

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
30 June 2023**

YTL HOSPITALITY REIT

Interim Financial Report 30 June 2023

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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial year ended 30 June 2023.

The figures have not been audited.

CONDENSED INCOME STATEMENTS FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000
REALISED REVENUE	131,851	86,087	50,775	18,296
ACCRUED LEASE INCOME - UNBILLED	(14,289)	20,330	(14,239)	18,215
TOTAL REVENUE	117,562	106,417	36,536	36,511
PROPERTY OPERATING EXPENSES	(57,626)	(49,657)	(1,862)	(1,870)
NET PROPERTY INCOME	59,936	56,760	34,674	34,641
FINANCE INCOME	720	67	23,604	19,517
OTHER INCOME	435	696	129	230
MANAGER'S FEES	(2,452)	(2,355)	(2,452)	(2,355)
TRUSTEE'S FEES	(376)	(366)	(376)	(366)
DEPRECIATION	(15,126)	(15,485)	(1)	-
FINANCE COSTS	(26,284)	(15,626)	(26,250)	(15,603)
ADMINISTRATION EXPENSES	(1,330)	(1,489)	(530)	(484)
UNREALISED (LOSS)/GAIN ON FOREIGN EXCHANGE	(10,988)	14,879	3,550	(11,910)
CHANGES IN FAIR VALUE				
- Fair value on investment properties	36,762	54,877	16,147	9,368
- revaluation gain on properties	23,820	10,300	-	-
- accrued lease income unbilled	6,107	(18,486)	6,056	(15,166)
PROFIT BEFORE TAX	71,224	83,772	54,551	17,872

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000
PROFIT BEFORE TAX	71,224	83,772	54,551	17,872
INCOME TAX EXPENSE	(2,645)	(1,108)	(336)	(340)
PROFIT FOR THE QUARTER	68,579	82,664	54,215	17,532
DISTRIBUTION ADJUSTMENTS:				
- Accrued lease income - unbilled	14,289	(20,330)	14,239	(18,215)
- Depreciation	15,126	15,485	1	-
- Fair value changes	(66,689)	(46,691)	(22,203)	5,798
- Net income from foreign operations	409	776	-	-
- Unrealised foreign translation differences	10,988	(14,879)	(3,550)	11,910
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	42,702	17,025	42,702	17,025
UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD	32,007	21,752	32,007	21,752
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	74,709	38,777	74,709	38,777

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	QUARTER	CORRESPONDING
	30.06.2023	QUARTER	30.06.2023	QUARTER
	RM'000	30.06.2022	RM'000	30.06.2022
		RM'000		RM'000
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	74,709	38,777	74,709	38,777
PROVISION FOR INCOME DISTRIBUTION	(74,709)	(35,230)	(74,709)	(35,230)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	-	3,547	-	3,547
	=====	=====	=====	=====
DISTRIBUTABLE INCOME PER UNIT (Sen)	2.5054	0.9989	2.5054	0.9989
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	4.3833	2.0670	4.3833	2.0670
	=====	=====	=====	=====

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The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	QUARTER	CORRESPONDING
	30.06.2023	QUARTER	30.06.2023	QUARTER
	RM'000	30.06.2022	RM'000	30.06.2022
		RM'000		RM'000
PROFIT FOR THE QUARTER	68,579	82,664	54,215	17,532
OTHER COMPREHENSIVE INCOME/(LOSS):-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	47,257	(71,165)	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	90,797	145,327	-	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>206,633</u>	<u>156,826</u>	<u>54,215</u>	<u>17,532</u>

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

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000
PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	42,293	16,249	42,702	17,025
UNREALISED ITEMS	26,286	66,415	11,513	507
	<u>68,579</u>	<u>82,664</u>	<u>54,215</u>	<u>17,532</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>4.02</u>	<u>4.85</u>	<u>3.18</u>	<u>1.03</u>

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The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	502,465	281,743	160,140	72,574
ACCRUED LEASE INCOME - UNBILLED	(15,635)	82,114	(13,995)	73,470
TOTAL REVENUE	486,830	363,857	146,145	146,044
PROPERTY OPERATING EXPENSES	(235,559)	(149,039)	(7,441)	(7,388)
NET PROPERTY INCOME	251,271	214,818	138,704	138,656
FINANCE INCOME	1,894	151	81,081	78,653
OTHER INCOME	2,334	2,101	626	315
MANAGER'S FEES	(9,976)	(9,121)	(9,976)	(9,121)
TRUSTEE'S FEES	(1,485)	(1,447)	(1,485)	(1,447)
DEPRECIATION	(60,421)	(60,967)	(3)	(2)
FINANCE COSTS	(93,879)	(60,361)	(93,787)	(60,271)
ADMINISTRATION EXPENSES	(5,144)	(4,643)	(940)	(883)
UNREALISED (LOSS)/GAIN ON FOREIGN EXCHANGE	(6,012)	12,829	3,398	(20,851)
CHANGES IN FAIR VALUE				
- Fair value on investment properties	36,762	54,877	16,147	9,368
- revaluation gain on properties	23,820	10,300	-	-
- unbilled lease income	7,468	(71,517)	5,827	(60,668)
PROFIT BEFORE TAX	146,632	87,020	139,592	73,749

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE YEAR – continued

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX	146,632	87,020	139,592	73,749
INCOME TAX EXPENSE	(5,411)	(3,148)	(1,355)	(1,476)
	-----	-----	-----	-----
PROFIT FOR THE YEAR	141,221	83,872	138,237	72,273
DISTRIBUTION ADJUSTMENTS:				
- Accrued lease income - unbilled	15,635	(82,114)	13,995	(73,470)
- Depreciation	60,421	60,967	3	2
- Fair value changes	(68,050)	6,340	(21,974)	51,300
- Net income from foreign operations	(28,376)	14,720	-	-
- Unrealised foreign translation differences	6,012	(12,829)	(3,398)	20,851
	-----	-----	-----	-----
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	126,863	70,956	126,863	70,956
DISTRIBUTION PAID	(52,154)	(32,179)	(52,154)	(32,179)
PROVISION FOR INCOME DISTRIBUTION	(74,709)	(35,230)	(74,709)	(35,230)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	-	3,547	-	3,547
	=====	=====	=====	=====
DISTRIBUTABLE INCOME PER UNIT (Sen)	7.4433	4.1631	7.4433	4.1631
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	7.4433	3.9550	7.4433	3.9550
	=====	=====	=====	=====

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR	141,221	83,872	138,237	72,273
OTHER COMPREHENSIVE INCOME/(LOSS):-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	29,500	(94,361)	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	90,797	145,327	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>261,518</u>	<u>134,838</u>	<u>138,237</u>	<u>72,273</u>

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

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

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	155,239	56,236	126,863	70,956
UNREALISED ITEMS	(14,018)	27,636	11,374	1,317
	<u>141,221</u>	<u>83,872</u>	<u>138,237</u>	<u>72,273</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>8.29</u>	<u>4.92</u>	<u>8.11</u>	<u>4.24</u>

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The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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 30.06.2023 RM'000	AUDITED AS AT 30.06.2022 RM'000	UNAUDITED AS AT 30.06.2023 RM'000	AUDITED AS AT 30.06.2022 RM'000
ASSETS				
Non-current Assets				
Investment properties	2,792,750	2,754,328	2,275,000	2,258,000
Property, plant and equipment	2,085,578	1,971,944	-	-
Unbilled lease income	22,004	30,172	22,004	30,172
Right-of-use asset	198	201	198	201
Investment in subsidiaries	-	-	538,714	533,522
Amount due from subsidiaries	-	-	1,368,547	1,345,006
Deferred tax assets	3,096	2,137	-	-
	<u>4,903,626</u>	<u>4,758,782</u>	<u>4,204,463</u>	<u>4,166,901</u>
Current Assets				
Inventories	710	524	-	-
Trade and other receivables	39,336	59,294	671	29,498
Amount due from subsidiaries	-	-	120,201	121,905
Income tax assets	7	17	-	-
Deposits with licensed financial institutions	74,660	11,151	74,660	1,118
Cash at banks	108,939	72,482	6,249	5,419
	<u>223,652</u>	<u>143,468</u>	<u>201,781</u>	<u>157,940</u>
TOTAL ASSETS	<u><u>5,127,278</u></u>	<u><u>4,902,250</u></u>	<u><u>4,406,244</u></u>	<u><u>4,324,841</u></u>
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	213,784	185,408	200,394	200,394
Reserves	1,002,813	896,534	354,705	343,331
	<u>2,907,403</u>	<u>2,772,748</u>	<u>2,245,905</u>	<u>2,234,531</u>
Total Unitholders' Funds / Net Asset Value	<u>2,907,403</u>	<u>2,772,748</u>	<u>2,245,905</u>	<u>2,234,531</u>

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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
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,891,500	1,415,852	1,076,500	950,852
Lease liability	202	203	202	203
Other payables	1,261	1,127	-	-
Amount due to a subsidiary	-	-	815,000	465,000
	<u>1,892,963</u>	<u>1,417,182</u>	<u>1,891,702</u>	<u>1,416,055</u>
Current Liabilities				
Borrowings	174,481	622,698	174,481	272,698
Trade and other payables	73,705	53,402	19,447	16,357
Amount due to a subsidiary	-	-	-	349,970
Income tax liabilities	4,017	990	-	-
Provision for income distribution	74,709	35,230	74,709	35,230
	<u>326,912</u>	<u>712,320</u>	<u>268,637</u>	<u>674,255</u>
TOTAL LIABILITIES	<u>2,219,875</u>	<u>2,129,502</u>	<u>2,160,339</u>	<u>2,090,310</u>
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	<u>5,127,278</u>	<u>4,902,250</u>	<u>4,406,244</u>	<u>4,324,841</u>
Net asset value (RM'000)				
- before income distribution	3,034,266	2,840,157	2,372,768	2,301,940
- after income distribution	<u>2,907,403</u>	<u>2,772,748</u>	<u>2,245,905</u>	<u>2,234,531</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	1.780	1.666	1.392	1.351
- after income distribution	<u>1.706</u>	<u>1.627</u>	<u>1.318</u>	<u>1.311</u>

The Condensed Statements of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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 2023**

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 year						
Profit/(Loss) for the year	-	155,239	(14,018)	-	-	141,221
Other comprehensive income	-	-	-	748	119,549	120,297
Increase/(Decrease) in net assets resulting from operations	-	155,239	(14,018)	748	119,549	261,518
Unitholders' transactions						
Distribution paid	-	(52,154)	-	-	-	(52,154)
Provision for income distribution	-	(74,709)	-	-	-	(74,709)
Decrease in net assets resulting from Unitholders' transaction	-	(126,863)	-	-	-	(126,863)
At 30 June 2023	1,690,806	213,784	(201,843)	(148,806)	1,353,462	2,907,403

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 - 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 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 2023 - 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 year				
Profit for the year	-	126,863	11,374	138,237
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase in net assets resulting from operations	-	126,863	11,374	138,237
Unitholders' transactions				
Distribution paid	-	(52,154)	-	(52,154)
Provision for income distribution	-	(74,709)	-	(74,709)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(126,863)	-	(126,863)
	-----	-----	-----	-----
At 30 June 2023	1,690,806	200,394	354,705	2,245,905
	=====	=====	=====	=====

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 - 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	-
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
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	1,690,806	200,394	343,331	2,234,531
	=====	=====	=====	=====

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 2022 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 2023**

	12 MONTHS ENDED	
	30.06.2023	30.06.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	146,632	87,020
Adjustments for:-		
Amortisation of transaction costs	2,100	2,096
Depreciation	60,421	60,967
Fair value changes	(68,050)	6,340
Interest income	(1,894)	(151)
Interest expense	91,549	58,049
Loss on disposal of property, plant and equipment	30	4
Unrealised loss/(gain) on foreign currency exchange	6,012	(12,829)
	-----	-----
Operating profit before changes in working capital	236,800	201,496
Net changes in current assets	35,788	(101,587)
Net changes in current liabilities	19,702	16,287
	-----	-----
Cash generated from operations	292,290	116,196
Income tax paid	(3,290)	(3,978)
Income tax refunded	-	342
	-----	-----
Net cash from operating activities	289,000	112,560
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,894	151
Acquisition of property, plant and equipment	(15,554)	(5,189)
Enhancement of investment properties	(853)	(7,132)
Proceed from disposal of equipment	-	6
	-----	-----
Net cash used in investing activities	(14,513)	(12,164)
	-----	-----

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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 - continued**

	12 MONTHS ENDED	
	30.06.2023	30.06.2022
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(87,384)	(72,285)
Interest paid	(91,539)	(58,038)
Transaction costs paid	(2,827)	(17)
Proceeds of borrowings	5,192	10,986
Payment of lease liability	(11)	(11)
	-----	-----
Net cash used in financing activities	(176,569)	(119,365)
	-----	-----
Net increase in cash and cash equivalents	97,918	(18,969)
Effect on exchange rate changes	2,048	(4,100)
Cash and cash equivalents at beginning of financial year	83,633	106,702
	-----	-----
Cash and cash equivalents at end of financial year (note a)	183,599	83,633
	=====	=====

Note (a)

	As At	As At
	30.06.2023	30.06.2022
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	74,660	11,151
Cash at banks	108,939	72,482
	-----	-----
	183,599	83,633
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 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 2022.

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 2022.

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 2022.

The adoption of MFRSs, interpretations and amendments to MFRSs, which were effective for financial year beginning on or after 1 July 2022 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 year ended 30 June 2023:-

	RM'000
In respect of the six months ended 30 June 2022:- A final distribution of 2.0670 sen per unit each paid on 30 August 2022	35,230
In respect of the six months ended 31 December 2022:- An interim distribution of 3.0600 sen per unit each paid on 30 March 2023	52,154

	87,384
	=====

A7. Segment Information

The Group's segmental result for the financial year ended 30 June 2023 is as follows:-

	< ---Property rental--->		< --Hotel-- >	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
External revenue	146,145	27,278	313,407	486,830
Operating expenses	(7,441)	(3,615)	(224,503)	(235,559)
	-----	-----	-----	-----
Net property income	138,704	23,663	88,904	251,271
	-----	-----	-----	-----
Other income				2,334
Finance income				1,894
Changes in fair value				68,050

Total income				323,549
Trust and administration expenses				(16,605)
Finance costs				(93,879)
Depreciation				(60,421)
Unrealised loss on foreign exchange				(6,012)

Profit before tax				146,632
				=====
Total assets	2,378,891	539,324	2,209,063	5,127,278
	=====	=====	=====	=====

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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 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

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 2023 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 %
	30.06.2023 RM'000	30.06.2022 RM'000		30.06.2023 RM'000	30.06.2022 RM'000	
Revenue:						
- Hotel (Management contracts)	74,171	62,973	17.78	313,407	189,334	65.53
- Property rental (Master leases)	43,391	43,444	(0.12)	173,423	174,523	(0.63)
	-----	-----		-----	-----	
	117,562	106,417	10.47	486,830	363,857	33.80
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	19,420	15,967	21.63	88,904	51,024	74.24
- Property rental (Master leases)	40,516	40,793	(0.68)	162,367	163,794	(0.87)
	-----	-----		-----	-----	
	59,936	56,760	5.60	251,271	214,818	16.97
	=====	=====		=====	=====	
Profit Before Tax	71,224	83,772	(14.98)	146,632	87,020	68.50
Income Available For Distribution	42,702	17,025	150.82	126,863	70,956	78.79

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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 RM117.562 million and RM59.936 million, respectively, as compared to RM106.417 million and RM56.760 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 10.47% and 5.60%, 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 RM71.224 million for the current financial quarter, a decrease of 14.98% as compared to profit before tax of RM83.772 million recorded in the preceding year corresponding quarter mainly due to:-

- (i) higher finance costs of RM26.284 million as compared to RM15.626 million recognised during the preceding year corresponding quarter mainly due to higher interest rate on borrowings denominated in Australian Dollar; and
- (ii) unrealised foreign currency translation loss of RM10.988 million on borrowings denominated in foreign currencies as compared to a gain of RM14.879 million recognised in the preceding year corresponding quarter.

which was cushioned by:

- (i) improved performance from hotel segment contributed by factors set out under “Review of Operating Business Segments”; and
- (ii) fair value gain on properties of RM66.689 million comprising RM60.582 million fair value gain from the annual valuation carried out in May 2023 and fair value gain on unbilled lease income of RM6.107 million during the current financial quarter as compared to 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 preceding year corresponding quarter.

Income available for distribution in the current financial quarter of RM42.702 million, represented an increase of 150.82% as compared to RM17.025 million recorded in the preceding year corresponding quarter mainly due to:-

- (i) the normalization of rental following the end of the rental deferral programme on 30 June 2022; and
- (ii) the billing of first rental differences in respect of the rental deferral programme.

Current Financial Year vs Preceding Year

For the current financial year under review, the Group recorded revenue and net property income of RM486.830 million and RM251.271 million, respectively, as compared to RM363.857 million and RM214.818 million, respectively, recorded in the preceding year. This represented an increase of 33.80% and 16.97%, respectively. The performance of the operating business segments is set out under the “Review of Operating Business Segments”.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

Current Financial Year vs Preceding Year (continued)

The Group recorded a profit before tax of RM146.632 million for the current financial year ended 30 June 2023, an increase of 68.50% as compared to a profit before tax of RM87.020 million recorded in the preceding year mainly due to:-

- (i) the improved performance from hotel segment contributed by factors set out under “Review of Operating Business Segments”; and
- (ii) the fair value gain on properties of RM68.050 million comprising RM60.582 million fair value gain from the annual valuation carried out in May 2023 and fair value gain on unbilled lease income of RM7.468 million during the current financial year as compared to net fair value loss on properties of RM6.340 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 RM71.517 million recognised during the preceding year;

which was offset by:

- (i) higher finance costs in current financial year of RM93.879 million as compared to RM60.361 million recorded in the preceding year; and
- (ii) unrealised foreign currency translation loss of RM6.012 million on borrowings denominated in foreign currencies as compared to an unrealised foreign currency translation gain of RM12.829 million recognised during the preceding year.

Income available for distribution in the current financial year of RM126.863 million, represented an increase of 78.79% as compared to RM70.956 million recorded in the preceding year due to the reasons as mentioned above.

Review of Operating Business Segments

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

Hotel

During the current financial quarter/year under review, the performance of the Australian portfolio improved as a result of the reopening of Australia’s international borders in early 2022 which led to the higher demand from corporate and leisure markets. Both average daily room rates and average occupancy rates increased across the portfolio. Correspondingly, revenue and net property income for the financial quarter increased by 17.78% and 21.63%, respectively, while the increase for the financial year was 65.53% and 74.24%, respectively.

Property rental

The property segment from the Malaysian and Japanese Properties normalized the rental from 1 July 2022 after the rental deferral programme ended on 30 June 2022, in addition, the first rental difference was billed at the end of June 2023 pursuant to the same programme. Revenue and net property income approximated that of the preceding year corresponding quarter and preceding year, except that the revenue for the current financial quarter/year comprised mostly realised rental income.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2023 RM'000	Preceding Quarter 31.03.2023 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	74,171	83,547	(11.22)
- Property rental (Master leases)	43,391	43,348	0.10
	-----	-----	
	117,562	126,895	(7.35)
	=====	=====	
Net Property Income:			
- Hotel (Management contracts)	19,420	26,514	(26.76)
- Property rental (Master leases)	40,516	40,419	0.24
	-----	-----	
	59,936	66,933	(10.45)
	=====	=====	
Profit Before Tax	71,224	27,144	162.39
Income Available For Distribution	42,702	26,217	62.88

For the current financial quarter, Group revenue and net property income decreased by 7.35% and 10.45%, respectively as compared to the preceding financial quarter ended 31 March 2023.

The Group recorded a profit before tax of RM71.224 million for the current financial quarter ended 30 June 2023, an increase of 162.39% as compared to the preceding financial quarter ended 31 March 2023 mainly due to higher fair value gain of RM60.582 million from the annual valuation carried out in May 2023.

Income available for distribution in the current financial quarter of RM42.702 million represented an increase of 62.88% as compared to RM26.217 million recorded in the preceding quarter mainly due to the billing of first rental differences in respect of the rental deferral programme.

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 generated lower revenue and net property income in the current financial quarter ended 30 June 2023 owing to the winter seasonal factor.

Property rental

Revenue and net property income from Malaysian and Japanese Properties (as set out under Note B5) approximated that of the preceding financial quarter.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B3. Prospects

With the opening of international borders in the jurisdictions where the Group operates, the hospitality industry is expected to stay relatively buoyant amidst risks of higher inflation, interest rate hikes and other economic challenges.

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.

B4. Audit Report of the preceding financial year ended 30 June 2022

The Auditor's Report on the financial statements of the financial year ended 30 June 2022 did not contain any qualification.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Portfolio Composition

As at 30 June 2023, YTL Hospitality REIT's composition of investment portfolio is as follows:-

	Fair Value As At 30.06.2023 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	7
(v) AC Hotel Kuala Lumpur Titiwangsa	147,000	3
(vi) AC Hotel Penang Bukit Jambul	126,000	3
(vii) Pangkor Laut Resort	124,000	3
(viii) Tanjong Jara Resort	107,000	2
(ix) AC Hotel Kuantan City Centre	95,500	2
(x) Cameron Highlands Resort	62,000	1
<u>Japanese Properties</u>		
(xi) Hilton Niseko Village*	314,787	6
(xii) The Green Leaf Niseko Village*	202,963	4
<u>Australian Properties/Portfolio</u>		
(xiii) Sydney Harbour Marriott^	1,559,048	32
(xiv) Brisbane Marriott^	278,222	6
(xv) Melbourne Marriott^	248,308	5
	-----	-----
Total	4,878,328	100
	=====	=====

Note :

* Translated on 30 June 2023 at the exchange rate of JPY100 : RM3.2319

^ Translated on 30 June 2023 at the exchange rate of AUD1 : RM3.1008

B6. Change in Net Asset Value (“NAV”)

The total NAV and NAV per unit of the Group as at 30 June 2023 were RM2,907,403,000 and RM1.7058, 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 30.06.023	Preceding Quarter 31.03.2023
NAV (RM'000)	2,907,403	2,775,479
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.7058	1.6284
NAV per unit (before distribution) (RM)	1.7803	1.6590

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

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 2023.

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 year ended 30 June 2023, RM15,554,000 (AUD5,152,000) was incurred on refurbishment works on the Australian Properties while The Green Leaf Niseko Village incurred RM498,000 (JPY15,210,000) for property repairs and maintenance.

B12. Taxation

Taxation comprises the following:-

	Current Quarter 30.06.2023 RM'000	Year To Date 30.06.2023 RM'000
Malaysian income tax	37	53
Foreign income tax	3,361	6,550
Deferred tax	(753)	(1,192)
	-----	-----
	2,645	5,411
	=====	=====

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 2023.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B12. Taxation - continued

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.

B14. Borrowings and Debt Securities

The Group's borrowings as at 30 June 2023 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	174,563	1,081,690	1,256,253
Medium Term Notes – secured	-	815,000	815,000
	-----	-----	-----
Total borrowings	174,563	1,896,690	2,071,253
Capitalised transaction costs	(82)	(5,190)	(5,272)
	-----	-----	-----
	174,481	1,891,500	2,065,981
	=====	=====	=====
Total Assets			5,127,278
			=====
Gearing ratio (%)			40.40
			=====

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities - continued

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	348,842	1,081,690
Japanese Yen [*]	5,401,250	174,563

		1,256,253
		=====

Note :

[^] Translated on 30 June 2023 at the exchange rate of AUD1 : RM3.1008

^{*} Translated on 30 June 2023 at the exchange rate of JPY100 : RM3.2319

During the current financial year, part of the existing term loan denominated in Australian Dollar of AUD90.000 million (RM279.072 million) was refinanced by the drawing of a new term loan denominated in Australian Dollar.

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. declared a final distribution of 4.3833 sen per unit of which all is taxable in the hands of unitholders, totalling RM74,708,478 (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 2023 to 30 June 2023.

The total income distribution paid and declared for the financial year ended 30 June 2023 is 7.4433 sen per unit, totalling RM126,862,778. This represents approximately 100% of the total distributable income. The book closure and payment dates in respect of the final distribution have been fixed on 14 and 30 August 2023, respectively.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B15. Income Distribution – continued

The final income distribution is from the following sources:-

	Current Year Quarter 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000	Current Year To Date 30.06.2023 RM'000	Preceding Year To Date 30.06.2022 RM'000
Net property income	59,936	56,760	251,271	214,818
Other income	1,155	763	4,228	2,252
Fair value changes	66,689	46,691	68,050	(6,340)
Expenses	(56,556)	(20,442)	(176,917)	(123,710)
	-----	-----	-----	-----
Profit before tax	71,224	83,772	146,632	87,020
Income tax expense	(2,645)	(1,108)	(5,411)	(3,148)
	-----	-----	-----	-----
Profit after tax	68,579	82,664	141,221	83,872
Distribution adjustments	(25,877)	(65,639)	(14,358)	(12,916)
	-----	-----	-----	-----
Realised income for the quarter/year	42,702	17,025	126,863	70,956
Reclassification to unrealized income related to previous year	-	(563)	-	(563)
Total undistributed realised income brought forward	232,401	219,162	200,394	197,410
	-----	-----	-----	-----
Total realised income available for distribution	275,103	235,624	327,257	267,803
Less: income distribution	(74,709)	(35,230)	(126,863)	(67,409)
	-----	-----	-----	-----
Balance undistributed realised income	200,394	200,394	200,394	200,394
	=====	=====	=====	=====
Distribution per unit (sen)	4.3833	2.0670	7.4433	3.9550
	=====	=====	=====	=====

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: 31 July 2023