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient and in the best interest of Hektar REIT and its Unitholders PROVIDED THAT the issue price of the said new Units, which would be fixed by the Board on the price-fixing date to be determined and announced ("Price-Fixing Date"), shall not be more than 10% discount to the 5-day volume weighted average market price ("VWAMP") of the Units immediately prior to the Price-Fixing Date, of which the VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount.

THAT the new Units issued pursuant to the IDRP shall, upon allotment and issuance, rank equally in all respects with the existing Units except that the holders of the new Units shall not be entitled to any distributable income, right, benefit, entitlement and/or any other form of distribution that may be declared before the date of allotment and issuance of such new Units.

AND THAT the Board be authorised to do all such acts and enter into such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of Hektar REIT, all such documents and impose such terms and conditions or delegate all or any part of its power as may be necessary and expedient in order to give full effect to the Proposed Renewal of IDRP Authority and IDRP, with full power to assent to any conditions, variations, modifications and/or amendments including amendments, modifications, suspension and termination of the IDRP as the Board may, in its absolute discretion, deem fit and in the best interest of Hektar REIT and its Unitholders and/or as may be required or permitted by any relevant authorities."

AGM 2023/4**CLOSURE OF MEETING**

There being no other business, the meeting was closed at 11.40 am with a vote of thanks to the Chair.

Confirmed as a correct record,

CHAIRMAN

Q&A SESSION	
1.	<p>What are the occupancy levels of the malls at present? What is the target, by when and the initiatives to achieve it?</p> <p>Hektar REIT's average portfolio occupancy in FY2023 showed resilience at 86.7%, a strong improvement from 82.0% against the previous year. The committed occupancy rate was at 87.7% as of March 2024. The target for the year-end was to achieve minimum 90% average portfolio occupancy rate and the Company were close to achieving the set target in the next few months. The Management Team was working very hard to achieve it. Separately looking at Subang Parade, the occupancy there stood at 75.1%, while committed occupancy was at 82.1%. The target by end 2024 was above 85%. With the execution of asset enhancement initiatives shown previously, the occupancy was expected to rise to 95.0% upon completion of the project, with expectation of positive double digit rental reversion, followed by improved asset valuation. The Company saw similar trends from the Asset Enhancement Initiatives at the other malls including Kulim Central. For overall portfolio, in order to achieve continuous improvement, the Company would be bringing in new & renowned brands based on the desired tenancy mix necessary to meet the needs of the loyal shoppers & patrons, aligned with the positioning of Hektar Malls. The Company were also working towards improving the facilities and inculcating digitalisation by introducing some new initiatives such as the loyalty program and partnering with the tenants, so the shoppers could have a better shopping experience.</p>
2.	<p>What are the door-gifts for AGM this year?</p> <p>Hektar REIT was pleased to announce that this time, for valuable unitholders who attend and vote today, they would receive a total of 50 Ringgit worth of vouchers from Parkson. These vouchers could be collected from Subang Parade's Customer Service Counter on the Ground Floor starting from 6 pm today. The Unitholders would have 1 month until 25th May 2024 to collect the vouchers. Please bring the IC when collecting the vouchers for verification of identity. If a representative was going to collect the vouchers on Unitholder's behalf, he/she must a copy of Unitholder's IC for verification purposes. The Company received several feedback from Unitholders on the door gift, especially those from outside Klang Valley. Please write to the Company separately at ir@hektarreit.com, and the Company would address the concerns accordingly.</p>
3.	<p>Why did gross revenue decrease and how do the Company plan to address this?</p> <p>The slight dip in gross revenue was expected, which resulted from the ongoing repositioning and tenancy remixing strategies implemented at Hektar Malls, primarily at Subang Parade. The Company anticipated Gross Revenue to increase higher than 2023 level, in tandem with the rising portfolio occupancy rate, and expectations of positive rental reversions moving forward. Further, the revenue would be enhanced upon completion of the acquisition of Kolej Yayasan Saad expected by end of this quarter.</p>
4.	<p>How does Hektar REIT plan to improve rental growth? Can the Company provide any forecast on the expected rental reversion for 2024?</p>

Q&A SESSION	
	Hektar portfolio consisted of suburban malls that were geographically well diversified across Malaysia. The Company had positioned itself in the investment of community malls and did not directly compete against destination malls. This strategy had served Hektar REIT well in navigating market challenges. The Management had highlighted several strategies in enhancing the appeal of the malls, which would directly impact rental reversion and this included repositioning at less performing malls and exploring value creation in the performing malls. Due to the heavy remixing exercises that were carried out, some anchor tenants were being reviewed for better variety and rental, existing lots would be reconfigured and rezoned and underutilized spaces would be activated. As the Company continue to reposition and remixing the tenants, the Management expected single digit positive rental reversions when the lease expire this year.
5.	Good morning. full support for all the resolutions. Best REIT in terms of taking good care of shareholders. Thank you very much. Mr Reevanash a/l Poravi remained confident Hektar REIT would be able to deliver good results over time.
	Thank you for the unwavering support in Hektar REIT, the Management was confident in delivering lucrative returns for the unitholders for now and the future.
6.	Well done Management to bring the yield to 7.7%. Thank you. May I know what will be the indicative yield post KYSC acquisition?
	Thank you for the kind words. As for this year's distribution, the Company was unable to disclose anything yet. But please be assured that the Management would remain committed to delivering attractive dividend yield to the Unitholders, as evidenced by the average distribution yield of 7% since the listing days back in 2006. The Management's focus remained in ensuring defensible income and sustainable returns to the unitholders. However, Unitholders must appreciate that while all efforts were taken by the Management, there were external factors in play such as: 1 Increase in Interest Rates; 2 Increase in ICPT charge; 3 High inflationary pressures; and 4 Incoming retail competitors in Klang Valley. Taking cognizance of these factors, the Management would amplify the efforts in adopting prudent financial measures and cost optimisation initiatives to ensure that the Company would continue to deliver good and sustainable returns to the Unitholders.
7.	How does the Company plan to mitigate the impact of the increase in interest rates?
	On the rising interest rate, the overall capital management strategy was to pare down and rebalance the debt to a sustainable level with a healthy mix of fixed and floating rates. Several initiatives had been implemented, including the issuance of a Medium Term Note programme with fixed coupon to manage the exposure to fluctuating interest rates, as well as the Income Distribution Reinvestment Plan, from which the Company had used the savings to successfully pare down the debt.
8.	When will Hektar REIT acquire new asset next? Can the Company share some insights on potential new assets for acquisition and the criteria in selecting the assets?

Q&A SESSION	
	<p>Hektar REIT were constantly on the lookout for acquisition opportunities. Properties must meet key investment criteria and be yield accretive. The Company had a pipeline of properties being considered for acquisition. The Company were monitoring their performance and at the same were building up the war chest to be ready for any acquisition. Some key parameters that look out at when considering new assets for acquisition were:</p> <ul style="list-style-type: none"> • Yield accretive assets from a variety of asset classes within Malaysia. • For shopping centres, the Company focused on the neighbourhood and community centre segments with NLA up to 500,000 sq. ft • Fundamentally, for other asset classes such as industrial or education sector, the quality of the tenant would be the deciding factor as key criteria in decision-making outcomes. For these kind of assets, the Company also preferred triple net yield arrangements with built in step up rental. The same scheme would be applied for the acquisition of Kolej Yayasan Saad. Ultimately, financial and legal due diligence would be essential for further study of the targeted asset as consideration for acquisitions.
9.	<p>Subang Parade operation seems to be challenging, it recorded a drop in footfall, negative rental reversion. What are the reasons for continuous underperformance of this asset?</p>
	<p>In Financial Year 2023, the Management had executed an "Occupancy First Strategy" to rejuvenate Subang Parade post pandemic. The Company had raised the occupancy of Subang Parade from 70% in FY22 to 74.3% in FY23. The Company had filled up long term vacant lots while executing tenancy remixing plans, attracting them with lower rental, thus showcasing the negative rental reversion. However, the Company were looking to revive and rejuvenate Subang Parade in a long run and bigger picture. As mentioned previously, with the asset enhancement initiatives, the Management would rejuvenate Subang Parade and surpass the pre-pandemic days.</p>
10.	<p>Mr Tan Chew Boon is a long term Shareholder. Everytime adding more shares, share price drops further! Will the Board try the best to encounter such situations.</p>
	<p>As communicated to the Unitholders during past AGM and the recent EGM held in January this year, the Private Placement exercise was a strategic move by the Management to raise funds for the Company to pursue acquisition and asset enhancement activities without having to incur more debt. While this had led to more units in circulation, Unitholders could also see that the unit price had been quite resistant, closed yesterday 2.5 sen higher than the closing price at end 2023. Hektar REIT also welcomed new unitholders which signalled market's interest in Hektar REIT. The Company believed that Hektar REIT had strong fundamentals as evident by the consistent dividend payout over the years. With the efforts and initiatives that the Company had in place, the Board target to deliver continuously improving performance which the Company anticipated would be reflected in improving share price moving forward.</p>