

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
30 June 2024**

YTL HOSPITALITY REIT

Interim Financial Report 30 June 2024

	Page No.
Condensed Income Statements for the Quarter	1 - 3
Condensed Statements of Comprehensive Income for the Quarter	4 - 5
Condensed Income Statements for the Year	6 - 7
Condensed Statements of Comprehensive Income for the Year	8 - 9
Condensed Statements of Financial Position	10 - 11
Condensed Statements of Changes in Net Asset Value	12 - 15
Condensed Consolidated Statement of Cash Flows	16 - 17
Notes to the Interim Financial Report	18 - 31

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial year ended 30 June 2024.

The figures have not been audited.

CONDENSED INCOME STATEMENTS FOR THE QUARTER

	GROUP		TRUST	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	QUARTER	CORRESPONDING
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	148,841	131,851	56,226	50,775
UNREALISED LEASE INCOME	(18,652)	(14,289)	(16,509)	(14,239)
TOTAL REVENUE	130,189	117,562	39,717	36,536
PROPERTY OPERATING EXPENSES	(64,410)	(57,626)	(2,058)	(1,862)
NET PROPERTY INCOME	65,779	59,936	37,659	34,674
FINANCE INCOME	1,405	720	23,687	23,604
OTHER INCOME	587	435	9	129
MANAGER'S FEES	(2,663)	(2,452)	(2,663)	(2,452)
TRUSTEE'S FEES	(404)	(376)	(404)	(376)
DEPRECIATION	(15,965)	(15,126)	(1)	(1)
FINANCE COSTS	(31,594)	(26,284)	(31,569)	(26,250)
ADMINISTRATION EXPENSES	(2,024)	(1,330)	(694)	(530)
UNREALISED (LOSS)/GAIN ON FOREIGN EXCHANGE	(3,094)	(10,988)	(4,046)	3,550
CHANGES IN FAIR VALUE				
- fair value on investment properties	50,240	36,762	27,914	16,147
- revaluation gain on properties	18,402	23,820	-	-
- unrealised lease income	(1,966)	6,107	(4,109)	6,056
PROFIT BEFORE TAX	78,703	71,224	45,783	54,551

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000
PROFIT BEFORE TAX	78,703	71,224	45,783	54,551
INCOME TAX EXPENSE	(2,727)	(2,645)	(304)	(336)
PROFIT FOR THE QUARTER	75,976	68,579	45,479	54,215
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	18,652	14,289	16,509	14,239
- Depreciation	15,965	15,126	1	1
- Fair value changes	(66,676)	(66,689)	(23,805)	(22,203)
- Net income from foreign operations	(4,781)	409	-	-
- Unrealised foreign translation differences	3,094	10,988	4,046	(3,550)
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	42,230	42,702	42,230	42,702
UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD	34,862	32,007	34,862	32,007
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	77,092	74,709	77,092	74,709

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	77,092	74,709	77,092	74,709
PROVISION FOR INCOME DISTRIBUTION	(69,676)	(74,709)	(69,676)	(74,709)
UNDISTRIBUTED DISTRIBUTABLE INCOME	7,416	-	7,416	-
DISTRIBUTABLE INCOME PER UNIT (Sen)	2.4777	2.5054	2.4777	2.5054
GROSS DISTRIBUTION PER UNIT (Sen)	4.0880	4.3833	4.0880	4.3833

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	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	QUARTER	CORRESPONDING QUARTER
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE QUARTER	75,976	68,579	45,479	54,215
OTHER COMPREHENSIVE (LOSS)/INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(3,559)	47,257	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	58,227	90,797	-	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	130,644	206,633	45,479	54,215

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

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

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000	CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000
PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	47,011	42,293	42,230	42,702
UNREALISED ITEMS	28,965	26,286	3,249	11,513
	<u>75,976</u>	<u>68,579</u>	<u>45,479</u>	<u>54,215</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>4.46</u>	<u>4.02</u>	<u>2.67</u>	<u>3.18</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 YEAR

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	601,003	502,465	197,836	160,140
UNREALISED LEASE INCOME	(46,095)	(15,635)	(43,812)	(13,995)
TOTAL REVENUE	554,908	486,830	154,024	146,145
PROPERTY OPERATING EXPENSES	(265,381)	(235,559)	(7,971)	(7,441)
NET PROPERTY INCOME	289,527	251,271	146,053	138,704
FINANCE INCOME	5,423	1,894	94,695	81,081
OTHER INCOME	2,033	2,334	102	626
MANAGER'S FEES	(11,062)	(9,976)	(11,062)	(9,976)
TRUSTEE'S FEES	(1,581)	(1,485)	(1,581)	(1,485)
DEPRECIATION	(63,313)	(60,421)	(3)	(3)
FINANCE COSTS	(121,318)	(93,879)	(121,224)	(93,787)
ADMINISTRATION EXPENSES	(7,804)	(5,144)	(1,199)	(940)
UNREALISED (LOSS)/GAIN ON FOREIGN EXCHANGE	(210)	(6,012)	(8,184)	3,398
CHANGES IN FAIR VALUE				
- fair value on investment properties	50,240	36,762	27,914	16,147
- unrealised lease income	24,091	7,468	21,808	5,827
- revaluation gain on properties	18,402	23,820	-	-
PROFIT BEFORE TAX	184,428	146,632	147,319	139,592

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE YEAR – continued

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX	184,428	146,632	147,319	139,592
INCOME TAX EXPENSE	(6,421)	(5,411)	(1,293)	(1,355)
	-----	-----	-----	-----
PROFIT FOR THE YEAR	178,007	141,221	146,026	138,237
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	46,095	15,635	43,812	13,995
- Depreciation	63,313	60,421	3	3
- Fair value changes	(92,733)	(68,050)	(49,722)	(21,974)
- Net income from foreign operations	(46,589)	(28,376)	-	-
- Unrealised foreign translation differences	210	6,012	8,184	(3,398)
	-----	-----	-----	-----
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	148,303	126,863	148,303	126,863
DISTRIBUTION PAID	(71,211)	(52,154)	(71,211)	(52,154)
PROVISION FOR INCOME DISTRIBUTION	(69,676)	(74,709)	(69,676)	(74,709)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	7,416	-	7,416	-
	=====	=====	=====	=====
DISTRIBUTABLE INCOME PER UNIT (Sen)	8.7012	7.4433	8.7012	7.4433
	=====	=====	=====	=====
GROSS DISTRIBUTION PER UNIT (Sen)	8.2661	7.4433	8.2661	7.4433
	=====	=====	=====	=====

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 YEAR**

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR	178,007	141,221	146,026	138,237
OTHER COMPREHENSIVE (LOSS)/INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(26,102)	29,500	-	-
<i>ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
SURPLUS ON REVALUATION OF PROPERTIES	58,227	90,797	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>210,132</u>	<u>261,518</u>	<u>146,026</u>	<u>138,237</u>

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

	GROUP		TRUST	
	12 MONTHS ENDED		12 MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE YEAR IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	194,892	155,239	148,303	126,863
UNREALISED ITEMS	(16,885)	(14,018)	(2,277)	11,374
	<u>178,007</u>	<u>141,221</u>	<u>146,026</u>	<u>138,237</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>10.44</u>	<u>8.29</u>	<u>8.57</u>	<u>8.11</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 AS AT 30.06.2024 RM'000	AUDITED AS AT 30.06.2023 RM'000	UNAUDITED AS AT 30.06.2024 RM'000	AUDITED AS AT 30.06.2023 RM'000
ASSETS				
Non-current Assets				
Investment properties	3,052,259	2,792,750	2,538,600	2,275,000
Property, plant and equipment	2,118,453	2,085,578	-	-
Unbilled lease income	-	22,004	-	22,004
Right-of-use asset	195	198	195	198
Investment in subsidiaries	-	-	550,098	538,714
Amount due from subsidiaries	-	-	1,353,110	1,368,547
Deferred tax assets	3,449	3,096	-	-
	-----	-----	-----	-----
	5,174,356	4,903,626	4,442,003	4,204,463
	-----	-----	-----	-----
Current Assets				
Inventories	686	710	-	-
Trade and other receivables	37,166	39,336	1,240	671
Amount due from subsidiaries	-	-	117,134	120,201
Income tax assets	1	7	-	-
Deposits with licensed financial institutions	111,172	74,660	83,401	74,660
Cash at banks	122,529	108,939	8,927	6,249
	-----	-----	-----	-----
	271,554	223,652	210,702	201,781
	-----	-----	-----	-----
TOTAL ASSETS	5,445,910	5,127,278	4,652,705	4,406,244
	=====	=====	=====	=====
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	267,789	213,784	207,810	200,394
Reserves	1,018,053	1,002,813	352,428	354,705
	-----	-----	-----	-----
Total Unitholders' Funds / Net Asset Value	2,976,648	2,907,403	2,251,044	2,245,905
	-----	-----	-----	-----

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,120,762	1,891,500	445,762	1,076,500
Lease liability	202	202	202	202
Other payables	1,443	1,261	-	-
Amount due to a subsidiary	-	-	675,000	815,000
Deferred tax liabilities	60	-	-	-
	-----	-----	-----	-----
	1,122,467	1,892,963	1,120,964	1,891,702
	-----	-----	-----	-----
Current Liabilities				
Borrowings	1,196,939	174,481	811,939	174,481
Trade and other payables	76,898	73,705	14,112	19,447
Amount due to a subsidiary	-	-	384,970	-
Income tax liabilities	3,282	4,017	-	-
Provision for income distribution	69,676	74,709	69,676	74,709
	-----	-----	-----	-----
	1,346,795	326,912	1,280,697	268,637
	-----	-----	-----	-----
TOTAL LIABILITIES	2,469,262	2,219,875	2,401,661	2,160,339
	-----	-----	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	5,445,910	5,127,278	4,652,705	4,406,244
	=====	=====	=====	=====
Net asset value (RM'000)				
- before income distribution	3,117,535	3,034,266	2,391,931	2,372,768
- after income distribution	2,976,648	2,907,403	2,251,044	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	1.829	1.780	1.403	1.392
- after income distribution	1.746	1.706	1.321	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 YEAR ENDED 30 JUNE 2024**

	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 year						
Profit/(Loss) for the year	-	194,892	(16,885)	-	-	178,007
Other comprehensive (loss)/income	-	-	-	(38,612)	70,737	32,125
Increase/(Decrease) in net assets resulting from operations	-	194,892	(16,885)	(38,612)	70,737	210,132
Unitholders' transactions						
Distribution paid	-	(71,211)	-	-	-	(71,211)
Provision for income distribution	-	(69,676)	-	-	-	(69,676)
Decrease in net assets resulting from Unitholders' transaction	-	(140,887)	-	-	-	(140,887)
At 30 June 2024	1,690,806	267,789	(218,728)	(187,418)	1,424,199	2,976,648

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 - continued**

	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 2024 - 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 2023	1,690,806	200,394	354,705	2,245,905
Operations for the year				
Profit/(Loss) for the year	-	148,303	(2,277)	146,026
Other comprehensive income	-	-	-	-
Increase/(Decrease) in net assets resulting from operations	----- -	----- 148,303	----- (2,277)	----- 146,026
Unitholders' transactions				
Distribution paid	-	(71,211)	-	(71,211)
Provision for income distribution	-	(69,676)	-	(69,676)
Decrease in net assets resulting from Unitholders' transaction	----- -	----- (140,887)	----- -	----- (140,887)
At 30 June 2024	----- 1,690,806 =====	----- 207,810 =====	----- 352,428 =====	----- 2,251,044 =====

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 - 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 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
	=====	=====	=====	=====

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 YEAR ENDED 30 JUNE 2024**

	12 MONTHS ENDED	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	184,428	146,632
Adjustments for:-		
Amortisation of transaction costs	2,415	2,100
Depreciation	63,313	60,421
Fair value changes	(92,733)	(68,050)
Interest income	(5,423)	(1,894)
Interest expense	118,672	91,549
Loss on disposal of property, plant and equipment	38	30
Unrealised loss on foreign currency exchange	210	6,012
	-----	-----
Operating profit before changes in working capital	270,920	236,800
Net changes in current assets	47,217	35,788
Net changes in current liabilities	6,433	19,702
	-----	-----
Cash generated from operations	324,570	292,290
Income tax paid	(7,459)	(3,290)
Income tax refunded	17	-
	-----	-----
Net cash from operating activities	317,128	289,000
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	5,423	1,894
Acquisition of property, plant and equipment	(4,814)	(15,554)
Enhancement of investment properties	(38,747)	(853)
Capital expenditure on investment property under development	(23,202)	-
Acquisition of investment properties	(195,102)	-
	-----	-----
Net cash used in investing activities	(256,442)	(14,513)
	-----	-----

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 – continued**

	12 MONTHS ENDED	
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(145,920)	(87,384)
Interest paid	(120,497)	(91,539)
Transaction costs paid	(1,530)	(2,827)
Proceed from borrowings	257,684	5,192
Payment of lease liability	(11)	(11)
	-----	-----
Net cash used in financing activities	(10,274)	(176,569)
	-----	-----
Net increase in cash and cash equivalents	50,412	97,918
Effect on exchange rate changes	(310)	2,048
Cash and cash equivalents at beginning of financial year	183,599	83,633
	-----	-----
Cash and cash equivalents at end of financial year (note a)	233,701	183,599
	=====	=====

Note (a)

	As At	As At
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	111,172	74,660
Cash at banks	122,529	108,939
	-----	-----
	233,701	183,599
	=====	=====

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/Portfolio”), 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 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

	<u>145,920</u>

A7. Segment Information

The Group's segmental result for the financial year ended 30 June 2024 is as follows:-

	< ---Property rental--- >		< --Hotel-- >		
	Malaysia	Japan	Australia		Total
	RM'000	RM'000	RM'000		RM'000
External revenue	154,024	27,195	373,689		554,908
Operating expenses	(7,971)	(3,392)	(254,018)		(265,381)
	-----	-----	-----		-----
Net property income	146,053	23,803	119,671		289,527
	-----	-----	-----		-----
Finance income					5,423
Other income					2,033
Changes in fair value					92,733

Total income					389,716
Trust and administration expenses					(20,447)
Finance costs					(121,318)
Depreciation					(63,313)
Unrealised loss on foreign exchange					(210)

Profit before tax					184,428
					=====
Total assets	2,632,484	519,693	2,293,733		5,445,910
	=====	=====	=====		=====

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

A7. Segment Information - continued

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

	< ---Property rental--- >		< --Hotel-- >	Total
	Malaysia	Japan	Australia	
	RM'000	RM'000	RM'000	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
Finance income				1,894
Other income				2,334
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

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 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.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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 %
	30.06.2024 RM'000	30.06.2023 RM'000		30.06.2024 RM'000	30.06.2023 RM'000	
Revenue:						
- Hotel (Management contracts)	83,864	74,171	13.07	373,689	313,407	19.23
- Property rental (Master leases)	46,325	43,391	6.76	181,219	173,423	4.50
	-----	-----		-----	-----	
	130,189	117,562	10.74	554,908	486,830	13.98
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	22,208	19,420	14.36	119,671	88,904	34.61
- Property rental (Master leases)	43,571	40,516	7.54	169,856	162,367	4.61
	-----	-----		-----	-----	
	65,779	59,936	9.75	289,527	251,271	15.22
	=====	=====		=====	=====	
Profit Before Tax	78,703	71,224	10.50	184,428	146,632	25.78
Income Available For Distribution	42,230	42,702	(1.11)	148,303	126,863	16.90

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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 RM130.189 million and RM65.779 million, respectively, as compared to RM117.562 million and RM59.936 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 10.74% and 9.75%, 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 RM78.703 million for the current financial quarter, an increase of 10.50% as compared to profit before tax of RM71.224 million recorded in the preceding year corresponding quarter mainly due to:-

- (i) improved performance from hotel and property rental segments contributed by factors set out under “Review of Operating Business Segments”; and
- (ii) unrealised foreign currency translation loss of RM3.094 million on borrowings denominated in foreign currencies as compared to a loss of RM10.988 million recognised in the preceding year corresponding quarter;

which was offset by:

- (i) 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 Malaysian properties.

Income available for distribution in the current financial quarter of RM42.230 million, approximated that of the preceding year corresponding quarter of RM42.702 million.

Current Financial Year vs Preceding Year

For the current financial year under review, the Group recorded revenue and net property income of RM554.908 million and RM289.527 million, respectively, as compared to RM486.830 million and RM251.271 million, respectively, recorded in the preceding year. This represented an increase of 13.98% and 15.22%, respectively.

The Group recorded a profit before tax of RM184.428 million for the current financial year ended 30 June 2024, an increase of 25.78% as compared to profit before tax of RM146.632 million recorded in the preceding year 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”;
- (ii) unrealised foreign currency translation loss of RM0.210 million on borrowings denominated in foreign currencies as compared to a translation loss of RM6.012 million recognised in the preceding year; and

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

- (iii) fair value gain on properties of RM92.733 million comprising RM68.642 million fair value gain from the annual valuation carried out in May 2024 and fair value gain on unrealised lease income of RM24.091 million recognised during the current financial year as compared to 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 unrealised lease income of RM7.468 million recognised during the preceding year;

which was offset by:

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

Income available for distribution in the current financial year of RM148.303 million, represented an increase of 16.90% as compared to RM126.863 million recorded in the preceding year. The realisation of the final deferred rental pursuant to the rental deferral programme upon expiry of JW Marriott Hotel's lease agreement in December 2023 contributed substantially to the increase.

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 average daily room and occupancy rates improved following increase in international arrivals as a result of entertainment and sports events held in Sydney and Brisbane. These led to the improved performance of the Australian Portfolio.

Property rental

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

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2024 RM'000	Preceding Quarter 31.03.2024 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	83,864	102,144	(17.90)
- Property rental (Master leases)	46,325	46,450	(0.27)
	----- 130,189	----- 148,594	(12.39)
	=====	=====	
Net Property Income:			
- Hotel (Management contracts)	22,208	36,127	(38.53)
- Property rental (Master leases)	43,571	43,663	(0.21)
	----- 65,779	----- 79,790	(17.56)
	=====	=====	
Profit Before Tax	78,703	35,726	120.30
Income Available For Distribution	42,230	26,951	56.69

For the current financial quarter, the Group's revenue and net property income decreased by 12.39% and 17.56%, respectively as compared to the preceding quarter ended 31 March 2024.

The Group recorded a profit before tax of RM78.703 million for the current financial quarter ended 30 June 2024, an increase of 120.30% as compared to profit before tax of RM35.726 million recorded in the preceding quarter mainly due to the fair value gain of RM68.642 million from the annual valuation carried out in May 2024.

Income available for distribution in the current financial quarter of RM42.230 million represented an increase of 56.69% as compared to RM26.951 million in the preceding quarter mainly due to the second billing of 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 posted lower revenue and net property income in the current financial quarter ended 30 June 2024 due to seasonal factor. Whereas in the preceding quarter, the strong performances were due to entertainment and sport events held which drove up the average daily room and occupancy rates.

Property rental

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

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

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.

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.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Portfolio Composition

As at 30 June 2024, YTL Hospitality REIT's composition of investment portfolio is as follows:-

	As At 30.06.2024 RM'000	% of total investment %
<u>Real Estate – Commercial</u>		
At Fair Value		
<u>Malaysian Properties</u>		
(i) JW Marriott Hotel Kuala Lumpur	538,000	10
(ii) The Majestic Hotel Kuala Lumpur	402,600	8
(iii) The Ritz-Carlton, Kuala Lumpur – Hotel Wing	368,000	7
(iv) The Ritz-Carlton, Kuala Lumpur – Suite Wing	326,000	6
(v) AC Hotel Kuala Lumpur Titiwangsa	165,000	3
(vi) Hotel Stripes Kuala Lumpur	140,000	3
(vii) AC Hotel Penang Bukit Jambul	139,500	3
(viii) Pangkor Laut Resort	124,000	2
(ix) Tanjong Jara Resort	108,000	2
(x) AC Hotel Kuantan City Centre	106,500	2
(xi) Cameron Highlands Resort	63,000	1
(xii) Ipoh Hotel (formerly known as Syeun Hotel)	58,000	1
<u>Japanese Properties</u>		
(xiii) Hilton Niseko Village*	301,955	6
(xiv) The Green Leaf Niseko Village*	188,502	3
<u>Australian Properties/Portfolio</u>		
(xv) Sydney Harbour Marriott^	1,578,787	31
(xvi) Brisbane Marriott^	289,994	6
(xvii) Melbourne Marriott^	249,672	5
	-----	-----
	5,147,510	99
<u>Property Development</u>		
At Cost		
<u>Japanese Property</u>		
(xviii) Moxy Niseko*	23,202	1
	-----	-----
Total	5,170,712	100
	=====	=====

Note :

* Translated on 28 June 2024 at the exchange rate of JPY100 : RM2.9316

^ Translated on 28 June 2024 at the exchange rate of AUD1 : RM3.1274

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 2024 were RM2,976,648,000 and RM1.7465, respectively. The increase in total NAV was mainly due to the recognition of revaluation surplus on the real estate properties during the current financial quarter.

	Current Quarter 30.06.2024	Preceding Quarter 31.03.2024
NAV (RM'000)	2,976,648	2,915,680
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.7465	1.7107
NAV per unit (before distribution) (RM)	1.8291	1.7525

B7. Status of Property Development Activities

On 29 April 2024, Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT announced that Starhill REIT Niseko G.K., a wholly owned subsidiary of YTL Hospitality REIT, is developing a hotel in Niseko, Japan for an estimated total development cost of approximately JPY6.38 billion (equivalent to RM199 million) (“Proposed Development”).

The Proposed Development will be funded via a combination of internally generated funds and borrowings.

For the current financial year to date, total property development cost incurred was RM23,202,000 (JPY791,450,000).

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 30 June 2024.

B10. Material Litigation

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

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B11. Major Maintenance Costs and Major Capital Expenditure

During the financial year ended 30 June 2024, the Malaysian Properties carried out asset enhancement works of RM38,747,000, of which RM38,500,000 belongs to assets enhancement for AC Hotel Kuala Lumpur Titiwangsa, AC Hotel Penang Bukit Jambul and AC Hotel Kuantan City Centre and were completed in May 2024. Overseas investments in Australia and Japan incurred capital expenditure and maintenance costs of RM4,814,000 (AUD1,563,000) and RM375,000 (JPY11,780,000), respectively.

B12. Taxation

Taxation comprises the following:-

	Current Quarter 30.06.2024 RM'000	Year To Date 30.06.2024 RM'000
Malaysian income tax	296	331
Foreign income tax	2,528	6,352
Deferred tax	(97)	(262)
	-----	-----
	2,727	6,421
	=====	=====

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 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%

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:-

Proposed Property Development

The Proposed Development undertaken by Starhill GK was announced on 29 April 2024, details as mentioned in Note B7 above.

B14. Borrowings and Debt Securities

The Group's borrowings as at 30 June 2024 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	813,124	448,965	1,262,089
Medium Term Notes – secured	385,000	675,000	1,060,000
	-----	-----	-----
Total borrowings	1,198,124	1,123,965	2,322,089
Capitalised transaction costs	(1,185)	(3,203)	(4,388)
	-----	-----	-----
	1,196,939	1,120,762	2,317,701
	=====	=====	=====
Total Assets			5,445,910
			=====
Gearing ratio (%)			42.64
			=====

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	352,541	1,102,537
Japanese Yen [*]	5,442,500	159,552

		1,262,089
		=====

Note :

[^] Translated on 28 June 2024 at the exchange rate of AUD1 : RM3.1274

^{*} Translated on 28 June 2024 at the exchange rate of JPY100 : RM2.9316

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities - continued

During the current financial quarter, the Group raised borrowings of RM55 million to finance the acquisition of a hotel in Ipoh (formerly known as Syeun Hotel).

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.

B15. Income Distribution

The Board of Pintar Projek Sdn. Bhd. declared a final distribution of 4.0880 sen per unit of which all is taxable in the hands of unitholders, totaling RM69,675,418 (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 2024 to 30 June 2024.

The total income distribution paid and declared for the financial year ended 30 June 2024 is 8.2661 sen per unit, totaling RM140,886,490. This represents 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 2024, respectively.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B15. Income Distribution - continued

The final income distribution is from the following sources:-

	Current Year Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Current Year To Date 30.06.2024 RM'000	Preceding Year To Date 30.06.2023 RM'000
Net property income	65,779	59,936	289,527	251,271
Other income	1,992	1,155	7,456	4,228
Fair value changes	66,676	66,689	92,733	68,050
Expenses	(55,744)	(56,556)	(205,288)	(176,917)
	-----	-----	-----	-----
Profit before tax	78,703	71,224	184,428	146,632
Income tax expense	(2,727)	(2,645)	(6,421)	(5,411)
	-----	-----	-----	-----
Profit after tax	75,976	68,579	178,007	141,221
Distribution adjustments	(33,746)	(25,877)	(29,704)	(14,358)
	-----	-----	-----	-----
Realised income for the quarter/year	42,230	42,702	148,303	126,863
Total undistributed realised income brought forward	235,256	232,401	200,394	200,394
	-----	-----	-----	-----
Total realised income available for distribution	277,486	275,103	348,697	327,257
Less: income distribution	(69,676)	(74,709)	(140,887)	(126,863)
	-----	-----	-----	-----
Balance undistributed realised income	207,810	200,394	207,810	200,394
	=====	=====	=====	=====
Distribution per unit (sen)	4.0880	4.3833	8.2661	7.4433
	=====	=====	=====	=====

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 2024