

YTL HOSPITALITY REIT

Established in Malaysia

**Interim Financial Report
30 September 2024**

YTL HOSPITALITY REIT

Interim Financial Report 30 September 2024

	Page No.
Condensed Income Statements	1 - 2
Condensed Statements of Comprehensive Income	3
Condensed Statements of Financial Position	4 - 5
Condensed Statements of Changes in Net Asset Value	6 - 9
Condensed Consolidated Statement of Cash Flows	10 - 11
Notes to the Interim Financial Report	12 - 23

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial period ended 30 September 2024.

The figures have not been audited.

CONDENSED INCOME STATEMENTS FOR THE PERIOD

	GROUP		TRUST	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	QUARTER	CORRESPONDING
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
REALISED REVENUE	132,747	131,237	40,317	36,811
UNREALISED LEASE INCOME	(65)	(323)	(19)	(275)
TOTAL REVENUE	132,682	130,914	40,298	36,536
PROPERTY OPERATING EXPENSES	(63,780)	(62,637)	(2,083)	(1,918)
NET PROPERTY INCOME	68,902	68,277	38,215	34,618
FINANCE INCOME	1,691	1,166	22,986	23,204
OTHER INCOME	568	496	32	53
MANAGER'S FEES	(2,714)	(2,634)	(2,714)	(2,634)
TRUSTEE'S FEES	(401)	(381)	(401)	(381)
DEPRECIATION	(14,989)	(15,398)	(1)	(1)
FINANCE COSTS	(31,249)	(28,179)	(31,227)	(28,157)
ADMINISTRATION EXPENSES	(1,392)	(2,518)	(119)	(152)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	10,091	6,473	(12,621)	(5,879)
FAIR VALUE CHANGES ON UNREALISED LEASE INCOME	65	400	19	352
PROFIT BEFORE TAX	30,572	27,702	14,169	21,023

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED INCOME STATEMENTS FOR THE PERIOD – continued

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2023 RM'000	CURRENT YEAR QUARTER 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2023 RM'000
PROFIT BEFORE TAX	30,572	27,702	14,169	21,023
INCOME TAX EXPENSE	(757)	(805)	(312)	(330)
PROFIT FOR THE PERIOD	29,815	26,897	13,857	20,693
DISTRIBUTION ADJUSTMENTS:				
- Unrealised lease income	65	323	19	275
- Depreciation	14,989	15,398	1	1
- Fair value changes on unrealised lease income	(65)	(400)	(19)	(352)
- Net income from foreign operations	(8,234)	(9,249)	-	-
- Unrealised foreign translation differences	(10,091)	(6,473)	12,621	5,879
INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME	26,479	26,496	26,479	26,496
PROVISION FOR INCOME DISTRIBUTION	-	-	-	-
UNDISTRIBUTED DISTRIBUTABLE INCOME	26,479	26,496	26,479	26,496
DISTRIBUTABLE INCOME PER UNIT (Sen)	1.5536	1.5546	1.5536	1.5546
GROSS DISTRIBUTION PER UNIT (Sen)	-	-	-	-

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

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD

	GROUP		TRUST	
	CURRENT YEAR QUARTER 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2023 RM'000	CURRENT YEAR QUARTER 30.09.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2023 RM'000
PROFIT FOR THE PERIOD	29,815	26,897	13,857	20,693
OTHER COMPREHENSIVE LOSS:-				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(117,270)	(41,892)	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(87,455)</u>	<u>(14,995)</u>	<u>13,857</u>	<u>20,693</u>
PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:-				
REALISED PROFIT	34,713	35,745	26,479	26,496
UNREALISED ITEMS	(4,898)	(8,848)	(12,622)	(5,803)
	<u>29,815</u>	<u>26,897</u>	<u>13,857</u>	<u>20,693</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)	1.75	1.58	0.81	1.21

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 STATEMENTS OF FINANCIAL POSITION

	GROUP		TRUST	
	UNAUDITED AS AT 30.09.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000	UNAUDITED AS AT 30.09.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
ASSETS				
Non-current Assets				
Investment properties	3,054,405	3,052,259	2,538,600	2,538,600
Property, plant and equipment	1,916,035	2,118,453	-	-
Right-of-use asset	194	195	194	195
Investment in subsidiaries	-	-	550,098	550,098
Amount due from subsidiaries	-	-	1,259,899	1,353,110
Deferred tax assets	2,997	3,389	-	-
	<u>4,973,631</u>	<u>5,174,296</u>	<u>4,348,791</u>	<u>4,442,003</u>
Current Assets				
Inventories	620	686	-	-
Trade and other receivables	100,411	37,794	61,498	1,240
Amount due from subsidiaries	-	-	108,690	117,134
Income tax assets	1	1	-	-
Deposits with licensed financial institutions	71,204	111,172	33,836	83,401
Cash at banks	103,648	122,529	9,509	8,927
	<u>275,884</u>	<u>272,182</u>	<u>213,533</u>	<u>210,702</u>
TOTAL ASSETS	<u><u>5,249,515</u></u>	<u><u>5,446,478</u></u>	<u><u>4,562,324</u></u>	<u><u>4,652,705</u></u>
UNITHOLDERS' FUNDS				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	302,502	267,789	234,289	207,810
Reserves	895,885	1,018,053	339,806	352,428
	<u>2,889,193</u>	<u>2,976,648</u>	<u>2,264,901</u>	<u>2,251,044</u>
Total Unitholders' Funds / Net Asset Value	<u>2,889,193</u>	<u>2,976,648</u>	<u>2,264,901</u>	<u>2,251,044</u>

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

CONDENSED STATEMENTS OF FINANCIAL POSITION – continued

	GROUP		TRUST	
	UNAUDITED AS AT 30.09.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000	UNAUDITED AS AT 30.09.2024 RM'000	AUDITED AS AT 30.06.2024 RM'000
LIABILITIES				
Non-current Liabilities				
Borrowings	1,135,730	1,120,762	425,729	445,762
Lease liability	205	202	205	202
Other payables	-	1,443	-	-
Amount due to a subsidiary	-	-	710,000	675,000
	-----	-----	-----	-----
	1,135,935	1,122,407	1,135,934	1,120,964
	-----	-----	-----	-----
Current Liabilities				
Borrowings	1,124,151	1,196,939	739,151	811,939
Trade and other payables	99,481	77,526	37,365	14,112
Amount due to a subsidiary	-	-	384,973	384,970
Income tax liabilities	755	3,282	-	-
Provision for income distribution	-	69,676	-	69,676
	-----	-----	-----	-----
	1,224,387	1,347,423	1,161,489	1,280,697
	-----	-----	-----	-----
TOTAL LIABILITIES	2,360,322	2,469,830	2,297,423	2,401,661
	-----	-----	-----	-----
TOTAL UNITHOLDERS' FUNDS & LIABILITIES	5,249,515	5,446,478	4,562,324	4,652,705
	=====	=====	=====	=====
Net asset value (RM'000)				
- before income distribution	2,889,193	3,117,535	2,264,901	2,391,931
- after income distribution	2,889,193	2,976,648	2,264,901	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	1.695	1.829	1.329	1.403
- after income distribution	1.695	1.746	1.329	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 30 SEPTEMBER 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 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	-	34,713	(4,898)	-	-	29,815
Other comprehensive income/(loss)	-	-	-	10,741	(128,011)	(117,270)
	-----	-----	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	34,713	(4,898)	10,741	(128,011)	(87,455)
Unitholders' transactions						
Provision for income distribution	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
At 30 September 2024	<u>1,690,806</u>	<u>302,502</u>	<u>(223,626)</u>	<u>(176,677)</u>	<u>1,296,188</u>	<u>2,889,193</u>

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	35,745	(8,848)	-	-	26,897
Other comprehensive loss	-	-	-	(10,377)	(31,515)	(41,892)
Increase/(Decrease) in net assets resulting from operations	-	35,745	(8,848)	(10,377)	(31,515)	(14,995)
Unitholders' transactions						
Provision for income distribution	-	-	-	-	-	-
Decrease in net assets resulting from Unitholders' transaction	-	-	-	-	-	-
At 30 September 2023	1,690,806	249,529	(210,691)	(159,183)	1,321,947	2,892,408

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	26,479	(12,622)	13,857
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	26,479	(12,622)	13,857
Unitholders' transactions				
Provision for income distribution	-	-	-	-
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	-	-	-
	-----	-----	-----	-----
At 30 September 2024	<u>1,690,806</u>	<u>234,289</u>	<u>339,806</u>	<u>2,264,901</u>

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

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

TRUST	Unitholders' Capital RM'000	Distributable Undistributed Realised Income RM'000	Non-distributable Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 July 2023	1,690,806	200,394	354,705	2,245,905
Operations for the period				
Profit/(Loss) for the period	-	26,496	(5,803)	20,693
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	26,496	(5,803)	20,693
Unitholders' transactions				
Provision for income distribution	-	-	-	-
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	-	-	-
	-----	-----	-----	-----
At 30 September 2023	<u>1,690,806</u>	<u>226,890</u>	<u>348,902</u>	<u>2,266,598</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 30 SEPTEMBER 2024**

	3 MONTHS ENDED	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	30,572	27,702
Adjustments for:-		
Amortisation of transaction costs	718	570
Depreciation	14,989	15,398
Fair value changes	(65)	(400)
Interest income	(1,691)	(1,166)
Interest expense	30,475	27,555
Loss on disposal of property, plant and equipment	23	6
Unrealised gain on foreign currency exchange	(10,091)	(6,473)
	-----	-----
Operating profit before changes in working capital	64,930	63,192
Net changes in current assets	(47,485)	(39,707)
Net changes in current liabilities	26,268	16,491
	-----	-----
Cash generated from operations	43,713	39,976
Income tax paid	(3,049)	(1,467)
Income tax refunded	-	17
	-----	-----
Net cash from operating activities	40,664	38,526
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,691	1,166
Acquisition of property, plant and equipment	(2,475)	(2,327)
Enhancement of investment properties	(18,231)	-
Capital expenditure on investment property under development	(10,843)	-
	-----	-----
Net cash used in investing activities	(29,858)	(1,161)
	-----	-----

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 – continued**

	3 MONTHS ENDED	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution paid	(69,676)	(74,709)
Interest paid	(31,401)	(27,553)
Transaction costs paid	(2,383)	(163)
Proceed from borrowings	46,053	2,161
	-----	-----
Net cash used in financing activities	(57,407)	(100,264)
	-----	-----
Net decrease in cash and cash equivalents	(46,601)	(62,899)
Effect on exchange rate changes	(12,248)	(2,648)
Cash and cash equivalents at beginning of financial period	233,701	183,599
	-----	-----
Cash and cash equivalents at end of financial period (note a)	174,852	118,052
	=====	=====

Note (a)

	As At	As At
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	71,204	210
Cash at banks	103,648	117,842
	-----	-----
	174,852	118,052
	=====	=====

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.

YTL HOSPITALITY REIT**INTERIM FINANCIAL REPORT****Notes : - continued****A6. Income Distribution**

The following distribution payment (which was tax exempt at the Trust level under the amended Section 61A, Income Tax Act 1967) was made during the financial period ended 30 September 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

A7. Segment Information

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

	< ---Property rental--- >		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	40,298	6,638	85,746	132,682
Operating expenses	(2,083)	(706)	(60,991)	(63,780)
Net property income	38,215	5,932	24,755	68,902
Finance income				1,691
Other income				568
Unrealised gain on foreign exchange				10,091
Changes in fair value				65
Total income				81,317
Trust and administration expenses				(4,507)
Finance costs				(31,249)
Depreciation				(14,989)
Profit before tax				30,572
Total assets	2,643,710	522,320	2,083,485	5,249,515

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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

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

	< ---Property rental--- >		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	36,536	6,840	87,538	130,914
Operating expenses	(1,918)	(774)	(59,945)	(62,637)
Net property income	34,618	6,066	27,593	68,277
Finance income				1,166
Other income				496
Unrealised gain on foreign exchange				6,473
Changes in fair value				400
Total income				76,812
Trust and administration expenses				(5,533)
Finance costs				(28,179)
Depreciation				(15,398)
Profit before tax				27,702
Total assets	2,343,291	526,874	2,151,228	5,021,393

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 30 September 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 %
	30.09.2024 RM'000	30.09.2023 RM'000		30.09.2024 RM'000	30.09.2023 RM'000	
Revenue:						
- Hotel (Management contracts)	85,746	87,538	(2.05)	85,746	87,538	(2.05)
- Property rental (Master leases)	46,936	43,376	8.21	46,936	43,376	8.21
	-----	-----		-----	-----	
	132,682	130,914	1.35	132,682	130,914	1.35
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	24,755	27,593	(10.29)	24,755	27,593	(10.29)
- Property rental (Master leases)	44,147	40,684	8.51	44,147	40,684	8.51
	-----	-----		-----	-----	
	68,902	68,277	0.92	68,902	68,277	0.92
	=====	=====		=====	=====	
Profit Before Tax	30,572	27,702	10.36	30,572	27,702	10.36
Income Available For Distribution	26,479	26,496	(0.06)	26,479	26,496	(0.06)

(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 RM132.682 million and RM68.902 million, respectively, as compared to RM130.914 million and RM68.277 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 1.35% and 0.92%, 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 RM30.572 million for the current financial quarter, an increase of 10.36% as compared to profit before tax of RM27.702 million recorded in the preceding year corresponding quarter mainly due to the unrealised gain in foreign currency translation differences and finance income. The gain was offset by the increase in finance costs incurred on additional borrowings raised to finance the acquisition of Hotel Stripes and Ipoh Hotel and assets enhancement works for certain Malaysian Properties.

Income available for distribution in the current financial quarter of RM26.479 million, approximated that of the preceding year corresponding quarter of RM26.496 million.

Review of Operating Business Segments

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

Hotel

The revenue of the hotel segment remains relatively consistent with the financial quarter under review except that the net property income was slightly mitigated by higher property operating expenses incurred on the guest room maintenance programme at Sydney Harbour Marriott.

Property rental

The increase in revenue and net property income in the property rental segment for the current financial quarter 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 the completion of refurbishment works in the preceding quarter.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT
INTERIM FINANCIAL REPORT

Notes : - continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2024 RM'000	Preceding Quarter 30.06.2024 RM'000	Variance % +/-
Revenue:			
- Hotel (Management contracts)	85,746	83,864	2.24
- Property rental (Master leases)	46,936	46,325	1.32
	----- 132,682	----- 130,189	1.91
Net Property Income:			
- Hotel (Management contracts)	24,755	22,208	11.47
- Property rental (Master leases)	44,147	43,571	1.32
	----- 68,902	----- 65,779	4.75
Profit Before Tax	30,572	78,703	(61.16)
Income Available For Distribution	26,479	42,230	(37.30)

For the current financial quarter, the Group revenue and net property income increased by 1.91% and 4.75%, respectively as compared to the preceding quarter ended 30 June 2024.

The Group recorded a profit before tax of RM30.572 million for the current financial quarter ended 30 September 2024, a decrease of 61.16% compared to the profit before tax of RM78.703 million recorded in the preceding quarter. The decrease was mainly due to the absence of a one-off fair value gain of RM68.642 million which had been recorded in the preceding quarter due to an annual valuation, which was partially offset by the unrealised gain in foreign currency translation differences in the current financial quarter.

Income available for distribution in the current financial quarter of RM26.479 million represented a decrease of 37.30% as compared to RM42.230 million in the preceding quarter mainly due to the absence of rental differences in respect of the rental deferral programme received and realised in the preceding quarter.

Review of Operating Business Segments

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

Hotel

The Australian portfolio posted higher revenue and net property income, primarily driven by successful group businesses and events. 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.

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B3. Prospects

The hospitality sector is expected to remain resilient and positive in the regions where the Group operates, supported by ongoing demand and recovery trends.

The Group is continuously taking steps to proactively manage the business portfolio and taking decisive actions to safeguard long-term business growth and ensuring sustainable value creation for 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.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Portfolio Composition

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

	As At 30.09.2024 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) Cameron Highlands Resort	63,000	1
(xii) Ipoh Hotel (formerly known as Syeun Hotel)	58,000	1
Properties in Japan		
(xiii) Hilton Niseko Village*	297,011	6
(xiv) The Green Leaf Niseko Village*	185,415	4
Properties/Portfolio in Australia		
(xv) Sydney Harbour Marriott^	1,428,060	28
(xvi) Brisbane Marriott^	262,027	5
(xvii) Melbourne Marriott^	225,948	5
<u>Property Development</u>		
<u>At Cost</u>		
Property in Japan		
(xviii) Moxy Niseko*	33,379	1
Sub-total	4,970,440	99
Deposits with licensed financial institutions	71,204	1
Total	5,041,644	100

Note :

* Translated on 30 September 2024 at the exchange rate of JPY100 : RM2.8836

^ Translated on 30 September 2024 at the exchange rate of AUD1 : RM2.8463

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 September 2024 were RM2,889,193,000 and RM1.6951, 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 30.09.2024	Preceding Quarter 30.06.2024
NAV (RM'000)	2,889,193	2,976,648
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.6951	1.7465
NAV per unit (before distribution) (RM)	1.6951	1.8291

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). This development is being carried out by Starhill REIT Niseko G.K. ("Starhill GK"), a wholly owned subsidiary of YTL Hospitality REIT.

As at 30 September 2024, total development cost incurred was RM33,379,000 (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 30 September 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 period ended 30 September 2024, the Malaysian Properties carried out asset enhancement works totaling RM18,231,000, of which RM18,000,000 relates to renovation works for Ipoh Hotel. The Australian portfolio incurred a capital expenditure of RM2,475,000 (AUD833,000).

B12. Taxation

Taxation comprises the following:-

	Current Quarter 30.09.2024 RM'000
Malaysian income tax	70
Foreign income tax	595
Deferred tax	92

	757
	=====

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 30 September 2024 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	740,038	430,895	1,170,933
Medium Term Notes – secured	385,000	710,000	1,095,000
	-----	-----	-----
Total borrowings	1,125,038	1,140,895	2,265,933
Capitalised transaction costs	(887)	(5,165)	(6,052)
	-----	-----	-----
	1,124,151	1,135,730	2,259,881
	=====	=====	=====
Total Assets			5,249,515
			=====
Gearing ratio (%)			43.16
			=====

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar [^]	352,541	1,003,437
Japanese Yen [*]	5,808,580	167,496

		1,170,933
		=====

Note :

[^] Translated on 30 September 2024 at the exchange rate of AUD1 : RM2.8463

^{*} Translated on 30 September 2024 at the exchange rate of JPY100 : RM2.8836

YTL HOSPITALITY REIT

INTERIM FINANCIAL REPORT

Notes : - continued

B14. Borrowings and Debt Securities - continued

During the current financial quarter, 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

The frequency of income distribution is on a semi-annual basis. There is no income distribution declared for the current financial quarter.

(THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

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: 26 November 2024