

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
31 March 2024**

YTL HOSPITALITY REIT

Interim Financial Report 31 March 2024

	Page No.
Condensed Income Statements for the Quarter	1 - 3
Condensed Statements of Comprehensive Income for the Quarter	4
Condensed Income Statements for the Period	5 - 6
Condensed Statements of Comprehensive Income for the Period	7
Condensed Statements of Financial Position	8 - 9
Condensed Statements of Changes in Net Asset Value	10 - 13
Condensed Consolidated Statement of Cash Flows	14 - 15
Notes to the Interim Financial Report	16 - 29

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial period ended 31 March 2024.

The figures have not been audited.

CONDENSED INCOME STATEMENTS FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000
REALISED REVENUE	148,659	127,223	39,617	36,812
UNREALISED LEASE INCOME	(65)	(328)	(19)	(275)
TOTAL REVENUE	148,594	126,895	39,598	36,537
PROPERTY OPERATING EXPENSES	(68,804)	(59,962)	(2,012)	(1,864)
NET PROPERTY INCOME	79,790	66,933	37,586	34,673
FINANCE INCOME	1,787	580	24,252	18,757
OTHER INCOME	447	555	32	89
MANAGER'S FEES	(2,921)	(2,553)	(2,921)	(2,553)
TRUSTEE'S FEES	(397)	(364)	(397)	(364)
DEPRECIATION	(16,070)	(14,891)	(1)	(1)
FINANCE COSTS	(31,138)	(24,257)	(31,114)	(24,243)
ADMINISTRATION EXPENSES	(1,824)	(1,324)	(184)	(81)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	5,895	2,153	(6,298)	(1,256)
FAIR VALUE CHANGES ON UNREALISED LEASE INCOME	157	312	111	259
PROFIT BEFORE TAX	35,726	27,144	21,066	25,280

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000
PROFIT BEFORE TAX	35,726	27,144	21,066	25,280
INCOME TAX EXPENSE	(1,993)	(2,254)	(322)	(336)
PROFIT FOR THE QUARTER	33,733	24,890	20,744	24,944
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	65	328	19	275
- Depreciation	16,070	14,891	1	1
- Fair value changes on unrealised lease income	(157)	(312)	(111)	(259)
- Net income from foreign operations	(16,865)	(11,427)	-	-
- Unrealised foreign translation differences	(5,895)	(2,153)	6,298	1,256
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	26,951	26,217	26,951	26,217
UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD	7,911	5,790	7,911	5,790
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	34,862	32,007	34,862	32,007

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	34,862	32,007	34,862	32,007
PROVISION FOR INCOME DISTRIBUTION	-	-	-	-
UNDISTRIBUTED DISTRIBUTABLE INCOME	34,862	32,007	34,862	32,007
DISTRIBUTABLE INCOME PER UNIT (Sen)	1.5813	1.5382	1.5813	1.5382
GROSS DISTRIBUTION PER UNIT (Sen)	-	-	-	-

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000	CURRENT YEAR QUARTER 31.03.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2023 RM'000
PROFIT FOR THE QUARTER	33,733	24,890	20,744	24,944
OTHER COMPREHENSIVE LOSS:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(40,616)	(10,930)	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE QUARTER	<u>(6,883)</u>	<u>13,960</u>	<u>20,744</u>	<u>24,944</u>
PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	43,816	37,644	26,951	26,217
UNREALISED ITEMS	(10,083)	(12,754)	(6,207)	(1,273)
	<u>33,733</u>	<u>24,890</u>	<u>20,744</u>	<u>24,944</u>
Weighted average number of units ('000)	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>
EARNINGS PER UNIT (Sen)	<u>1.98</u>	<u>1.46</u>	<u>1.22</u>	<u>1.46</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE PERIOD

	GROUP		TRUST	
	9 MONTHS ENDED		9 MONTHS ENDED	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	452,162	370,614	141,610	109,365
UNREALISED LEASE INCOME	(27,443)	(1,346)	(27,303)	244
TOTAL REVENUE	424,719	369,268	114,307	109,609
PROPERTY OPERATING EXPENSES	(200,971)	(177,933)	(5,913)	(5,579)
NET PROPERTY INCOME	223,748	191,335	108,394	104,030
FINANCE INCOME	4,018	1,174	71,008	57,477
OTHER INCOME	1,446	1,899	93	497
MANAGER'S FEES	(8,399)	(7,524)	(8,399)	(7,524)
TRUSTEE'S FEES	(1,177)	(1,109)	(1,177)	(1,109)
DEPRECIATION	(47,348)	(45,295)	(2)	(2)
FINANCE COSTS	(89,724)	(67,595)	(89,655)	(67,537)
ADMINISTRATION EXPENSES	(5,780)	(3,814)	(505)	(410)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	2,884	4,976	(4,138)	(152)
FAIR VALUE CHANGES ON UNREALISED LEASE INCOME	26,057	1,361	25,917	(229)
PROFIT BEFORE TAX	105,725	75,408	101,536	85,041

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE PERIOD – continued

	GROUP		TRUST	
	9 MONTHS ENDED		9 MONTHS ENDED	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX	105,725	75,408	101,536	85,041
INCOME TAX EXPENSE	(3,694)	(2,766)	(989)	(1,019)
	-----	-----	-----	-----
PROFIT FOR THE PERIOD	102,031	72,642	100,547	84,022
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	27,443	1,346	27,303	(244)
- Depreciation	47,348	45,295	2	2
- Fair value changes on unrealised lease income	(26,057)	(1,361)	(25,917)	229
- Net income from foreign operations	(41,808)	(28,785)	-	-
- Unrealised foreign translation differences	(2,884)	(4,976)	4,138	152
	-----	-----	-----	-----
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	106,073	84,161	106,073	84,161
DISTRIBUTION PAID	(71,211)	(52,154)	(71,211)	(52,154)
IBUTION PAID				
PROVISION FOR INCOME DISTRIBUTION	-	-	-	-
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	34,862	32,007	34,862	32,007
	=====	=====	=====	=====
DISTRIBUTABLE INCOME PER UNIT (Sen)	6.2235	4.9379	6.2235	4.9379
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	4.1781	3.0600	4.1781	3.0600
	=====	=====	=====	=====

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD

	GROUP		TRUST	
	9 MONTHS ENDED		9 MONTHS ENDED	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	102,031	72,642	100,547	84,022
OTHER COMPREHENSIVE LOSS:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(22,543)	(17,757)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>79,488</u>	<u>54,885</u>	<u>100,547</u>	<u>84,022</u>
PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	147,881	112,946	106,073	84,161
UNREALISED ITEMS	(45,850)	(40,304)	(5,526)	(139)
	<u>102,031</u>	<u>72,642</u>	<u>100,547</u>	<u>84,022</u>
Weighted average number of units ('000)	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>
EARNINGS PER UNIT (Sen)	<u>5.99</u>	<u>4.26</u>	<u>5.90</u>	<u>4.93</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION

	GROUP		TRUST	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	AS AT	AS AT	AS AT	AS AT
	31.03.2024	30.06.2023	31.03.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current Assets				
Investment properties	2,915,104	2,792,750	2,414,415	2,275,000
Property, plant and equipment	2,024,209	2,085,578	-	-
Unbilled lease income	20,617	22,004	20,617	22,004
Right-of-use asset	196	198	196	198
Investment in subsidiaries	-	-	550,098	538,714
Amount due from subsidiaries	-	-	1,352,055	1,368,547
Deferred tax assets	3,241	3,096	-	-
	-----	-----	-----	-----
	4,963,367	4,903,626	4,337,381	4,204,463
	-----	-----	-----	-----
Current Assets				
Inventories	670	710	-	-
Trade and other receivables	137,133	39,336	78,773	671
Amount due from subsidiaries	-	-	127,755	120,201
Income tax assets	1	7	-	-
Deposits with licensed financial institutions	16,855	74,660	16,855	74,660
Cash at banks	154,796	108,939	10,531	6,249
	-----	-----	-----	-----
	309,455	223,652	233,914	201,781
	-----	-----	-----	-----
TOTAL ASSETS	5,272,822	5,127,278	4,571,295	4,406,244
	=====	=====	=====	=====
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	290,454	213,784	235,256	200,394
Reserves	934,420	1,002,813	349,179	354,705
	-----	-----	-----	-----
Total Unitholders' Funds / Net Asset Value	2,915,680	2,907,403	2,275,241	2,245,905
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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION – continued

	GROUP		TRUST	
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
	AS AT	AS AT	AS AT	AS AT
	31.03.2024	30.06.2023	31.03.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,870,634	1,891,500	1,250,634	1,076,500
Lease liability	199	202	199	202
Other payables	-	1,261	-	-
Amount due to a subsidiary	-	-	620,000	815,000
	-----	-----	-----	-----
	1,870,833	1,892,963	1,870,833	1,891,702
	-----	-----	-----	-----
Current Liabilities				
Borrowings	385,000	174,481	-	174,481
Trade and other payables	99,197	73,705	40,251	19,447
Amount due to a subsidiary	-	-	384,970	-
Income tax liabilities	2,112	4,017	-	-
Provision for income distribution	-	74,709	-	74,709
	-----	-----	-----	-----
	486,309	326,912	425,221	268,637
	-----	-----	-----	-----
TOTAL LIABILITIES	2,357,142	2,219,875	2,296,054	2,160,339
	-----	-----	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	5,272,822	5,127,278	4,571,295	4,406,244
	=====	=====	=====	=====
Net asset value (RM'000)				
- before income distribution	2,986,891	3,034,266	2,346,452	2,372,768
- after income distribution	2,915,680	2,907,403	2,275,241	2,245,905
	=====	=====	=====	=====
Number of units in circulation ('000)				
	1,704,389	1,704,389	1,704,389	1,704,389
	=====	=====	=====	=====
Net asset value per unit (RM)				
- before income distribution	1.752	1.780	1.377	1.392
- after income distribution	1.711	1.706	1.335	1.318
	=====	=====	=====	=====

The Condensed Statements of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

GROUP	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	<-----Non-distributable----->			Total Unitholders' Funds RM'000
			Unrealised Loss RM'000	Currency Translation Reserves RM'000	Revaluation Reserve RM'000	
At 1 July 2023	1,690,806	213,784	(201,843)	(148,806)	1,353,462	2,907,403
Operations for the period						
Profit/(Loss) for the period	-	147,881	(45,850)	-	-	102,031
Other comprehensive loss	-	-	-	(13,115)	(9,428)	(22,543)
Increase/(Decrease) in net assets resulting from operations	-	147,881	(45,850)	(13,115)	(9,428)	79,488
Unitholders' transactions						
Distribution paid	-	(71,211)	-	-	-	(71,211)
Provision for income distribution	-	-	-	-	-	-
Decrease in net assets resulting from Unitholders' transaction	-	(71,211)	-	-	-	(71,211)
At 31 March 2024	1,690,806	290,454	(247,693)	(161,921)	1,344,034	2,915,680

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 - continued**

GROUP	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	<-----Non-distributable----->			Total Unitholders' Funds RM'000
			Unrealised Loss RM'000	Currency Translation Reserves RM'000	Revaluation Reserve RM'000	
At 1 July 2022	1,690,806	185,408	(187,825)	(149,554)	1,233,913	2,772,748
Operations for the period						
Profit/(Loss) for the period	-	112,946	(40,304)	-	-	72,642
Other comprehensive income/(loss)	-	-	-	12,196	(29,953)	(17,757)
Increase/(Decrease) in net assets resulting from operations	-	112,946	(40,304)	12,196	(29,953)	54,885
Unitholders' transactions						
Distribution paid	-	(52,154)	-	-	-	(52,154)
Provision for income distribution	-	-	-	-	-	-
Decrease in net assets resulting from Unitholders' transaction	-	(52,154)	-	-	-	(52,154)
At 31 March 2023	1,690,806	246,200	(228,129)	(137,358)	1,203,960	2,775,479

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 - continued**

TRUST	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	Non-distributable Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 July 2023	1,690,806	200,394	354,705	2,245,905
Operations for the period				
Profit/(Loss) for the period	-	106,073	(5,526)	100,547
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	106,073	(5,526)	100,547
Unitholders' transactions				
Distribution paid	-	(71,211)	-	(71,211)
Provision for income distribution	-	-	-	-
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(71,211)	-	(71,211)
	-----	-----	-----	-----
At 31 March 2024	1,690,806	235,256	349,179	2,275,241
	=====	=====	=====	=====

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 - continued**

TRUST	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	Non-distributable Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 July 2022	1,690,806	200,394	343,331	2,234,531
Operations for the period				
Profit/(Loss) for the period	-	84,161	(139)	84,022
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	84,161	(139)	84,022
Unitholders' transactions				
Distribution paid	-	(52,154)	-	(52,154)
Provision for income distribution	-	-	-	-
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(52,154)	-	(52,154)
	-----	-----	-----	-----
At 31 March 2023	1,690,806	232,401	343,192	2,266,399
	=====	=====	=====	=====

The Condensed Statements of Changes in Net Asset Value should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	9 MONTHS ENDED	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	105,725	75,408
Adjustments for:-		
Amortisation of transaction costs	1,792	1,574
Depreciation	47,348	45,295
Fair value changes	(26,057)	(1,361)
Interest income	(4,018)	(1,174)
Interest expense	87,758	65,862
Loss on disposal of property, plant and equipment	32	17
Unrealised gain on foreign currency exchange	(2,884)	(4,976)
	-----	-----
Operating profit before changes in working capital	209,696	180,645
Net changes in current assets	(34,302)	(24,482)
Net changes in current liabilities	28,025	38,494
	-----	-----
Cash generated from operations	203,419	194,657
Income tax paid	(5,756)	(2,381)
Income tax refunded	17	-
	-----	-----
Net cash from operating activities	197,680	192,276
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,018	1,174
Acquisition of property, plant and equipment	(4,025)	(12,648)
Enhancement of investment properties	(36,646)	-
Acquisition of investment property	(139,415)	-
Proceed from disposal of equipment	-	2
	-----	-----
Net cash used in investing activities	(176,068)	(11,472)
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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024 – continued**

	9 MONTHS ENDED	
	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(145,920)	(87,384)
Interest paid	(87,750)	(65,854)
Transaction costs paid	(1,530)	(8)
Proceed from borrowings	202,684	5,191
Payment of lease liability	(11)	(11)
	-----	-----
Net cash used in financing activities	(32,527)	(148,066)
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(10,915)	32,738
Effect on exchange rate changes	(1,033)	(1,517)
Cash and cash equivalents at beginning of financial period	183,599	83,633
	-----	-----
Cash and cash equivalents at end of financial period (note a)	171,651	114,854
	=====	=====

Note (a)

	As At	As At
	31.03.2024	31.03.2023
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	16,855	12,903
Cash at banks	154,796	101,951
	-----	-----
	171,651	114,854
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2023 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes :

Disclosure requirement pursuant to MFRS 134

The condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2023.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting”, and Chapter 9, Part M3 paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group and of the Trust since the financial year ended 30 June 2023.

The accounting policies and methods of computation adopted by the Group and the Trust in the interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2023.

The adoption of MFRSs, interpretations and amendments to MFRSs, which were effective for financial year beginning on or after 1 July 2023 do not have significant financial impacts on the interim financial report of the Group and of the Trust.

A2. Seasonality or Cyclicity of Operations

Save for Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott (“Australian Properties”), the business operations of the Group and of the Trust are not materially affected by any seasonal or cyclical factors.

A3. Unusual Items

For the current financial period to date, there was no item of an unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group and of the Trust.

A4. Changes in Estimates of Amounts Reported

There was no significant change in estimates of amounts reported in prior interim periods or prior financial years.

A5. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter and financial period to date save as disclosed in Note B14.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

A6. Income Distribution

The following distribution payment (which was tax exempt at the Trust level under the amended Section 61A, Income Tax Act 1967) was made during the financial period ended 31 March 2024:-

	RM'000
In respect of the six months ended 30 June 2023:- A final distribution of 4.3833 sen per unit each paid on 30 August 2023	74,709
In respect of the six months ended 31 December 2023:- An interim distribution of 4.1781 sen per unit each paid on 27 March 2024	71,211

	145,920
	=====

A7. Segment Information

The Group's segmental result for the financial period ended 31 March 2024 is as follows:-

	< ---Property rental--- >		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	114,307	20,587	289,825	424,719
Operating expenses	(5,913)	(2,696)	(192,362)	(200,971)
	-----	-----	-----	-----
Net property income	108,394	17,891	97,463	223,748
	-----	-----	-----	-----
Finance income				4,018
Other income				1,446
Unrealised gain on foreign exchange				2,884
Changes in fair value				26,057

Total income				258,153
Trust and administration expenses				(15,356)
Finance costs				(89,724)
Depreciation				(47,348)

Profit before tax				105,725
				=====
Total assets	2,541,411	529,958	2,201,453	5,272,822
	=====	=====	=====	=====

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Notes : - continued

A7. Segment Information - continued

The Group's segmental result for the financial period ended 31 March 2023 is as follows:-

	< ---Property rental--- >		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	109,609	20,423	239,236	369,268
Operating expenses	(5,579)	(2,602)	(169,752)	(177,933)
Net property income	104,030	17,821	69,484	191,335
Finance income				1,174
Other income				1,899
Unrealised gain on foreign exchange				4,976
Changes in fair value				1,361
Total income				200,745
Trust and administration expenses				(12,447)
Finance costs				(67,595)
Depreciation				(45,295)
Profit before tax				75,408
Total assets	2,344,172	531,338	2,019,109	4,894,619

A8. Subsequent Events

There was no item, transaction or event of a material and unusual in nature during the period from the end of the quarter under review to the date of this report, save for the following:

Proposed Property Development

On 29 April 2024, it was announced that Starhill REIT Niseko G.K. ("Starhill GK"), a wholly owned subsidiary of YTL Hospitality REIT, is developing a hotel in Niseko, Japan ("Moxy Niseko") for an estimated total development cost of approximately JPY6.38 billion (equivalent to RM199 million).

Moxy Niseko is being developed on land owned by Starhill GK which is part of the land acquired by Starhill GK together with Hilton Niseko Village in 2011. Upon completion of the proposed development, the property will be leased under variable rental arrangement.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

A9. Changes in the Composition of the Group

There was no change in the composition of the Group and of the Trust for the current financial period ended 31 March 2024 and the fund size stood at 1,704,388,889 units.

A10. Changes in Contingent Liabilities

There were no contingent liabilities to be disclosed.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes :

Disclosure requirements pursuant to Part M3 paragraph 9.44 of Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	31.03.2024 RM'000	31.03.2023 RM'000		31.03.2024 RM'000	31.03.2023 RM'000	
Revenue:						
- Hotel (Management contracts)	102,144	83,547	22.26	289,825	239,236	21.15
- Property rental (Master leases)	46,450	43,348	7.16	134,894	130,032	3.74
	-----	-----		-----	-----	
	148,594	126,895	17.10	424,719	369,268	15.02
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	36,127	26,514	36.26	97,463	69,484	40.27
- Property rental (Master leases)	43,663	40,419	8.03	126,285	121,851	3.64
	-----	-----		-----	-----	
	79,790	66,933	19.21	223,748	191,335	16.94
	=====	=====		=====	=====	
Profit Before Tax	35,726	27,144	31.62	105,725	75,408	40.20
Income Available For Distribution	26,951	26,217	2.80	106,073	84,161	26.04

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

Current Financial Quarter vs Preceding Year Corresponding Quarter

For the current financial quarter under review, the Group recorded revenue and net property income of RM148.594 million and RM79.790 million, respectively, as compared to RM126.895 million and RM66.933 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 17.10% and 19.21%, respectively. The performance of the operating business segments is set out under the “Review of Operating Business Segments”.

The Group recorded a profit before tax of RM35.726 million for the current financial quarter, an increase of 31.62% as compared to profit before tax of RM27.144 million recorded in the preceding year corresponding quarter due to improved performance from hotel and property rental segments, which was offset by the increase in finance costs due to higher interest rate on borrowings denominated in Australian Dollar and increase in RM borrowings for the acquisition of Hotel Stripes Kuala Lumpur and enhancement works of existing properties.

Income available for distribution in the current financial quarter of RM26.951 million, represented an increase of 2.80% as compared to RM26.217 million recorded in the preceding year corresponding quarter.

Current Financial Period vs Preceding Year Corresponding Period

For the current financial period under review, the Group recorded revenue and net property income of RM424.719 million and RM223.748 million, respectively, as compared to RM369.268 million and RM191.335 million, respectively, recorded in the preceding year corresponding period. This represented an increase of 15.02% and 16.94%, respectively.

The Group recorded a profit before tax of RM105.725 million for the current financial period, an increase of 40.20% as compared to profit before tax of RM75.408 million recorded in the preceding year corresponding period due to factors set out below:-

- (i) improved performance from hotel and property rental segments due to reasons set out under “Review of Operating Business Segments”; and
- (ii) fair value gain on reversal of unrealised lease income of RM26.057 million recorded in current financial period

which was offset by:

- (i) increase in finance costs due to the reason mentioned above.

Income available for distribution in the current financial period of RM106.073 million, represented an increase of 26.04% as compared to RM84.161 million recorded in the preceding year corresponding period mainly contributed by the realisation of final deferred rental pursuant to the rental deferral programme upon expiry of JW Marriott Hotel’s lease agreement in December 2023.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

Review of Operating Business Segments

Performance of the operating business segments for the current financial quarter/period as compared to the preceding year corresponding quarter/period are analysed as follows:-

Hotel

During the current financial quarter/period under review, entertainment and sports events held in Sydney and Brisbane increased international arrivals, which drove up the average daily room rates and occupancy rates whereas in the preceding year corresponding quarter/period, business activities were in revival stages during pandemic recovery period. These led to the improvement in the performance of Australian portfolio.

Property rental

The increase in revenue and net property income of property rental segment for the current financial quarter/period was contributed by rental income from Hotel Stripes Kuala Lumpur and the step-up rental income from renewal of lease agreement with JW Marriot Hotel.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2024 RM'000	Preceding Quarter 31.12.2023 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	102,144	100,143	2.00
- Property rental (Master leases)	46,450	45,068	3.07
	----- 148,594 =====	----- 145,211 =====	2.33
Net Property Income:			
- Hotel (Management contracts)	36,127	33,743	7.07
- Property rental (Master leases)	43,663	41,938	4.11
	----- 79,790 =====	----- 75,681 =====	5.43
Profit Before Tax	35,726	42,297	(15.54)
Income Available For Distribution	26,951	52,626	(48.79)

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B2. Comparison with Preceding Quarter - continued

For the current financial quarter, Group revenue and net property income increased by 2.33% and 5.43%, respectively as compared to the preceding quarter ended 31 December 2023.

The Group recorded a profit before tax of RM35.726 million for the current financial quarter, a decrease of 15.54% as compared to profit before tax of RM42.297 million recorded in the preceding quarter mainly due to:-

- (i) unrealised foreign currency translation gain of RM5.895 million on borrowings denominated in foreign currencies as compared to unrealised foreign currency translation loss of RM9.484 million recognised during the preceding quarter;

which was offset by:

- (ii) absence of fair value adjustment during the current financial quarter on unrealised lease income as compared to the fair value gain of RM25.500 million recorded in the preceding quarter.

Income available for distribution in the current financial quarter of RM26.951 million represented a decrease of 48.79% as compared to RM52.626 million in the preceding quarter mainly due to the additional income from realisation of final deferred rental upon expiry of JW Marriott Hotel's lease agreement which recorded in the preceding quarter.

Review of Operating Business Segments

Performance of the operating business segments for the current financial quarter as compared to the preceding quarter are analysed as follows:-

Hotel

The Australian portfolio posted higher revenue and net property income in the current financial quarter ended 31 March 2024, contributed by increasing entertainment and sport events.

Property rental

Revenue and net property income from Malaysian and Japanese Properties improved due to the reason mentioned in Note B1 above.

B3. Prospects

With the return to normalcy in the jurisdictions where the Group operates, coupled with softening approach in interest rate hikes, the hospitality industry is expected to maintain a relatively positive outlook amidst risks of geopolitical uncertainty and other economic challenges.

The Group is continuously taking steps to proactively manage the business and take necessary actions to protect its long-term business prospects and deliver sound performance. Notwithstanding the short term challenges, the Manager remains confident of the long term prospects of the hospitality sector.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B4. Audit Report of the preceding financial year ended 30 June 2023

The Auditor's Report on the financial statements of the financial year ended 30 June 2023 did not contain any qualification.

B5. Portfolio Composition

As at 31 March 2024, YTL Hospitality REIT's composition of investment portfolio is as follows:-

	Fair Value As At 31.03.2024 RM'000	% of total investment %
<u>Real Estate – Commercial</u>		
<u>Malaysian Properties</u>		
(i) JW Marriott Hotel Kuala Lumpur	527,500	11
(ii) The Majestic Hotel Kuala Lumpur	400,000	8
(iii) The Ritz-Carlton, Kuala Lumpur – Hotel Wing	362,000	7
(iv) The Ritz-Carlton, Kuala Lumpur – Suite Wing	324,000	6
(v) AC Hotel Kuala Lumpur Titiwangsa	147,000	3
(vi) Hotel Stripes Kuala Lumpur	139,415	3
(vii) AC Hotel Penang Bukit Jambul	126,000	3
(viii) Pangkor Laut Resort	124,000	3
(ix) Tanjong Jara Resort	107,000	2
(x) AC Hotel Kuantan City Centre	95,500	2
(xi) Cameron Highlands Resort	62,000	1
<u>Japanese Properties</u>		
(xii) Hilton Niseko Village*	304,414	6
(xiii) The Green Leaf Niseko Village*	196,275	4
<u>Australian Properties/Portfolio</u>		
(xiv) Sydney Harbour Marriott^	1,513,791	31
(xv) Brisbane Marriott^	269,543	5
(xvi) Melbourne Marriott^	240,875	5
Total	<u><u>4,939,313</u></u>	<u><u>100</u></u>

Note :

* Translated on 29 March 2024 at the exchange rate of JPY100 : RM3.1254

^ Translated on 29 March 2024 at the exchange rate of AUD1 : RM3.0792

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B6. Change in Net Asset Value (“NAV”)

The total NAV and NAV per unit of the Group as at 31 March 2024 were RM2,915,680,000 and RM1.7107, respectively. The decrease in total NAV was mainly due to the unrealised translation loss in respect of the investment in Australia.

	Current Quarter 31.03.2024	Preceding Quarter 31.12.2023
NAV (RM'000)	2,915,680	2,922,563
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.7107	1.7147
NAV per unit (before distribution) (RM)	1.7525	1.7565

B7. Status of Property Development Activities

There were no property development activities during the current financial quarter.

B8. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

B9. Utilisation of Proceeds Raised from Issuance of New Units

There was no issuance of new units during the current financial quarter ended 31 March 2024.

B10. Material Litigation

There was no material litigation pending as at the date of this report.

B11. Major Maintenance Costs and Major Capital Expenditure

During the financial period ended 31 March 2024, the Malaysian Properties carried out asset enhancement works of RM36,646,000 which is in progress and the details are as explained in Note B13 below. Overseas investments in Australia and Japan incurred capital expenditure and maintenance costs of RM4,025,000 (AUD1,312,000) and RM375,000 (JPY11,780,000), respectively.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B12. Taxation

Taxation comprises the following:-

	Current Quarter 31.03.2024 RM'000	Year To Date 31.03.2024 RM'000
Malaysian income tax	12	35
Foreign income tax	1,445	3,824
Deferred tax	536	(165)
	-----	-----
	1,993	3,694
	=====	=====

Trust level

It is the policy of the Trust to distribute at least 90% of the total income to unitholders for each financial year. Income of the Trust shall be exempted from tax if it distributes 90% or more of its taxable income for that year of assessment, in accordance with the amended Section 61A, Income Tax Act 1967, thus no Malaysian income tax is payable by the Trust for the financial period ended 31 March 2024.

Unitholders' level

Pursuant to the amended Section 109D(2) of the Income Tax Act 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at YTL Hospitality REIT's level:-

Category of unitholders	Withholding tax rate
Resident and non-resident individuals	10%
Resident and non-resident institutions	10%
Resident companies	No withholding tax. Subject to tax at the prevailing corporate tax rate.
Non-resident companies	24%

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B13. Corporate Development

As at the date of this report, there is no corporate proposal announced and pending completion, save for the following:-

Assets Enhancement

On 19 September 2023, Pintar Projek Sdn. Bhd., as the Manager of YTL Hospitality REIT (“Manager”) announced that Maybank Trustees Berhad, as the Trustee of YTL Hospitality REIT (“Trustee”) has entered into three (3) supplemental lease agreements with the following lessees for a total rental increase of RM2,695,000 per annum in consideration of YTL Hospitality REIT agreeing to pay for the costs of the refurbishment works of the hotel properties:

- (i) Prisma Tulin Sdn. Bhd. in respect of the lease of AC Hotel Kuala Lumpur Titiwangsa;
- (ii) Business & Budget Hotels (Penang) Sdn. Bhd. in respect of the lease of AC Hotel Penang Bukit Jambul; and
- (iii) Business & Budget Hotels (Kuantan) Sdn. Bhd. in respect of the lease of AC Hotel Kuantan City Centre.

In relation thereto, the Manager entered into three (3) separate contracts with Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd. (“SPYTL”) to undertake and complete the refurbishment works for contract sums totalling RM38,500,000 on the same day.

Proposed Acquisition and Renovation

On 7 February 2024, the Manager announced that the Trustee has entered into a sale and purchase agreement with Syeun Hotel Berhad for the acquisition of Syeun Hotel for a total cash consideration of RM55,000,000.

The acquisition was completed on 8 April 2024 and on the same day, the Manager announced that SPYTL will be appointed to undertake the proposed renovation works at Syeun Hotel at the costs of up to RM55,000,000.

The property will re-open under the AC Hotels by Marriott brand and will be leased under a variable rental arrangement.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities

The Group's borrowings as at 31 March 2024 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	-	1,255,644	1,255,644
Medium Term Notes – secured	385,000	620,000	1,005,000
	-----	-----	-----
Total borrowings	385,000	1,875,644	2,260,644
Capitalised transaction costs	-	(5,010)	(5,010)
	-----	-----	-----
	385,000	1,870,634	2,255,634
	=====	=====	=====
Total Assets			5,272,822
			=====
Gearing ratio (%)			42.87
			=====

Foreign currency borrowings included in the above are as follows:-

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	352,541	1,085,544
Japanese Yen [*]	5,442,500	170,100

		1,255,644
		=====

Note :

[^] Translated on 29 March 2024 at the exchange rate of AUD1 : RM3.0792

^{*} Translated on 29 March 2024 at the exchange rate of JPY100 : RM3.1254

The existing term loan denominated in Japanese Yen of JPY5,401.250 million was refinanced by the drawing of a new term loan denominated in Japanese Yen in the first quarter ended 30 September 2023.

In the second quarter ended 31 December 2023, the Group raised borrowings totaling RM190 million to finance the acquisition of Hotel Stripes Kuala Lumpur and to refurbish certain Malaysian hotel properties.

In order to protect the Group's distributable income from the volatility in interest rates and provide stability to unitholder's returns, the Group diversifies its risks from borrowing via a combination of fixed and floating rates.

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Notes : - continued

B15. Income Distribution

There is no income distribution declared for the current financial quarter.

The interim income distribution is from the following sources:-

	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year To Date 31.03.2024 RM'000	Preceding Year To Date 31.03.2023 RM'000
Net property income	79,790	66,933	223,748	191,335
Other income	8,286	3,600	34,405	9,410
Expenses	(52,350)	(43,389)	(152,428)	(125,337)
Profit before tax	35,726	27,144	105,725	75,408
Income tax expense	(1,993)	(2,254)	(3,694)	(2,766)
Profit after tax	33,733	24,890	102,031	72,642
Distribution adjustments	(6,782)	1,327	4,042	11,519
Realised income for the quarter/period	26,951	26,217	106,073	84,161
Total undistributed realised income brought forward	208,305	206,184	200,394	200,394
Total realised income available for distribution	235,256	232,401	306,467	284,555
Less: income distribution	-	-	(71,211)	(52,154)
Balance undistributed realised income	235,256	232,401	235,256	232,401
Distribution per unit (sen)	-	-	4.1781	3.0600

By Order of the Board
HO SAY KENG
Secretary
Pintar Projek Sdn Bhd
Company No : 199401028328 (314009-W)
(As the Manager of YTL Hospitality REIT)

Kuala Lumpur
Dated: 23 May 2024