

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
31 December 2024**

YTL HOSPITALITY REIT

Interim Financial Report 31 December 2024

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YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial period ended 31 December 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
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	147,556	172,266	40,317	65,182
UNREALISED LEASE INCOME	(65)	(27,055)	(19)	(27,009)
TOTAL REVENUE	147,491	145,211	40,298	38,173
PROPERTY OPERATING EXPENSES	(68,003)	(69,530)	(2,105)	(1,983)
NET PROPERTY INCOME	79,488	75,681	38,193	36,190
FINANCE INCOME	1,482	1,065	22,196	23,552
OTHER INCOME	460	503	-	50
MANAGER'S FEES	(2,915)	(2,844)	(2,915)	(2,844)
TRUSTEE'S FEES	(398)	(399)	(398)	(399)
DEPRECIATION	(14,440)	(15,880)	-	-
FINANCE COSTS	(30,675)	(30,407)	(30,648)	(30,384)
ADMINISTRATION EXPENSES	(1,538)	(1,438)	(357)	(211)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	1,906	(9,484)	(3,584)	8,039
FAIR VALUE CHANGES ON UNREALISED LEASE INCOME	65	25,500	19	25,454
PROFIT BEFORE TAX	33,435	42,297	22,506	59,447

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000
PROFIT BEFORE TAX	33,435	42,297	22,506	59,447
INCOME TAX EXPENSE	(1,016)	(896)	(312)	(337)
PROFIT FOR THE QUARTER	32,419	41,401	22,194	59,110
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	65	27,055	19	27,009
- Depreciation	14,440	15,880	-	-
- Fair value changes on unrealised lease income	(65)	(25,500)	(19)	(25,454)
- Net income from foreign operations	(19,175)	(15,694)	-	-
- Unrealised foreign translation differences	(1,906)	9,484	3,584	(8,039)
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	25,778	52,626	25,778	52,626
UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD	26,479	26,496	26,479	26,496
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	52,257	79,122	52,257	79,122

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	52,257	79,122	52,257	79,122
PROVISION FOR INCOME DISTRIBUTION	(49,645)	(71,211)	(49,645)	(71,211)
UNDISTRIBUTED DISTRIBUTABLE INCOME	2,612	7,911	2,612	7,911
DISTRIBUTABLE INCOME PER UNIT (Sen)	1.5124	3.0877	1.5124	3.0877
GROSS DISTRIBUTION PER UNIT (Sen)	2.9128	4.1781	2.9128	4.1781

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

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CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER

	GROUP		TRUST	
	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000	CURRENT YEAR QUARTER 31.12.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2023 RM'000
PROFIT FOR THE QUARTER	32,419	41,401	22,194	59,110
OTHER COMPREHENSIVE INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(30,399)	59,965	-	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	<u>2,020</u>	<u>101,366</u>	<u>22,194</u>	<u>59,110</u>
PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	44,953	68,321	25,778	52,626
UNREALISED ITEMS	(12,534)	(26,920)	(3,584)	6,484
	<u>32,419</u>	<u>41,401</u>	<u>22,194</u>	<u>59,110</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)	1.90	2.43	1.30	3.47

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE PERIOD

	GROUP		TRUST	
	6 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	280,303	303,503	80,634	101,993
UNREALISED LEASE INCOME	(130)	(27,378)	(38)	(27,284)
TOTAL REVENUE	280,173	276,125	80,596	74,709
PROPERTY OPERATING EXPENSES	(131,783)	(132,167)	(4,188)	(3,901)
NET PROPERTY INCOME	148,390	143,958	76,408	70,808
FINANCE INCOME	3,173	2,231	45,182	46,756
OTHER INCOME	1,028	999	10	103
MANAGER'S FEES	(5,629)	(5,478)	(5,629)	(5,478)
TRUSTEE'S FEES	(799)	(780)	(799)	(780)
DEPRECIATION	(29,429)	(31,278)	(1)	(1)
FINANCE COSTS	(61,924)	(58,586)	(61,875)	(58,541)
ADMINISTRATION EXPENSES	(2,930)	(3,956)	(454)	(363)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	11,997	(3,011)	(16,205)	2,160
FAIR VALUE CHANGES ON UNREALISED LEASE INCOME	130	25,900	38	25,806
PROFIT BEFORE TAX	64,007	69,999	36,675	80,470

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INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE PERIOD – continued

	GROUP		TRUST	
	6 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT BEFORE TAX	64,007	69,999	36,675	80,470
INCOME TAX EXPENSE	(1,773)	(1,701)	(624)	(667)
PROFIT FOR THE PERIOD	62,234	68,298	36,051	79,803
DISTRIBUTION				
ADJUSTMENTS:				
- Unrealised lease income	130	27,378	38	27,284
- Depreciation	29,429	31,278	1	1
- Fair value changes on unrealised lease income	(130)	(25,900)	(38)	(25,806)
- Net income from foreign operations	(27,409)	(24,943)	-	-
- Unrealised foreign translation differences	(11,997)	3,011	16,205	(2,160)
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	52,257	79,122	52,257	79,122
PROVISION FOR INCOME DISTRIBUTION	(49,645)	(71,211)	(49,645)	(71,211)
UNDISTRIBUTED DISTRIBUTABLE INCOME	2,612	7,911	2,612	7,911
DISTRIBUTABLE INCOME PER UNIT (Sen)	3.0660	4.6423	3.0660	4.6423
GROSS DISTRIBUTION PER UNIT (Sen)	2.9128	4.1781	2.9128	4.1781

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

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CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD

	GROUP		TRUST	
	6 MONTHS ENDED		6 MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	62,234	68,298	36,051	79,803
OTHER COMPREHENSIVE INCOME:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(147,669)	18,073	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(85,435)</u>	<u>86,371</u>	<u>36,051</u>	<u>79,803</u>
PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	79,666	104,065	52,257	79,122
UNREALISED ITEMS	(17,432)	(35,767)	(16,206)	681
	<u>62,234</u>	<u>68,298</u>	<u>36,051</u>	<u>79,803</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)	3.65	4.01	2.12	4.68

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

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CONDENSED STATEMENTS OF FINANCIAL POSITION

	GROUP		TRUST	
	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
ASSETS				
Non-current Assets				
Investment properties	3,092,293	3,052,259	2,581,211	2,538,600
Property, plant and equipment	1,857,127	2,118,453	-	-
Right-of-use asset	194	195	194	195
Investment in subsidiaries	-	-	553,185	550,098
Amount due from subsidiaries	-	-	1,233,085	1,353,110
Deferred tax assets	3,399	3,389	-	-
	-----	-----	-----	-----
	4,953,013	5,174,296	4,367,675	4,442,003
	-----	-----	-----	-----
Current Assets				
Inventories	571	686	-	-
Trade and other receivables	92,935	37,794	47,889	1,240
Amount due from subsidiaries	-	-	108,915	117,134
Income tax assets	349	1	-	-
Deposits with licensed financial institutions	48,783	111,172	11,907	83,401
Cash at banks	127,416	122,529	11,349	8,927
	-----	-----	-----	-----
	270,054	272,182	180,060	210,702
	-----	-----	-----	-----
TOTAL ASSETS	<u>5,223,067</u>	<u>5,446,478</u>	<u>4,547,735</u>	<u>4,652,705</u>
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	297,810	267,789	210,422	207,810
Reserves	852,952	1,018,053	336,222	352,428
	-----	-----	-----	-----
Total Unitholders' Funds / Net Asset Value	<u>2,841,568</u>	<u>2,976,648</u>	<u>2,237,450</u>	<u>2,251,044</u>
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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION – continued

	GROUP		TRUST	
	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000	UNAUDITED AS AT 31.12.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,516,115	1,120,762	421,115	445,762
Lease liability	207	202	207	202
Other payables	-	1,443	-	-
Amount due to a subsidiary	-	-	1,095,000	675,000
	-----	-----	-----	-----
	1,516,322	1,122,407	1,516,322	1,120,964
	-----	-----	-----	-----
Current Liabilities				
Borrowings	721,483	1,196,939	721,483	811,939
Trade and other payables	94,007	77,526	22,835	14,112
Amount due to a subsidiary	-	-	-	384,970
Income tax liabilities	42	3,282	-	-
Provision for income distribution	49,645	69,676	49,645	69,676
	-----	-----	-----	-----
	865,177	1,347,423	793,963	1,280,697
	-----	-----	-----	-----
TOTAL LIABILITIES	2,381,499	2,469,830	2,310,285	2,401,661
	-----	-----	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	5,223,067	5,446,478	4,547,735	4,652,705
	=====	=====	=====	=====
Net asset value (RM'000)				
- before income distribution	2,891,213	3,117,535	2,287,095	2,391,931
- after income distribution	2,841,568	2,976,648	2,237,450	2,251,044
	=====	=====	=====	=====
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	1.696	1.829	1.342	1.403
- after income distribution	1.667	1.746	1.313	1.321
	=====	=====	=====	=====

The Condensed Statements of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

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

GROUP	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	<-----Non-distributable----->			Total Unitholders' Funds RM'000
			Unrealised Loss RM'000	Currency Translation Reserves RM'000	Revaluation Reserve RM'000	
At 1 July 2024	1,690,806	267,789	(218,728)	(187,418)	1,424,199	2,976,648
Operations for the period						
Profit/(Loss) for the period	-	79,666	(17,432)	-	-	62,234
Other comprehensive income/(loss)	-	-	-	11,810	(159,479)	(147,669)
Increase/(Decrease) in net assets resulting from operations	-	79,666	(17,432)	11,810	(159,479)	(85,435)
Unitholders' transactions						
Provision for income distribution	-	(49,645)	-	-	-	(49,645)
Decrease in net assets resulting from Unitholders' transaction	-	(49,645)	-	-	-	(49,645)
At 31 December 2024	1,690,806	297,810	(236,160)	(175,608)	1,264,720	2,841,568

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

GROUP	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	<-----Non-distributable----->			Total Unitholders' Funds RM'000
			Unrealised Loss RM'000	Currency Translation Reserves RM'000	Revaluation Reserve RM'000	
At 1 July 2023	1,690,806	213,784	(201,843)	(148,806)	1,353,462	2,907,403
Operations for the period						
Profit/(Loss) for the period	-	104,066	(35,768)	-	-	68,298
Other comprehensive income	-	-	-	1,006	17,067	18,073
Increase/(Decrease) in net assets resulting from operations	-	104,066	(35,768)	1,006	17,067	86,371
Unitholders' transactions						
Provision for income distribution	-	(71,211)	-	-	-	(71,211)
Decrease in net assets resulting from Unitholders' transaction	-	(71,211)	-	-	-	(71,211)
At 31 December 2023	1,690,806	246,639	(237,611)	(147,800)	1,370,529	2,922,563

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 2024	1,690,806	207,810	352,428	2,251,044
Operations for the period				
Profit/(Loss) for the period	-	52,257	(16,206)	36,051
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	52,257	(16,206)	36,051
Unitholders' transactions				
Provision for income distribution	-	(49,645)	-	(49,645)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(49,645)	-	(49,645)
	-----	-----	-----	-----
At 31 December 2024	<u>1,690,806</u>	<u>210,422</u>	<u>336,222</u>	<u>2,237,450</u>

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 period				
Profit for the period	-	79,122	681	79,803
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase in net assets resulting from operations	-	79,122	681	79,803
Unitholders' transactions				
Provision for income distribution	-	(71,211)	-	(71,211)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(71,211)	-	(71,211)
	-----	-----	-----	-----
At 31 December 2023	<u>1,690,806</u>	<u>208,305</u>	<u>355,386</u>	<u>2,254,497</u>

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 2024 and the accompanying explanatory notes to the interim financial statements.

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

	6 MONTHS ENDED	
	31.12.2024	31.12.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	64,007	69,999
Adjustments for:-		
Amortisation of transaction costs	1,498	1,170
Depreciation	29,429	31,278
Fair value changes	(130)	(25,900)
Interest income	(3,173)	(2,231)
Interest expense	60,298	57,299
Loss on disposal of property, plant and equipment	29	32
Unrealised (gain)/loss on foreign currency exchange	(11,997)	3,011
	-----	-----
Operating profit before changes in working capital	139,961	134,658
Net changes in current assets	(58,363)	19,113
Net changes in current liabilities	22,221	16,672
	-----	-----
Cash generated from operations	103,819	170,443
Income tax paid	(5,567)	(1,789)
Income tax refunded	-	17
	-----	-----
Net cash from operating activities	98,252	168,671
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,173	2,231
Acquisition of property, plant and equipment	(4,142)	(3,089)
Enhancement of investment properties	(41,315)	(32,674)
Acquisition of investment property	-	(139,415)
Capital expenditure on investment property under development	(10,843)	-
	-----	-----
Net cash used in investing activities	(53,127)	(172,947)
	-----	-----

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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024 – continued**

	6 MONTHS ENDED	
	31.12.2024	31.12.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(69,676)	(74,709)
Interest paid	(62,318)	(57,294)
Transaction costs paid	(2,530)	(1,530)
Proceed from borrowings	49,141	202,684
	-----	-----
Net cash (used in)/from in financing activities	(85,383)	69,151
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(40,258)	64,875
Effect on exchange rate changes	(17,244)	2,503
Cash and cash equivalents at beginning of financial period	233,701	183,599
	-----	-----
Cash and cash equivalents at end of financial period (note a)	176,199	250,977
	=====	=====

Note (a)

	As At	As At
	31.12.2024	31.12.2023
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	48,783	95,680
Cash at banks	127,416	155,297
	-----	-----
	176,199	250,977
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2024 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 2024.

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 2024.

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 2024.

The adoption of MFRSs, interpretations and amendments to MFRSs, which were effective for financial year beginning on or after 1 July 2024 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.

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INTERIM FINANCIAL REPORT

Notes : - continued

A6. Income Distribution

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

	RM'000
In respect of the six months ended 30 June 2024:-	
A final distribution of 4.0880 sen per unit each paid on 30 August 2024	69,676
	<u>=====</u>

A7. Segment Information

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

	< ---Property rental--- >		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	80,596	13,266	186,311	280,173
Operating expenses	(4,188)	(1,396)	(126,199)	(131,783)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net property income	76,408	11,870	60,112	148,390
	<u>-----</u>	<u>-----</u>	<u>-----</u>	
Finance income				3,173
Other income				1,028
Unrealised gain on foreign exchange				11,997
Changes in fair value				130
				<u>-----</u>
Total income				164,718
Trust and administration expenses				(9,358)
Finance costs				(61,924)
Depreciation				(29,429)
				<u>-----</u>
Profit before tax				64,007
				<u>=====</u>
Total assets	<u>2,652,486</u>	<u>520,875</u>	<u>2,049,706</u>	<u>5,223,067</u>

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

A7. Segment Information - continued

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

	< ---Property rental--- >		< --Hotel-- >	Total
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	74,709	13,735	187,681	276,125
Operating expenses	(3,901)	(1,921)	(126,345)	(132,167)
Net property income	70,808	11,814	61,336	143,958
Finance income				2,231
Other income				999
Changes in fair value				25,900
Total income				173,088
Trust and administration expenses				(10,214)
Finance costs				(58,586)
Depreciation				(31,278)
Unrealised loss on foreign exchange				(3,011)
Profit before tax				69,999
Total assets	2,576,733	547,553	2,246,346	5,370,632

A8. Subsequent Events

There was no item, transaction or event of a material and unusual 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 period ended 31 December 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.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes :

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

B1. Review of Performance

	Individual Quarter		Variance %	Cumulative Quarter		Variance %
	31.12.2024 RM'000	31.12.2023 RM'000		31.12.2024 RM'000	31.12.2023 RM'000	
Revenue:						
- Hotel (Management contracts)	100,565	100,143	0.42	186,311	187,681	(0.73)
- Property rental (Master leases)	46,926	45,068	4.12	93,862	88,444	6.13
	-----	-----		-----	-----	
	147,491	145,211	1.57	280,173	276,125	1.47
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	35,357	33,743	4.78	60,112	61,336	(2.00)
- Property rental (Master leases)	44,131	41,938	5.23	88,278	82,622	6.85
	-----	-----		-----	-----	
	79,488	75,681	5.03	148,390	143,958	3.08
	=====	=====		=====	=====	
Profit Before Tax	33,435	42,297	(20.95)	64,007	69,999	(8.56)
Income Available For Distribution	25,778	52,626	(51.02)	52,257	79,122	(33.95)

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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 RM147.491 million and RM79.488 million, respectively, as compared to RM145.211 million and RM75.681 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 1.57% and 5.03%, 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 RM33.435 million for the current financial quarter, a decrease of 20.95% as compared to profit before tax of RM42.297 million recorded in the preceding year corresponding quarter mainly due to the followings:-

- (i) improved performance contributed by factors set out under “Review of Operating Business Segments”;
- (ii) absence of fair value adjustment during the current financial quarter on unbilled lease income as compared to a fair value gain of RM25.500 million recognised during the preceding year corresponding quarter;

which was offset by:

- (iii) unrealised foreign currency translation gain of RM1.906 million on borrowings denominated in foreign currencies as compared to a loss of RM9.484 million recognised in the preceding year corresponding quarter.

Current Financial Period vs Preceding Year Corresponding Period

For the current financial period under review, the Group recorded revenue and net property income of RM280.173 million and RM148.390 million, respectively, as compared to RM276.125 million and RM143.958 million, respectively, recorded in the preceding year corresponding period. This represented an increase of 1.47% and 3.08%, respectively.

The Group recorded a profit before tax of RM64.007 million for the current financial period, a decrease of 8.56% as compared to profit before tax of RM69.999 million recorded in the preceding year corresponding period due to same factors as mentioned above.

Included in the income available for distribution in the preceding year corresponding period was an additional income of RM26.734 million from the realisation of final deferred rental upon the expiry of JW Marriott Hotel’s lease agreement in December 2023. This resulted in a higher income available for distribution of RM79.122 million in the preceding year corresponding period. In the absence of the one-off rental income, the income available for distribution for the current financial period of RM52.257 million approximated that recorded in the preceding year corresponding period of RM52.388 million.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B1. Review of Performance – continued

Review of Operating Business Segments

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

Hotel

The Australia portfolio posted higher revenue and net property income in the current financial quarter/period ended 31 December 2024, contributed by higher room sales as a result of increasing entertainment and sport events. However, the performance was impacted by weaker AUD related to RM.

Property rental

The increase in revenue and net property income in the property rental segment for the current financial quarter/period was contributed by (i) new rental income from Hotel Stripes, (ii) the step-up rental income from the renewal of lease agreement from JW Marriott Hotel; and (iii) the additional rental income from AC Hotels in Kuala Lumpur, Penang and Kuantan following completion of the refurbishment works.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2024 RM'000	Preceding Quarter 30.09.2024 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	100,565	85,746	17.28
- Property rental (Master leases)	46,926	46,936	(0.02)
	----- 147,491 =====	----- 132,682 =====	11.16
Net Property Income:			
- Hotel (Management contracts)	35,357	24,755	42.83
- Property rental (Master leases)	44,131	44,147	(0.04)
	----- 79,488 =====	----- 68,902 =====	15.36
Profit Before Tax	33,435	30,572	9.36
Income Available For Distribution	25,778	26,479	(2.65)

For the current financial quarter, the Group revenue and net property income increased by 11.16% and 15.36%, respectively as compared to the preceding quarter ended 30 September 2024.

The Group recorded a profit before tax of RM33.435 million for the current financial quarter ended 31 December 2024, an increase of 9.36% compared to the profit before tax of RM30.572 million recorded in the preceding quarter mainly due to:-

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B2. Comparison with Preceding Quarter - continued

- (i) improved performance contributed by factors set out under “Review of Operating Business Segments”;

which was offset by:

- (ii) unrealised foreign currency translation gain of RM1.906 million on borrowings denominated in foreign currencies as compared to a gain of RM10.091 million recognised in the preceding quarter.

Income available for distribution in the current financial quarter of RM25.778 million, approximated that of the preceding quarter of RM26.479 million.

Review of Operating Business Segments

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

Hotel

The Australian portfolio posted higher revenue and net property income, primarily driven by corporate groups, conferences, and large-scale events and major events such as concerts, festivals, or sporting activities. These factors contributed to the higher 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.

B3. Prospects

The hospitality sector is anticipated to maintain its resilience and growth in the regions where the Group operates, driven by sustained demand and ongoing recovery trends.

The Group is actively managing its business portfolio and making strategic decisions to protect long-term growth, while ensuring sustainable value creation for its unitholders.

B4. Audit Report of the preceding financial year ended 30 June 2024

The Auditor’s Report on the financial statements of the financial year ended 30 June 2024 did not contain any qualification.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Portfolio Composition

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

	As At 31.12.2024 RM'000	% of total investment %
<u>Real Estate – Commercial</u>		
<u>At Fair Value</u>		
Properties in Malaysia		
(i) JW Marriott Hotel Kuala Lumpur	538,000	11
(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	7
(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) Ipoh Hotel (formerly known as Syeun Hotel)	100,611	2
(xii) Cameron Highlands Resort	63,000	1
Properties in Japan		
(xiii) Hilton Niseko Village*	294,291	6
(xiv) The Green Leaf Niseko Village*	183,718	4
Properties/Portfolio in Australia		
(xv) Sydney Harbour Marriott^	1,384,411	28
(xvi) Brisbane Marriott^	253,666	5
(xvii) Melbourne Marriott^	219,050	4
<u>Property Development</u>		
<u>At Cost</u>		
Property in Japan		
(xviii) Moxy Niseko*	33,073	1
Sub-total	4,949,420	99
Deposits with licensed financial institutions	48,783	1
Total	4,998,203	100

Note :

* Translated on 31 December 2024 at the exchange rate of JPY100 : RM2.8572

^ Translated on 31 December 2024 at the exchange rate of AUD1 : RM2.7772

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B6. Change in Net Asset Value (“NAV”)

The total NAV and NAV per unit of the Group as at 31 December 2024 were RM2,841,568,000 and RM1.6672, respectively. The decrease in total NAV was mainly due to the unrealised translation loss in respect of the investment in Australia at the back of weaker AUD against RM.

	Current Quarter 31.12.2024	Preceding Quarter 30.09.2024
NAV (RM'000)	2,841,568	2,889,193
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.6672	1.6951
NAV per unit (before distribution) (RM)	1.6963	1.6951

B7. Status of Property Development Activities

The Group's property development activity involves the development of a hotel in Niseko, Japan, branded Moxy Niseko. The project is expected to incur a total development cost of approximately JPY 6.38 billion (equivalent to around RM 199 million, translated during the project inception period). This development is being carried out by Starhill REIT Niseko G.K. ("Starhill GK"), a wholly owned subsidiary of YTL Hospitality REIT.

As at 31 December 2024, total development cost incurred was RM33,073,000 (JPY1,157,530,000).

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 31 December 2024.

B10. Material Litigation

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

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B11. Major Maintenance Costs and Major Capital Expenditure

During the financial period ended 31 December 2024, the Malaysian Properties carried out asset enhancement works totaling RM41,315,000, of which RM40,750,000 relates to renovation works for Ipoh Hotel. The Australian portfolio incurred a capital expenditure of RM4,142,000 (AUD1,420,000).

B12. Taxation

Taxation comprises the following:-

	Current Quarter 31.12.2024 RM'000	Year To Date 31.12.2024 RM'000
Malaysian income tax	69	139
Foreign income tax	1,448	2,043
Deferred tax	(501)	(409)
	-----	-----
	1,016	1,773
	=====	=====

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 expected to be payable by the Trust.

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:-

Property Development

On 29 April 2024, the development of Moxy Niseko by Starhill GK was announced. Refer to details set out in Note B7 above.

B14. Borrowings and Debt Securities

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

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	722,072	425,945	1,148,017
Medium Term Notes – secured	-	1,095,000	1,095,000
	-----	-----	-----
Total borrowings	722,072	1,520,945	2,243,017
Capitalised transaction costs	(589)	(4,830)	(5,419)
	-----	-----	-----
	721,483	1,516,115	2,237,598
	=====	=====	=====
Total Assets			5,223,067
			=====
Gearing ratio (%)			42.94
			=====

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	353,613	982,054
Japanese Yen [*]	5,808,580	165,963

		1,148,017
		=====

Note :

[^] Translated on 31 December 2024 at the exchange rate of AUD1 : RM2.7772

^{*} Translated on 31 December 2024 at the exchange rate of JPY100 : RM2.8572

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities - continued

For the current financial period under review, the Group incurred borrowings of RM35,000,000 to finance the renovation works of Ipoh Hotel and RM11,053,000 (JPY366,080,000) for the property development undertaken by Starhill GK.

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

For the 6 months from 1 July 2024 to 31 December 2024, the Board of Pintar Projek Sdn. Bhd. has declared an interim distribution of 2.9128 sen per unit, all taxable in the hands of unitholders, totaling RM49,645,440 (which is tax exempt at the Trust level under the amended Section 61A of the Income Tax Act 1967), representing approximately 95% of the total distributable income for the financial period ended 31 December 2024. The book closure and payment dates in respect of the interim distribution have been fixed on 6 March and 27 March 2025, respectively.

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YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B15. Income Distribution - continued

The interim income distribution is from the following sources:-

	Current Year Quarter 31.12.2024 RM'000	Preceding Year Corresponding Quarter 31.12.2023 RM'000	Current Year To Date 31.12.2024 RM'000	Preceding Year To Date 31.12.2023 RM'000
Net property income	79,488	75,681	148,390	143,958
Other income	3,913	27,068	16,328	29,130
Expenses	(49,966)	(60,452)	(100,711)	(103,089)
	-----	-----	-----	-----
Profit before tax	33,435	42,297	64,007	69,999
Income tax expense	(1,016)	(896)	(1,773)	(1,701)
	-----	-----	-----	-----
Profit after tax	32,419	41,401	62,234	68,298
Distribution adjustments	(6,641)	11,225	(9,977)	10,824
	-----	-----	-----	-----
Realised income for the quarter/period	25,778	52,626	52,257	79,122
Total undistributed realised income brought forward	234,289	226,890	207,810	200,394
	-----	-----	-----	-----
Total realised income available for distribution	260,067	279,516	260,067	279,516
Less: income distribution	(49,645)	(71,211)	(49,645)	(71,211)
	-----	-----	-----	-----
Balance undistributed realised income	210,422	208,305	210,422	208,305
	=====	=====	=====	=====
Distribution per unit (sen)	2.9128	4.1781	2.9128	4.1781
	=====	=====	=====	=====

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: 20 February 2025