

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
30 June 2022**

YTL HOSPITALITY REIT

Interim Financial Report 30 June 2022

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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial year ended 30 June 2022.

The figures have not been audited.

CONDENSED INCOME STATEMENTS FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000
REALISED REVENUE	86,087	68,457	18,296	17,784
ACCRUED LEASE INCOME - UNBILLED	20,330	20,933	18,215	18,727
TOTAL REVENUE	106,417	89,390	36,511	36,511
PROPERTY OPERATING EXPENSES	(49,657)	(34,673)	(1,870)	(1,833)
NET PROPERTY INCOME	56,760	54,717	34,641	34,678
FINANCE INCOME	67	26	19,517	20,356
OTHER INCOME	696	408	230	-
MANAGER'S FEES	(2,355)	(2,310)	(2,355)	(2,310)
TRUSTEE'S FEES	(366)	(364)	(366)	(364)
DEPRECIATION	(15,485)	(15,212)	-	(1)
FINANCE COSTS	(15,626)	(15,004)	(15,603)	(14,982)
ADMINISTRATION EXPENSES	(1,489)	(1,760)	(484)	(591)
UNREALISED GAIN /(LOSS) ON FOREIGN EXCHANGE	14,879	59,627	(11,910)	(1,770)
CHANGES IN FAIR VALUE:				
- Fair value on investment properties	54,877	54,907	9,368	23,500
- revaluation gain on properties	10,300	25,767	-	-
- accrued lease income - unbilled	(18,486)	(63,963)	(15,166)	(57,537)
PROFIT BEFORE TAX	83,772	96,839	17,872	979

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000
PROFIT BEFORE TAX	83,772	96,839	17,872	979
INCOME TAX EXPENSE	(1,108)	(1,908)	(340)	(388)
PROFIT FOR THE QUARTER	82,664	94,931	17,532	591
DISTRIBUTION ADJUSTMENTS:				
- Accrued lease income - unbilled	(20,330)	(20,933)	(18,215)	(18,727)
- Depreciation	15,485	15,212	-	1
- Fair value changes	(46,691)	(16,711)	5,798	34,037
- Net income from foreign operations	776	4,800	-	-
- Unrealised foreign translation differences	(14,879)	(59,627)	11,910	1,770
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	17,025	17,672	17,025	17,672
UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD	21,752	22,435	21,752	22,435
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	38,777	40,107	38,777	40,107

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	CORRESPONDING	CORRESPONDING	CORRESPONDING	CORRESPONDING
	QUARTER	QUARTER	QUARTER	QUARTER
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	38,777	40,107	38,777	40,107
PROVISION FOR INCOME DISTRIBUTION	(35,230)	(40,106)	(35,230)	(40,106)
UNDISTRIBUTED DISTRIBUTABLE INCOME	3,547	1	3,547	1
DISTRIBUTABLE INCOME PER UNIT (Sen)	0.9989	1.0369	0.9989	1.0369
GROSS DISTRIBUTION PER UNIT (Sen)	2.0670	2.3531	2.0670	2.3531

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000
PROFIT FOR THE QUARTER	82,664	94,931	17,532	591
OTHER COMPREHENSIVE (EXPENSE)/INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(71,165)	(67,257)	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	145,327	101,489	-	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>156,826</u>	<u>129,163</u>	<u>17,532</u>	<u>591</u>

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER -
continued**

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000	CURRENT YEAR QUARTER 30.06.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021 RM'000
PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	16,249	12,872	17,025	17,672
UNREALISED ITEMS	66,415	82,059	507	(17,081)
	<u>82,664</u>	<u>94,931</u>	<u>17,532</u>	<u>591</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>4.85</u>	<u>5.57</u>	<u>1.03</u>	<u>0.03</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE YEAR

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	281,743	242,575	72,574	71,136
ACCRUED LEASE INCOME - UNBILLED	82,114	83,701	73,470	74,908
TOTAL REVENUE	363,857	326,276	146,044	146,044
PROPERTY OPERATING EXPENSES	(149,039)	(121,007)	(7,388)	(7,388)
NET PROPERTY INCOME	214,818	205,269	138,656	138,656
FINANCE INCOME	151	230	78,653	80,335
OTHER INCOME	2,101	2,477	315	789
MANAGER'S FEES	(9,121)	(8,866)	(9,121)	(8,866)
TRUSTEE'S FEES	(1,447)	(1,428)	(1,447)	(1,428)
DEPRECIATION	(60,967)	(58,786)	(2)	(3)
FINANCE COSTS	(60,361)	(61,168)	(60,271)	(61,078)
ADMINISTRATION EXPENSES	(4,643)	(4,700)	(883)	(939)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	12,829	(3,321)	(20,851)	2,577
CHANGES IN FAIR VALUE:				
- Fair value on investment properties	54,877	54,907	9,368	23,500
- revaluation gain on properties	10,300	25,767	-	-
- accrued lease income - unbilled	(71,517)	(63,963)	(60,668)	(57,537)
PROFIT BEFORE TAX	87,020	86,418	73,749	116,006

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE YEAR – continued

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX	87,020	86,418	73,749	116,006
INCOME TAX EXPENSE	(3,148)	(3,588)	(1,476)	(1,596)
	-----	-----	-----	-----
PROFIT FOR THE YEAR	83,872	82,830	72,273	114,410
DISTRIBUTION ADJUSTMENTS:				
- Accrued lease income - unbilled	(82,114)	(83,701)	(73,470)	(74,908)
- Depreciation	60,967	58,786	2	3
- Fair value changes	6,340	(16,711)	51,300	34,037
- Net income from foreign operations	14,720	26,440	-	-
- Unrealised foreign translation differences	(12,829)	3,321	20,851	(2,577)
	-----	-----	-----	-----
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	70,956	70,965	70,956	70,965
DISTRIBUTION PAID	(32,179)	(30,858)	(32,179)	(30,858)
PROVISION FOR INCOME DISTRIBUTION	(35,230)	(40,106)	(35,230)	(40,106)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	3,547	1	3,547	1
	=====	=====	=====	=====
DISTRIBUTABLE INCOME PER UNIT (Sen)	4.1631	4.1637	4.1631	4.1637
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	3.9550	4.1636	3.9550	4.1636
	=====	=====	=====	=====

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR**

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR	83,872	82,830	72,273	114,410
OTHER COMPREHENSIVE (EXPENSE)/INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(94,361)	36,065	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	145,327	101,489	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	134,838	220,384	72,273	114,410

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR -
continued**

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	56,236	44,525	70,956	70,965
UNREALISED ITEMS	27,636	38,305	1,317	43,445
	<u>83,872</u>	<u>82,830</u>	<u>72,273</u>	<u>114,410</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>4.92</u>	<u>4.86</u>	<u>4.24</u>	<u>6.71</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION

	GROUP		TRUST	
	UNAUDITED AS AT 30.06.2022 RM'000	AUDITED AS AT 30.06.2021 RM'000	UNAUDITED AS AT 30.06.2022 RM'000	AUDITED AS AT 30.06.2021 RM'000
ASSETS				
Non-current Assets				
Investment properties	2,754,328	2,772,788	2,258,000	2,241,500
Property, plant and equipment	1,971,944	1,928,046	-	-
Unbilled lease income	30,172	19,666	30,172	17,371
Right-of-use asset	201	203	201	203
Investment in subsidiaries	-	-	533,522	527,536
Amount due from subsidiaries	-	-	1,345,006	1,420,962
Deferred tax assets	2,137	1,796	-	-
	-----	-----	-----	-----
	4,758,782	4,722,499	4,166,901	4,207,572
	-----	-----	-----	-----
Current Assets				
Inventories	524	337	-	-
Trade and other receivables	59,294	41,924	29,498	15,743
Amount due from subsidiaries	-	-	121,905	139,393
Income tax assets	17	412	-	-
Deposits with licensed financial institutions	11,151	18,130	1,118	-
Cash at banks	72,482	88,572	5,419	2,956
	-----	-----	-----	-----
	143,468	149,375	157,940	158,092
	-----	-----	-----	-----
TOTAL ASSETS	<u>4,902,250</u>	<u>4,871,874</u>	<u>4,324,841</u>	<u>4,365,664</u>
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	185,408	197,144	200,394	197,410
Reserves	896,534	817,369	343,331	341,451
	-----	-----	-----	-----
Total Unitholders' Funds / Net Asset Value	<u>2,772,748</u>	<u>2,705,319</u>	<u>2,234,531</u>	<u>2,229,667</u>

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION – continued

	GROUP		TRUST	
	UNAUDITED AS AT 30.06.2022 RM'000	AUDITED AS AT 30.06.2021 RM'000	UNAUDITED AS AT 30.06.2022 RM'000	AUDITED AS AT 30.06.2021 RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,415,852	2,010,260	950,852	1,275,260
Lease liability	203	203	203	203
Other payables	1,127	998	-	-
Amount due to a subsidiary	-	-	465,000	735,000
	<u>1,417,182</u>	<u>2,011,461</u>	<u>1,416,055</u>	<u>2,010,463</u>
Current Liabilities				
Borrowings	622,698	75,000	272,698	-
Trade and other payables	53,402	38,274	16,357	10,458
Amount due to a subsidiary	-	-	349,970	74,970
Income tax liabilities	990	1,714	-	-
Provision for income distribution	35,230	40,106	35,230	40,106
	<u>712,320</u>	<u>155,094</u>	<u>674,255</u>	<u>125,534</u>
TOTAL LIABILITIES	<u>2,129,502</u>	<u>2,166,555</u>	<u>2,090,310</u>	<u>2,135,997</u>
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	<u>4,902,250</u>	<u>4,871,874</u>	<u>4,324,841</u>	<u>4,365,664</u>
Net asset value (RM'000)				
- before income distribution	2,840,157	2,776,283	2,301,940	2,300,631
- after income distribution	<u>2,772,748</u>	<u>2,705,319</u>	<u>2,234,531</u>	<u>2,229,667</u>
Number of units in circulation ('000)	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>
Net asset value per unit (RM)				
- before income distribution	1.666	1.629	1.351	1.350
- after income distribution	<u>1.627</u>	<u>1.587</u>	<u>1.311</u>	<u>1.308</u>

The Condensed Statements of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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 2021	1,690,806	197,144	(216,024)	(88,598)	1,121,991	2,705,319
Operations for the year						
Profit for the year	-	56,236	27,636	-	-	83,872
Reclassification	-	(563)	563	-	-	-
Other comprehensive (loss)/income	-	-	-	(60,956)	111,922	50,966
Increase/(Decrease) in net assets resulting from operations	-	55,673	28,199	(60,956)	111,922	134,838
Unitholders' transactions						
Distribution paid	-	(32,179)	-	-	-	(32,179)
Provision for income distribution	-	(35,230)	-	-	-	(35,230)
Decrease in net assets resulting from Unitholders' transaction	-	(67,409)	-	-	-	(67,409)
At 30 June 2022	1,690,806	185,408	(187,825)	(149,554)	1,233,913	2,772,748

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - 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 2020	1,690,806	223,583	(254,329)	(64,529)	960,368	2,555,899
Operations for the year						
Profit for the year	-	44,525	38,305	-	-	82,830
Other comprehensive (loss)/income	-	-	-	(24,069)	161,623	137,554
Increase/(Decrease) in net assets resulting from operations	-	44,525	38,305	(24,069)	161,623	220,384
Unitholders' transactions						
Distribution paid	-	(30,858)	-	-	-	(30,858)
Provision for income distribution	-	(40,106)	-	-	-	(40,106)
Decrease in net assets resulting from Unitholders' transaction	-	(70,964)	-	-	-	(70,964)
At 30 June 2021	1,690,806	197,144	(216,024)	(88,598)	1,121,991	2,705,319

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - 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 2021	1,690,806	197,410	341,451	2,229,667
Operations for the year				
Profit for the year	-	70,956	1,317	72,273
Reclassification	-	(563)	563	-
	-----	-----	-----	-----
Increase in net assets resulting from operations	-	70,393	1,880	72,273
Unitholders' transactions				
Distribution paid	-	(32,179)	-	(32,179)
Provision for income distribution	-	(35,230)	-	(35,230)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(67,409)	-	(67,409)
	-----	-----	-----	-----
At 30 June 2022	<u><u>1,690,806</u></u>	<u><u>200,394</u></u>	<u><u>343,331</u></u>	<u><u>2,234,531</u></u>

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - continued**

	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	Non-distributable Unrealised Income RM'000	Total Unitholders' Funds RM'000
TRUST				
At 1 July 2020	1,690,806	197,409	298,006	2,186,221
Operations for the year				
Profit for the year	-	70,965	43,445	114,410
Increase in net assets resulting from operations	-	70,965	43,445	114,410
Unitholders' transactions				
Distribution paid	-	(30,858)	-	(30,858)
Provision for income distribution	-	(40,106)	-	(40,106)
Decrease in net assets resulting from Unitholders' transaction	-	(70,964)	-	(70,964)
At 30 June 2021	1,690,806	197,410	341,451	2,229,667

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	12 MONTHS ENDED	
	30.06.2022	30.06.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	87,020	86,418
Adjustments for:-		
Amortisation of transaction costs	2,096	2,093
Depreciation	60,967	58,786
Fair value changes	6,340	(16,711)
Interest income	(151)	(230)
Interest expense	58,049	58,868
Loss on disposal of property, plant and equipment	5	214
Unrealised (gain)/loss on foreign currency exchange	(12,829)	3,321
	-----	-----
Operating profit before changes in working capital	201,497	192,759
Net changes in current assets	(101,588)	(78,295)
Net changes in current liabilities	16,287	(15,270)
	-----	-----
Cash generated from operations	116,196	99,194
Income tax paid	(3,978)	(2,341)
Income tax refunded	342	1,496
	-----	-----
Net cash from operating activities	112,560	98,349
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	151	230
Acquisition of property, plant and equipment	(5,189)	(1,773)
Enhancement of investment properties	(7,132)	-
Proceed from disposal of equipment	6	2
	-----	-----
Net cash used in investing activities	(12,164)	(1,541)
	-----	-----

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 - continued**

	12 MONTHS ENDED	
	30.06.2022	30.06.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(72,285)	(79,216)
Interest paid	(58,038)	(58,857)
Transaction costs paid	(17)	(3,923)
Proceeds of borrowings	10,986	-
Payment of lease liability	(11)	(11)
	-----	-----
Net cash used in financing activities	(119,365)	(142,007)
	-----	-----
Net decrease in cash and cash equivalents	(18,969)	(45,199)
Effect on exchange rate changes	(4,100)	5,993
Cash and cash equivalents at beginning of financial year	106,702	145,908
	-----	-----
Cash and cash equivalents at end of financial year (note a)	<u>83,633</u>	<u>106,702</u>

Note (a)

	As At	As At
	30.06.2022	30.06.2021
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	11,151	18,130
Cash at banks	72,482	88,572
	-----	-----
	<u>83,633</u>	<u>106,702</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached 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 2021.

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 (“Bursa Securities”).

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 latest audited annual financial statements.

The adoption of MFRSs, interpretations and amendments to MFRSs, which were effective for the financial year beginning 1 July 2021, 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.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

A6. Income Distribution

The following distribution payments (which was tax exempt at the Trust level under the amended Section 61A, Income Tax Act 1967) were made during the financial year ended 30 June 2022:-

	RM'000
In respect of the six months ended 30 June 2021:- A final distribution of 2.3531 sen per unit each paid on 30 August 2021	40,106
In respect of the six months ended 31 December 2021:- An interim distribution of 1.8880 sen per unit each paid on 31 March 2022	32,179

	72,285
	=====

A7. Segment Information

The Group's segmental result for the financial year ended 30 June 2022 is as follows:-

	< ---Property rental--->		< --Hotel-- >	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
External revenue	146,044	28,479	189,334	363,857
Operating expenses	(7,388)	(3,341)	(138,310)	(149,039)
	-----	-----	-----	-----
Net property income	138,656	25,138	51,024	214,818
	-----	-----	-----	-----
Other income				2,101
Finance income				151
Unrealised gain on foreign exchange				12,829

Total income				229,899
Trust and administration expenses				(15,211)
Finance costs				(60,361)
Depreciation				(60,967)
Changes in fair value				(6,340)

Profit before tax				87,020
				=====
Total assets	2,324,487	510,778	2,066,985	4,902,250
	=====	=====	=====	=====

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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****Notes : - continued****A7. Segment Information - continued**

The Group's segmental result for the financial year ended 30 June 2021 is as follows:-

	< ---Property rental--->		< --Hotel-- >	Total
	Malaysia	Japan	Australia	
	RM'000	RM'000	RM'000	RM'000
External revenue	146,044	29,169	151,063	326,276
Operating expenses	(7,388)	(3,629)	(109,990)	(121,007)
Net property income	138,656	25,540	41,073	205,269
Other income				2,477
Finance income				230
Changes in fair value				16,711
Total income				224,687
Trust and administration expenses				(14,994)
Finance costs				(61,168)
Depreciation				(58,786)
Unrealised loss on foreign exchange				(3,321)
Profit before tax				86,418
Total assets	2,277,953	548,775	2,045,146	4,871,874

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.

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 year ended 30 June 2022 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 Securities

B1. Review of Performance

	Individual Quarter		Variance % +/-	Cumulative Quarter		Variance % +/-
	30.06.2022 RM'000	30.06.2021 RM'000		30.06.2022 RM'000	30.06.2021 RM'000	
Revenue:						
- Hotel (Management contracts)	62,973	45,659	37.92	189,334	151,063	25.33
- Property rental (Master leases)	43,444	43,731	(0.66)	174,523	175,213	(0.39)
	-----	-----		-----	-----	
	106,417	89,390	19.05	363,857	326,276	11.52
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	15,967	13,541	17.92	51,024	41,073	24.23
- Property rental (Master leases)	40,793	41,176	(0.93)	163,794	164,196	(0.24)
	-----	-----		-----	-----	
	56,760	54,717	3.73	214,818	205,269	4.65
	=====	=====		=====	=====	
Profit Before Tax	83,772	96,839	(13.49)	87,020	86,418	0.70
Income Available For Distribution	17,025	17,672	(3.66)	70,956	70,965	(0.01)

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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 RM106.417 million and RM56.760 million, respectively, as compared to RM89.390 million and RM54.717 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 19.05% and 3.73%, respectively.

The Group recorded a profit before tax of RM83.772 million for the current financial quarter ended 30 June 2022, a decrease of 13.49% as compared to profit before tax of RM96.839 million recorded in the preceding year corresponding quarter due to the following factors:-

- (i) higher net fair value gain on properties of RM46.691 million comprising RM65.177 million fair value gain from the annual valuation carried out in May 2022 which was offset by the fair value loss on unbilled lease income of RM18.486 million recognised during the current financial quarter as compared to the lower net fair value gain of RM16.711 million comprising RM80.674 million fair value gain from the annual valuation carried out in May 2021 which was offset by the fair value loss on unbilled lease income of RM63.963 million recognised during the preceding year corresponding quarter; which was offset by
- (ii) lower unrealised foreign currency translation gain of RM14.879 million on borrowings denominated in foreign currencies as compared to an unrealised foreign currency translation gain of RM59.627 million recognised during the preceding year corresponding quarter.

The income available for distribution in the current financial quarter of RM17.025 million, represented a decrease of 3.66% as compared to RM17.672 million recorded in the preceding year corresponding quarter.

Current Financial Year vs Preceding Year

For the current financial year under review, the Group recorded revenue and net property income of RM363.857 million and RM214.818 million, respectively, as compared to RM326.276 million and RM205.269 million, respectively, recorded in the preceding year. This represented an increase of 11.52% and 4.65%, respectively.

The Group recorded a profit before tax of RM87.020 million for the current financial year ended 30 June 2022, an increase of 0.70% as compared to a profit before tax of RM86.418 million recorded in the preceding year due to the following factors:-

- (i) improved performance from hotel segment during the current financial year due to the reasons set out under “Review of Operating Business Segments” below; and
- (ii) unrealised foreign currency translation gain of RM12.829 million on borrowings denominated in foreign currencies as compared to an unrealised foreign currency translation loss of RM3.321 million recognised during the preceding year; which was offset by
- (iii) lower revaluation gain of RM10.300 million from the reversal of impairment loss previously recognised on a property in Australia as compared to a gain of RM25.767 million recorded in the preceding year; and
- (iv) higher fair value loss on unbilled lease income in the current financial year of RM71.517 million as compared to a loss of RM63.693 million recorded in the preceding year.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

The income available for distribution in the current financial year of RM70.956 million, approximate to RM70.965 million recorded in the preceding year.

Review of Operating Business Segments

Performance of the respective operating business segments for the financial quarter/year ended 30 June 2022 as compared to the preceding year corresponding quarter and preceding year are analysed as follows:-

Hotel

During the current financial quarter under review, revenue and net property income from the Australian portfolio had shown improvements following the reopening of its international borders. With the lifting of all restrictions, corporate and leisure travellers have returned, resulting in better performance.

For the current financial year, revenue and net property income from the Australian portfolio improved in performance due to the reason stated above and from higher income received under the government isolation group business programme as compared to the preceding year.

Property rental

Revenue and net property income from Malaysian and Japanese Properties approximate that of the preceding year corresponding quarter and preceding year.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2022 RM'000	Preceding Quarter 31.03.2022 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	62,973	33,851	86.03
- Property rental (Master leases)	43,444	43,651	(0.47)
	-----	-----	
	106,417	77,502	37.31
	=====	=====	
Net Property Income:			
- Hotel (Management contracts)	15,967	3,605	342.91
- Property rental (Master leases)	40,793	40,943	(0.37)
	-----	-----	
	56,760	44,548	27.41
	=====	=====	
Profit/(Loss) Before Tax	83,772	(14,254)	687.71
Income Available For Distribution	17,025	18,195	(6.43)

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 37.31% and 27.41%, respectively as compared to the preceding financial quarter ended 31 March 2022.

The Group recorded a profit before tax of RM83.772 million for the current financial quarter ended 30 June 2022, an improvement of RM14.254 million from the preceding financial quarter ended 31 March 2022 mainly due to the following factors:-

- (i) fair value gain of RM65.177 million from the annual valuation carried out in May 2022;
- (ii) higher income generated by the Australian portfolio during the current financial quarter due to the reasons set out under “Review of Operating Business Segments” below; and
- (iii) unrealised foreign currency translation gain of RM14.879 million on borrowings denominated in foreign currencies as compared to an unrealised foreign currency translation loss of RM8.707 million recognised in the preceding financial quarter.

The income available for distribution in the current financial quarter recorded at RM17.025 million represented a decrease of 6.43% as compared to RM18.195 million recorded in the preceding quarter

Review of Operating Business Segments

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

Hotel

The increase in revenue and net property income from the Australian portfolio in the current financial quarter were due to the reasons as set out in Note B1.

Property rental

Revenue and net property income from Malaysian and Japanese Properties approximate that of the preceding financial quarter.

B3. Prospects

The prospects for the hospitality industry remain cautiously optimistic amidst the reopening of international borders and the gradual transition towards managing the endemic phase of COVID-19. Countries where the Group operates are in various stages of relaxing quarantine measures, coupled with measures to bolster economic recovery and revive tourism. Whilst there are ongoing concerns of a resurgence of the virus and the emergence of new variants, the impact is expected to be mitigated by vaccination programmes and more targeted control measures.

The Group is continuously taking steps to proactively manage the business and take necessary actions to ensure that its long-term business prospects remain stable. 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 2021

The Auditor's Report on the financial statements of the financial year ended 30 June 2021 did not contain any qualification.

B5. Portfolio Composition

As at 30 June 2022, YTL Hospitality REIT's composition of investment portfolio is as follows:-

	Fair Value As At 30.06.2022 RM'000	% of total investment %
<u>Real Estate - Commercial</u>		
<u>Malaysian Properties</u>		
(i) JW Marriott Hotel Kuala Lumpur	526,500	11
(ii) The Majestic Hotel Kuala Lumpur	397,500	8
(iii) The Ritz-Carlton, Kuala Lumpur - Hotel Wing	361,000	8
(iv) The Ritz-Carlton, Kuala Lumpur - Suite Wing	321,000	7
(v) AC Hotel Kuala Lumpur Titiwangsa	144,500	3
(vi) AC Hotel Penang Bukit Jambul	125,000	3
(vii) Pangkor Laut Resort	122,000	3
(viii) Tanjong Jara Resort	105,000	2
(ix) AC Hotel Kuantan City Centre	94,500	2
(x) Cameron Highlands Resort	61,000	1
<u>Japanese Properties</u>		
(xi) Hilton Niseko Village*	299,925	6
(xii) The Green Leaf Niseko Village*	196,403	4
<u>Australian Properties/Portfolio</u>		
(xiii) Sydney Harbour Marriott^	1,481,233	31
(xiv) Brisbane Marriott^	257,310	6
(xv) Melbourne Marriott^	233,401	5
Total	<u>4,726,272</u>	<u>100</u>

Note :

* Translated on 30 June 2022 at the exchange rate of JPY100 : RM3.2250

^ Translated on 30 June 2022 at the exchange rate of AUD1 : RM3.0361

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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 30 June 2022 were RM2,772,748,000 and RM1.6268, respectively. The increase in total NAV was mainly due to the recognition of revaluation surplus on the real estate properties during the current financial year.

	Current Quarter 30.06.2022	Preceding Quarter 31.03.2022
NAV (RM'000)	2,772,748	2,651,152
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.6268	1.5555
NAV per unit (before distribution) (RM)	1.6664	1.5744

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 year ended 30 June 2022.

B10. Material Litigation

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

B11. Major Maintenance Costs and Major Capital Expenditure

There was no major maintenance costs and major capital expenditure incurred during the current financial year save for the refurbishments of Melbourne Marriott hotel and repair and replacement works of certain Malaysian hotel properties amounting to RM4.709 million and RM7.132 million, respectively.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B12. Taxation

Taxation comprises the following:-

	Current Quarter 30.06.2022 RM'000	Year To Date 30.06.2022 RM'000
Malaysian income tax	-	6
Foreign income tax	1,410	3,537
Deferred tax	(302)	(395)
	-----	-----
	1,108	3,148
	=====	=====

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 year ended 30 June 2022.

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%

B13. Corporate Development

As at the date of this report, there is no corporate proposal announced and pending completion.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities

The Group's borrowings as at 30 June 2022 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	273,249	954,846	1,228,095
Medium Term Notes - secured	350,000	465,000	815,000
	-----	-----	-----
Total borrowings	623,249	1,419,846	2,043,095
Capitalised transaction costs	(551)	(3,994)	(4,545)
	-----	-----	-----
	622,698	1,415,852	2,038,550
	=====	=====	=====
Total Assets			4,902,250
			=====
Gearing ratio (%)			41.68
			=====

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	347,124	1,053,905
Japanese Yen [*]	5,401,250	174,190

		1,228,095
		=====

Note :

[^] Translated on 30 June 2022 at the exchange rate of AUD1 : RM3.0361

^{*} Translated on 30 June 2022 at the exchange rate of JPY100 : RM3.2250

In order to protect the Group's distributable income from the volatility in interest rates and provide stability to unitholder's returns, the Group issued medium term notes with fixed and floating coupons.

B15. Income Distribution

The Board of Pintar Projek Sdn. Bhd. has declared a final distribution of 2.0670 sen per unit of which 1.7576 sen is taxable and 0.3094 sen is non-taxable in the hands of unitholders, totalling RM35,229,718 (which is tax exempt at the Trust level under the amended Section 61A of the Income Tax Act 1967) for the six months period from 1 January 2022 to 30 June 2022.

The total income distribution paid and declared for the financial year ended 30 June 2022 is 3.9550 sen per unit, totalling RM67,408,580 and representing approximately 95% of the total distributable income. The book closure and payment dates in respect of the final distribution have been fixed on 15 and 30 August 2022, respectively.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B15. Income Distribution - continued

The final income distribution is from the following sources:-

	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
Net property income	56,760	54,717	214,818	205,269
Other income	763	434	2,252	2,707
Expenses	26,249	41,688	(130,050)	(121,558)
	-----	-----	-----	-----
Profit before tax	83,772	96,839	87,020	86,418
Income tax expense	(1,108)	(1,908)	(3,148)	(3,588)
	-----	-----	-----	-----
Profit after tax	82,664	94,931	83,872	82,830
Distribution adjustments	(65,639)	(77,259)	(12,916)	(11,865)
	-----	-----	-----	-----
Realised income for the quarter/year	17,025	17,672	70,956	70,965
Reclassification to unrealised income related to previous year	(563)	-	(563)	-
Total undistributed realised income brought forward	219,162	219,844	197,410	197,409
	-----	-----	-----	-----
Total realised income available for distribution	235,624	237,516	267,803	268,374
Less: income distribution	(35,230)	(40,106)	(67,409)	(70,964)
	-----	-----	-----	-----
Balance undistributed realised income	200,394	197,410	200,394	197,410
	=====	=====	=====	=====
Distribution per unit (sen)	2.0670	2.3531	3.9550	4.1636
	=====	=====	=====	=====

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:1 August 2022