

**YTL HOSPITALITY REIT**

Established in Malaysia

**Interim Financial Report  
31 December 2022**

# **YTL HOSPITALITY REIT**

## **Interim Financial Report 31 December 2022**

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**YTL HOSPITALITY REIT****INTERIM FINANCIAL REPORT**

Interim financial report on results for the financial period ended 31 December 2022.

The figures have not been audited.

**CONDENSED INCOME STATEMENTS FOR THE QUARTER**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>CURRENT YEAR QUARTER 31.12.2022 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000</b>	<b>CURRENT YEAR QUARTER 31.12.2022 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000</b>
REALISED REVENUE	130,062	69,162	36,445	18,096
ACCRUED LEASE INCOME - UNBILLED	51	20,602	90	18,415
<b>TOTAL REVENUE</b>	<b>130,113</b>	<b>89,764</b>	<b>36,535</b>	<b>36,511</b>
PROPERTY OPERATING EXPENSES	(63,852)	(34,413)	(1,857)	(1,832)
<b>NET PROPERTY INCOME</b>	<b>66,261</b>	<b>55,351</b>	<b>34,678</b>	<b>34,679</b>
FINANCE INCOME	355	23	19,178	19,877
OTHER INCOME	504	452	35	-
MANAGER'S FEES	(2,564)	(2,318)	(2,564)	(2,318)
TRUSTEE'S FEES	(372)	(363)	(372)	(363)
DEPRECIATION	(14,973)	(15,217)	-	-
FINANCE COSTS	(23,370)	(15,011)	(23,348)	(14,988)
ADMINISTRATION EXPENSES	(1,280)	(1,150)	(176)	(273)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	767	(1,468)	2,989	(2,834)
FAIR VALUE CHANGES ON UNBILLED LEASE INCOME	(47)	(17,676)	(86)	(15,167)
<b>PROFIT BEFORE TAX</b>	<b>25,281</b>	<b>2,623</b>	<b>30,334</b>	<b>18,613</b>

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>CURRENT</b>	<b>PRECEDING</b>	<b>CURRENT</b>	<b>PRECEDING</b>
	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>
	<b>QUARTER</b>	<b>CORRESPONDING</b>	<b>QUARTER</b>	<b>CORRESPONDING</b>
	<b>31.12.2022</b>	<b>QUARTER</b>	<b>31.12.2022</b>	<b>QUARTER</b>
	<b>RM'000</b>	<b>31.12.2021</b>	<b>RM'000</b>	<b>31.12.2021</b>
		<b>RM'000</b>		<b>RM'000</b>
<b>PROFIT BEFORE TAX</b>	25,281	2,623	30,334	18,613
<b>INCOME TAX EXPENSE</b>	(386)	(123)	(345)	(379)
	-----	-----	-----	-----
<b>PROFIT FOR THE QUARTER</b>	24,895	2,500	29,989	18,234
<b>DISTRIBUTION ADJUSTMENTS:</b>				
- Accrued lease income - unbilled	(51)	(20,602)	(90)	(18,415)
- Depreciation	14,973	15,217	-	-
- Fair value changes on unbilled lease income	47	17,676	86	15,167
- Net income from foreign operations	(12,101)	1,561	-	-
- Unrealised foreign translation differences	(767)	1,468	(2,989)	2,834
	-----	-----	-----	-----
<b>INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME</b>	26,996	17,820	26,996	17,820
<b>UNDISTRIBUTED DISTRIBUTABLE INCOME BROUGHT FORWARD</b>	30,948	17,916	30,948	17,916
	-----	-----	-----	-----
<b>UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION</b>	57,944	35,736	57,944	35,736
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**YTL HOSPITALITY REIT****INTERIM FINANCIAL REPORT****CONDENSED INCOME STATEMENTS FOR THE QUARTER – continued**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>CURRENT</b>	<b>PRECEDING</b>	<b>CURRENT</b>	<b>PRECEDING</b>
	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>
	<b>QUARTER</b>	<b>CORRESPONDING</b>	<b>QUARTER</b>	<b>CORRESPONDING</b>
	<b>31.12.2022</b>	<b>QUARTER</b>	<b>31.12.2022</b>	<b>QUARTER</b>
	<b>RM'000</b>	<b>31.12.2021</b>	<b>RM'000</b>	<b>31.12.2021</b>
		<b>RM'000</b>		<b>RM'000</b>
UNDISTRIBUTED DISTRIBUTABLE INCOME AVAILABLE FOR DISTRIBUTION	57,944	35,736	57,944	35,736
PROVISION FOR INCOME DISTRIBUTION	(52,154)	(32,179)	(52,154)	(32,179)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	5,790	3,557	5,790	3,557
	=====	=====	=====	=====
<b>DISTRIBUTABLE INCOME PER UNIT (Sen)</b>	1.5839	1.0455	1.5839	1.0455
	=====	=====	=====	=====
<b>GROSS DISTRIBUTION PER UNIT (Sen)</b>	3.0600	1.8880	3.0600	1.8880
	=====	=====	=====	=====

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

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

	<b>GROUP</b>		<b>TRUST</b>	
	<b>CURRENT YEAR QUARTER 31.12.2022 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000</b>	<b>CURRENT YEAR QUARTER 31.12.2022 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31.12.2021 RM'000</b>
<b>PROFIT FOR THE QUARTER</b>	24,895	2,500	29,989	18,234
<b>OTHER COMPREHENSIVE INCOME/(LOSS):-</b>				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	5,578	(5,314)	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE QUARTER</b>	<u>30,473</u>	<u>(2,814)</u>	<u>29,989</u>	<u>18,234</u>
<b>PROFIT FOR THE QUARTER IS MADE UP AS FOLLOWS:-</b>				
REALISED PROFIT	39,097	16,259	26,996	17,820
UNREALISED ITEMS	(14,202)	(13,759)	2,993	414
	<u>24,895</u>	<u>2,500</u>	<u>29,989</u>	<u>18,234</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>
<b>EARNINGS PER UNIT (Sen)</b>	<u>1.46</u>	<u>0.15</u>	<u>1.76</u>	<u>1.07</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED INCOME STATEMENTS FOR THE PERIOD**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>6 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
REALISED REVENUE	243,391	138,496	72,553	35,982
ACCRUED LEASE INCOME - UNBILLED	(1,018)	41,442	519	37,040
<b>TOTAL REVENUE</b>	<b>242,373</b>	<b>179,938</b>	<b>73,072</b>	<b>73,022</b>
PROPERTY OPERATING EXPENSES	(117,971)	(66,428)	(3,715)	(3,649)
<b>NET PROPERTY INCOME</b>	<b>124,402</b>	<b>113,510</b>	<b>69,357</b>	<b>69,373</b>
FINANCE INCOME	594	51	38,720	39,918
OTHER INCOME	1,344	914	408	40
MANAGER'S FEES	(4,971)	(4,700)	(4,971)	(4,700)
TRUSTEE'S FEES	(745)	(729)	(745)	(729)
DEPRECIATION	(30,404)	(30,546)	(1)	(1)
FINANCE COSTS	(43,338)	(30,075)	(43,294)	(30,030)
ADMINISTRATION EXPENSES	(2,490)	(2,227)	(329)	(319)
UNREALISED GAIN/(LOSS) ON FOREIGN EXCHANGE	2,823	6,657	1,104	(9,220)
FAIR VALUE CHANGES ON UNBILLED LEASE INCOME	1,049	(35,353)	(488)	(30,334)
<b>PROFIT BEFORE TAX</b>	<b>48,264</b>	<b>17,502</b>	<b>59,761</b>	<b>33,998</b>

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**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED INCOME STATEMENTS FOR THE PERIOD – continued**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>6 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>PROFIT BEFORE TAX</b>	48,264	17,502	59,761	33,998
INCOME TAX EXPENSE	(512)	(208)	(683)	(777)
	-----	-----	-----	-----
<b>PROFIT FOR THE PERIOD</b>	47,752	17,294	59,078	33,221
DISTRIBUTION ADJUSTMENTS:				
- Accrued lease income - unbilled	1,018	(41,442)	(519)	(37,040)
- Depreciation	30,404	30,546	1	1
- Fair value changes on unbilled lease income	(1,049)	35,353	488	30,334
- Net income from foreign operations	(17,358)	642	-	-
- Unrealised foreign translation differences	(2,823)	(6,657)	(1,104)	9,220
	-----	-----	-----	-----
<b>INCOME AVAILABLE FOR DISTRIBUTION / TOTAL DISTRIBUTABLE INCOME</b>	57,944	35,736	57,944	35,736
PROVISION FOR INCOME DISTRIBUTION	(52,154)	(32,179)	(52,154)	(32,179)
	-----	-----	-----	-----
UNDISTRIBUTED DISTRIBUTABLE INCOME	5,790	3,557	5,790	3,557
	=====	=====	=====	=====
<b>DISTRIBUTABLE INCOME PER UNIT (Sen)</b>	3.3997	2.0967	3.3997	2.0967
	=====	=====	=====	=====
<b>GROSS DISTRIBUTION PER UNIT (Sen)</b>	3.0600	1.8880	3.0600	1.8880
	=====	=====	=====	=====

The Condensed Income Statements should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.



**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>6 MONTHS ENDED</b>		<b>6 MONTHS ENDED</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>PROFIT FOR THE PERIOD</b>	47,752	17,294	59,078	33,221
<b>OTHER COMPREHENSIVE LOSS:-</b>				
<i>ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
CURRENCY TRANSLATION DIFFERENCES	(6,827)	(47,441)	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<u>40,925</u>	<u>(30,147)</u>	<u>59,078</u>	<u>33,221</u>
<b>PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:-</b>				
REALISED PROFIT	75,302	35,094	57,944	35,736
UNREALISED (LOSS) / PROFIT	(27,550)	(17,800)	1,134	(2,515)
	<u>47,752</u>	<u>17,294</u>	<u>59,078</u>	<u>33,221</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>
<b>EARNINGS PER UNIT (Sen)</b>	<u>2.80</u>	<u>1.01</u>	<u>3.47</u>	<u>1.95</u>

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF FINANCIAL POSITION**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>	<b>AS AT</b>	<b>AS AT</b>
	<b>31.12.2022</b>	<b>30.06.2022</b>	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Investment properties	2,769,933	2,754,328	2,258,000	2,258,000
Property, plant and equipment	1,918,908	1,971,944	-	-
Unbilled lease income	30,204	30,172	30,204	30,172
Right-of-use asset	200	201	200	201
Investment in subsidiaries	-	-	537,022	533,522
Amount due from subsidiaries	-	-	1,336,580	1,345,006
Deferred tax assets	2,879	2,137	-	-
	-----	-----	-----	-----
	4,722,124	4,758,782	4,162,006	4,166,901
	-----	-----	-----	-----
<b>Current Assets</b>				
Inventories	706	524	-	-
Trade and other receivables	101,227	59,294	65,284	29,498
Amount due from subsidiaries	-	-	111,833	121,905
Income tax assets	17	17	-	-
Deposits with licensed financial institutions	-	11,151	-	1,118
Cash at banks	98,623	72,482	10,452	5,419
	-----	-----	-----	-----
	200,573	143,468	187,569	157,940
	-----	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>4,922,697</b>	<b>4,902,250</b>	<b>4,349,575</b>	<b>4,324,841</b>
	=====	=====	=====	=====
<b>UNITHOLDERS' FUNDS</b>				
Unitholders' capital	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income	208,556	185,408	206,184	200,394
Reserves	862,157	896,534	344,465	343,331
	-----	-----	-----	-----
Total Unitholders' Funds / Net Asset Value	2,761,519	2,772,748	2,241,455	2,234,531
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**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF FINANCIAL POSITION – continued**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>	<b>AS AT</b>	<b>AS AT</b>
	<b>31.12.2022</b>	<b>30.06.2022</b>	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>				
<b>Non-current Liabilities</b>				
Borrowings	1,498,942	1,415,852	768,942	950,852
Lease liability	208	203	208	203
Other payables	-	1,127	-	-
Amount due to a subsidiary	-	-	730,000	465,000
	<u>1,499,150</u>	<u>1,417,182</u>	<u>1,499,150</u>	<u>1,416,055</u>
<b>Current Liabilities</b>				
Borrowings	533,120	622,698	448,120	272,698
Trade and other payables	76,154	53,402	23,726	16,357
Amount due to a subsidiary	-	-	84,970	349,970
Income tax liabilities	600	990	-	-
Provision for income distribution	52,154	35,230	52,154	35,230
	<u>662,028</u>	<u>712,320</u>	<u>608,970</u>	<u>674,255</u>
<b>TOTAL LIABILITIES</b>	<u>2,161,178</u>	<u>2,129,502</u>	<u>2,108,120</u>	<u>2,090,310</u>
<b>TOTAL UNITHOLDERS' FUNDS &amp; LIABILITIES</b>	<u>4,922,697</u>	<u>4,902,250</u>	<u>4,349,575</u>	<u>4,324,841</u>
Net asset value (RM'000)				
- before income distribution	2,813,673	2,840,157	2,293,609	2,301,940
- after income distribution	<u>2,761,519</u>	<u>2,772,748</u>	<u>2,241,455</u>	<u>2,234,531</u>
Number of units in circulation ('000)	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>	<u>1,704,389</u>
Net asset value per unit (RM)				
- before income distribution	1.651	1.666	1.346	1.351
- after income distribution	<u>1.620</u>	<u>1.627</u>	<u>1.315</u>	<u>1.311</u>

The Condensed Statements of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

<b>GROUP</b>	<b>Unitholders' Capital RM'000</b>	<b>Distributable Undistributed Realised Income RM'000</b>	<b>&lt;-----Non-distributable-----&gt;</b>			<b>Total Unitholders' Funds RM'000</b>
			<b>Unrealised Loss RM'000</b>	<b>Currency Translation Reserves RM'000</b>	<b>Revaluation Reserve RM'000</b>	
At 1 July 2022	1,690,806	185,408	(187,825)	(149,554)	1,233,913	2,772,748
<b>Operations for the period</b>						
Profit/(Loss) for the period	-	75,302	(27,550)	-	-	47,752
Other comprehensive income/(loss)	-	-	-	12,437	(19,264)	(6,827)
Increase/(Decrease) in net assets resulting from operations	-	75,302	(27,550)	12,437	(19,264)	40,925
<b>Unitholders' transactions</b>						
Provision for income distribution	-	(52,154)	-	-	-	(52,154)
Decrease in net assets resulting from Unitholders' transaction	-	(52,154)	-	-	-	(52,154)
At 31 December 2022	1,690,806	208,556	(215,375)	(137,117)	1,214,649	2,761,519

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 - continued**

<b>GROUP</b>	<b>Unitholders' Capital RM'000</b>	<b>Distributable Undistributed Realised Income RM'000</b>	<b>&lt;-----Non-distributable-----&gt;</b>			<b>Total Unitholders' Funds RM'000</b>
			<b>Unrealised Loss RM'000</b>	<b>Currency Translation Reserves RM'000</b>	<b>Revaluation Reserve RM'000</b>	
At 1 July 2021	1,690,806	197,144	(216,024)	(88,598)	1,121,991	2,705,319
<b>Operations for the period</b>						
Profit/(Loss) for the period	-	35,094	(17,800)	-	-	17,294
Other comprehensive loss	-	-	-	(12,868)	(34,573)	(47,441)
Increase/(Decrease) in net assets resulting from operations	-	35,094	(17,800)	(12,868)	(34,573)	(30,147)
<b>Unitholders' transactions</b>						
Provision for income distribution	-	(32,179)	-	-	-	(32,179)
Decrease in net assets resulting from Unitholders' transaction	-	(32,179)	-	-	-	(32,179)
At 31 December 2021	1,690,806	200,059	(233,824)	(101,466)	1,087,418	2,642,993

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 - continued**

<b>TRUST</b>	<b>Unitholders' Capital RM'000</b>	<b>Distributable Undistributed Realised Income RM'000</b>	<b>Non-distributable Unrealised Income RM'000</b>	<b>Total Unitholders' Funds RM'000</b>
At 1 July 2022	1,690,806	200,394	343,331	2,234,531
<b>Operations for the period</b>				
Profit for the period	-	57,944	1,134	59,078
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase in net assets resulting from operations	-	57,944	1,134	59,078
<b>Unitholders' transactions</b>				
Provision for income distribution	-	(52,154)	-	(52,154)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(52,154)	-	(52,154)
	-----	-----	-----	-----
At 31 December 2022	<u><u>1,690,806</u></u>	<u><u>206,184</u></u>	<u><u>344,465</u></u>	<u><u>2,241,455</u></u>

**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENTS OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 - continued**

<b>TRUST</b>	<b>Unitholders' Capital RM'000</b>	<b>Distributable Undistributed Realised Income RM'000</b>	<b>Non-distributable Unrealised Income RM'000</b>	<b>Total Unitholders' Funds RM'000</b>
At 1 July 2021	1,690,806	197,410	341,451	2,229,667
<b>Operations for the period</b>				
Profit/(Loss) for the period	-	35,736	(2,515)	33,221
Other comprehensive income	-	-	-	-
	-----	-----	-----	-----
Increase/(Decrease) in net assets resulting from operations	-	35,736	(2,515)	33,221
<b>Unitholders' transactions</b>				
Provision for income distribution	-	(32,179)	-	(32,179)
	-----	-----	-----	-----
Decrease in net assets resulting from Unitholders' transaction	-	(32,179)	-	(32,179)
	-----	-----	-----	-----
At 31 December 2021	1,690,806	200,967	338,936	2,230,709
	=====	=====	=====	=====

The Condensed Statements of Changes in Net Asset Value should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**YTL HOSPITALITY REIT****INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	<b>6 MONTHS ENDED</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	48,264	17,502
Adjustments for:-		
Amortisation of transaction costs	1,051	1,050
Depreciation	30,404	30,546
Fair value changes	(1,049)	35,353
Interest income	(594)	(51)
Interest expense	42,181	28,917
Loss on disposal of property, plant and equipment	18	4
Unrealised gain on foreign currency exchange	(2,823)	(6,657)
	-----	-----
Operating profit before changes in working capital	117,452	106,664
Net changes in current assets	(40,916)	(57,130)
Net changes in current liabilities	22,028	18,288
	-----	-----
Cash generated from operations	98,564	67,822
Income tax paid	(1,709)	(2,475)
Income tax refunded	-	29
	-----	-----
Net cash from operating activities	96,855	65,376
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	594	51
Acquisition of property, plant and equipment	(7,764)	(1,400)
Proceed from disposal of equipment	1	-
	-----	-----
Net cash used in investing activities	(7,169)	(1,349)
	-----	-----

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**YTL HOSPITALITY REIT****INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 - continued**

	<b>6 MONTHS ENDED</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	(35,230)	(40,106)
Interest paid	(42,176)	(28,911)
Transaction costs paid	(8)	(17)
Proceeds of borrowings	3,500	2,729
	-----	-----
Net cash used in financing activities	(73,914)	(66,305)
	-----	-----
Net increase/(decrease) in cash and cash equivalents	15,772	(2,278)
Effect on exchange rate changes	(782)	(3,504)
Cash and cash equivalents at beginning of financial period	83,633	106,702
	-----	-----
Cash and cash equivalents at end of financial period (note a)	98,623	100,920
	=====	=====

**Note (a)**

	<b>As At</b>	<b>As At</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	-	10,002
Cash at banks	98,623	90,918
	-----	-----
	98,623	100,920
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

# YTL HOSPITALITY REIT

## INTERIM FINANCIAL REPORT

### Notes :

#### Disclosure requirement pursuant to MFRS 134

The condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2022.

#### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting”, and Chapter 9, Part M3 paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group and of the Trust since the financial year ended 30 June 2022.

The accounting policies and methods of computation adopted by the Group and the Trust in the interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2022.

The adoption of MFRSs, interpretations and amendments to MFRSs, which were effective for financial year beginning on or after 1 July 2022 do not have significant financial impacts on the interim financial report of the Group and of the Trust.

#### **A2. Seasonality or Cyclicity of Operations**

Save for Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott (“Australian Properties”), the business operations of the Group and of the Trust are not materially affected by any seasonal or cyclical factors.

#### **A3. Unusual Items**

For the current financial period to date, there was no item of an unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group and of the Trust.

#### **A4. Changes in estimates of amounts reported**

There was no significant change in estimates of amounts reported in prior interim periods or prior financial years.

#### **A5. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter and financial period to date save as disclosed in Note B14.

# YTL HOSPITALITY REIT

## INTERIM FINANCIAL REPORT

Notes : - continued

### A6. Income Distribution

The following distribution payment (which was tax exempt at the Trust level under the amended Section 61A, Income Tax Act 1967) was made during the financial period ended 31 December 2022:-

	<b>RM'000</b>
In respect of the six months ended 30 June 2022:-	
A final distribution of 2.0670 sen per unit each paid on 30 August 2022	35,230

### A7. Segment Information

The Group's segmental result for the financial period ended 31 December 2022 is as follows:-

	< ---Property rental--->		< --Hotel-- >	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
External revenue	73,072	13,612	155,689	242,373
Operating expenses	(3,715)	(1,537)	(112,719)	(117,971)
Net property income	69,357	12,075	42,970	124,402
Other income				1,344
Finance income				594
Unrealised gain on foreign exchange				2,823
Changes in fair value				1,049
Total income				130,212
Trust and administration expenses				(8,206)
Finance costs				(43,338)
Depreciation				(30,404)
Profit before tax				48,264
Total assets	2,364,234	529,662	2,028,801	4,922,697

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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 2021 is as follows:-

	< ---Property rental--->		< --Hotel-- >	
	Malaysia	Japan	Australia	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	73,022	14,406	92,510	179,938
Operating expenses	(3,649)	(1,721)	(61,058)	(66,428)
Net property income	69,373	12,685	31,452	113,510
Other income				914
Finance income				51
Unrealised gain on foreign exchange				6,657
Total income				121,132
Trust and administration expenses				(7,656)
Finance costs				(30,075)
Depreciation				(30,546)
Changes in fair value				(35,353)
Profit before tax				17,502
Total assets	2,296,793	529,604	1,954,267	4,780,664

**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 period ended 31 December 2022 and the fund size stood at 1,704,388,889 units.

**A10. Changes in Contingent Liabilities**

There were no contingent liabilities to be disclosed.

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**YTL HOSPITALITY REIT**

**INTERIM FINANCIAL REPORT**

Notes :

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

**B1. Review of Performance**

	Individual Quarter		Variance % +/-	Cumulative Quarter		Variance % +/-
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Revenue:						
- Hotel (Management contracts)	86,789	46,114	88.21	155,689	92,510	68.29
- Property rental (Master leases)	43,324	43,650	(0.75)	86,684	87,428	(0.85)
	-----	-----		-----	-----	
	130,113	89,764	44.95	242,373	179,938	34.70
	=====	=====		=====	=====	
Net Property Income:						
- Hotel (Management contracts)	25,559	14,410	77.37	42,970	31,452	36.62
- Property rental (Master leases)	40,702	40,941	(0.58)	81,432	82,058	(0.76)
	-----	-----		-----	-----	
	66,261	55,351	19.71	124,402	113,510	9.60
	=====	=====		=====	=====	
Profit Before Tax	25,281	2,623	863.82	48,264	17,502	175.76
Income Available For Distribution	26,996	17,820	51.49	57,944	35,736	62.14

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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 RM130.113 million and RM66.261 million, respectively, as compared to RM89.764 million and RM55.351 million, respectively, recorded in the preceding year corresponding quarter. This represented an increase of 44.95% and 19.71%, respectively. The performance of the operating business segments is explained in the “Review of Operating Business Segments” below.

The Group recorded a profit before tax of RM25.281 million for the current financial quarter, an increase of 863.82% as compared to a profit before tax of RM2.623 million recorded in the preceding year corresponding quarter due mainly to the following:-

- (i) absence of fair value adjustment during the current financial quarter on unbilled lease income under the rental deferral program which ended on 30 June 2022 as compared to the fair value loss of RM17.676 million during the preceding year corresponding quarter; and
- (ii) higher finance costs of RM23.370 million as compared to RM15.011 million recognised during the preceding year corresponding quarter mainly due to higher interest rate on borrowings denominated in Australian Dollar.

Income available for distribution in the current financial quarter of RM26.996 million, represented an increase of 51.49% as compared to RM17.820 million recorded in the preceding year corresponding quarter mainly due to normalization of rental after the end of the rental deferral programme on 30 June 2022.

##### **Current Financial Period vs Preceding Year Corresponding Period**

For the current financial period under review, the Group recorded revenue and net property income of RM242.373 million and RM124.402 million, respectively, as compared to RM179.938 million and RM113.510 million, respectively, recorded in the preceding year corresponding period. This represented an increase of 34.70% and 9.60%, respectively.

The Group recorded a profit before tax of RM48.264 million for the current financial period ended 31 December 2022, an increase of 175.76% as compared to a profit before tax of RM17.502 million recorded in the preceding year corresponding period due to the fair value gain on unbilled lease income of RM1.049 million during the current financial period as opposed to the fair value loss of RM35.353 million during the preceding year corresponding period.

Income available for distribution in the current financial period of RM57.944 million, represented an increase of 62.14% as compared to RM35.736 million recorded in the preceding year corresponding period due to the reasons as mentioned above.

# 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

During the current financial quarter/period under review, the performance of the Australian portfolio improved as a result of the reopening of Australia's international borders in early 2022 which activated the demand from corporate and leisure markets. Revenue and net property income for the financial quarter increased by 88.21% and 77.37%, respectively, while the increase for the financial period were 68.29% and 36.62%, respectively. Net property income was impacted by higher hotel operating costs during the reopening period but has stabilised in the current financial quarter.

##### Property rental

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

### B2. Comparison with Preceding Quarter

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>Preceding Quarter 30.09.2022 RM'000</b>	<b>Variance % +/-</b>
Revenue:			
- Hotel (Management contracts)	86,789	68,900	25.96
- Property rental (Master leases)	43,324	43,360	(0.08)
	-----	-----	
	130,113	112,260	15.90
	=====	=====	
Net Property Income:			
- Hotel (Management contracts)	25,559	17,411	46.80
- Property rental (Master leases)	40,702	40,730	(0.07)
	-----	-----	
	66,261	58,141	13.97
	=====	=====	
Profit Before Tax	25,281	22,983	10.00
Income Available For Distribution	26,996	30,948	(12.77)

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## YTL HOSPITALITY REIT

### INTERIM FINANCIAL REPORT

Notes : - continued

#### B2. Comparison with Preceding Quarter - continued

For the current financial quarter, Group revenue and net property income increased by 15.90% and 13.97%, respectively as compared to the preceding financial quarter ended 30 September 2022.

The Group recorded a profit before tax of RM25.281 million for the current financial quarter ended 31 December 2022, an increase of 10.00% as compared to the preceding financial quarter ended 30 September 2022 mainly due to improved performance from the hotel segment during the current financial quarter as explained in the “Review of Operating Business Segments” below; which was partially offset by:

- (i) higher finance costs of RM23.370 million as compared to RM19.968 million recognised during the preceding financial quarter mainly due to reasons as set out in Note B1; and
- (ii) lower unrealised foreign currency translation gain of RM0.767 million on borrowings denominated in foreign currencies as compared to the gain of RM2.056 million recognised in the preceding financial quarter.

Income available for distribution in the current financial quarter of RM26.996 million represented a decrease of 12.77% as compared to RM30.948 million recorded in the preceding quarter due to the higher finance costs as mentioned above.

#### 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 increase in revenue and net property income from the Australian portfolio in the current financial quarter were due to the same reasons as mentioned in Note B1.

##### Property rental

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

#### B3. Prospects

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

The Group is continuously taking steps to proactively manage the business and take necessary actions to ensure that its long-term business prospects remain stable. Notwithstanding the short term challenges, the Manager remains confident of the long term prospects of the hospitality sector.



# YTL HOSPITALITY REIT

## INTERIM FINANCIAL REPORT

Notes : - continued

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

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

### B5. Portfolio Composition

As at 31 December 2022, YTL Hospitality REIT's composition of investment portfolio is as follows:-

	Fair Value As At 31.12.2022 RM'000	% of total investment %
<b><u>Real Estate - Commercial</u></b>		
<b><u>Malaysian Properties</u></b>		
(i) JW Marriott Hotel Kuala Lumpur	526,500	11
(ii) The Majestic Hotel Kuala Lumpur	397,500	8
(iii) The Ritz-Carlton, Kuala Lumpur - Hotel Wing	361,000	8
(iv) The Ritz-Carlton, Kuala Lumpur - Suite Wing	321,000	7
(v) AC Hotel Kuala Lumpur Titiwangsa	144,500	3
(vi) AC Hotel Penang Bukit Jambul	125,000	3
(vii) Pangkor Laut Resort	122,000	3
(viii) Tanjong Jara Resort	105,000	2
(ix) AC Hotel Kuantan City Centre	94,500	2
(x) Cameron Highlands Resort	61,000	1
<b><u>Japanese Properties</u></b>		
(xi) Hilton Niseko Village*	309,355	7
(xii) The Green Leaf Niseko Village*	202,578	4
<b><u>Australian Properties/Portfolio</u></b>		
(xiii) Sydney Harbour Marriott^	1,442,883	31
(xiv) Brisbane Marriott^	248,749	5
(xv) Melbourne Marriott^	227,276	5
Total	4,688,841	100

Note :

\* Translated on 31 December 2022 at the exchange rate of JPY100 : RM3.3264

^ Translated on 31 December 2022 at the exchange rate of AUD1 : RM2.9887

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## YTL HOSPITALITY REIT

### INTERIM FINANCIAL REPORT

Notes : - continued

#### B6. Change in Net Asset Value (“NAV”)

The total NAV and NAV per unit of the Group as at 31 December 2022 were RM2,761,519,000 and RM1.6202, respectively. The decrease in total NAV was mainly due to the unrealised loss items recorded in respect of the investment in Australian subsidiaries.

	<b>Current Quarter 31.12.2022</b>	<b>Preceding Quarter 30.09.2022</b>
NAV (RM'000)	2,761,519	2,783,200
Number of units in circulations ('000)	1,704,389	1,704,389
NAV per unit (after distribution) (RM)	1.6202	1.6330
NAV per unit (before distribution) (RM)	1.6508	1.6330

#### B7. Status of property development activities

There were no property development activities during the current financial quarter.

#### B8. Profit forecast

The Group did not issue any profit forecast or profit guarantee for the current financial quarter.

#### B9. Utilisation of Proceeds Raised from Issuance of New Units

There was no issuance of new units during the current financial period ended 31 December 2022.

#### B10. Material Litigation

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

#### B11. Major Maintenance Costs and Major Capital Expenditure

During the financial period ended 31 December 2022, RM7,764,000 (AUD2,551,000) was incurred on refurbishment works on the Australian Properties.

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## YTL HOSPITALITY REIT

### INTERIM FINANCIAL REPORT

Notes : - continued

#### B12. Taxation

Taxation comprises the following:-

	<b>Current Quarter 31.12.2022 RM'000</b>	<b>Year To Date 31.12.2022 RM'000</b>
Malaysian income tax	4	5
Foreign income tax	781	1,298
Deferred tax	(399)	(791)
	-----	-----
	386	512
	=====	=====

#### 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 period ended 31 December 2022.

#### Unitholders' level

Pursuant to the amended Section 109D(2) of the Income Tax Act 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at YTL Hospitality REIT's level:-

<b>Category of unitholders</b>	<b>Withholding tax rate</b>
Resident and non-resident individuals	10%
Resident and non-resident institutions	10%
Resident companies	No withholding tax. Subject to tax at the prevailing corporate tax rate.
Non-resident companies	24%

#### B13. Corporate Development

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

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## YTL HOSPITALITY REIT

### INTERIM FINANCIAL REPORT

Notes : - continued

#### B14. Borrowings and Debt Securities

The Group's borrowings as at 31 December 2022 are as follows:-

	Short term RM'000	Long term RM'000	Total RM'000
Term Loan – secured	448,650	771,914	1,220,564
Medium Term Notes - secured	85,000	730,000	815,000
	-----	-----	-----
Total borrowings	533,650	1,501,914	2,035,564
Capitalised transaction costs	(530)	(2,972)	(3,502)
	-----	-----	-----
	533,120	1,498,942	2,032,062
	=====	=====	=====
Total Assets			4,922,697
			=====
Gearing ratio (%)			41.35
			=====

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

	Foreign currency '000	RM equivalents RM'000
Australian Dollar <sup>^</sup>	348,277	1,040,897
Japanese Yen <sup>*</sup>	5,401,250	179,667
		-----
		1,220,564
		=====

Note :

<sup>^</sup> Translated on 31 December 2022 at the exchange rate of AUD1 : RM2.9887

<sup>\*</sup> Translated on 31 December 2022 at the exchange rate of JPY100 : RM3.3264

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

#### B15. Income Distribution

For the 6 months from 1 July 2022 to 31 December 2022, the Board of Pintar Projek Sdn. Bhd. has declared an interim distribution of 3.0600 sen per unit, all taxable in the hands of unitholders, totaling RM52,154,300 (which is tax exempt at the Trust level under the amended Section 61A of the Income Tax Act 1967), representing approximately 90% of the total distributable income for the financial period ended 31 December 2022. The book closure and payment dates in respect of the interim distribution have been fixed on 9 and 30 March 2023, respectively.

**YTL HOSPITALITY REIT****INTERIM FINANCIAL REPORT**

Notes : - continued

**B15. Income Distribution - continued**

The interim income distribution is from the following sources:-

	<b>Current Year Quarter 31.12.2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2021 RM'000</b>	<b>Current Year To Date 31.12.2022 RM'000</b>	<b>Preceding Year To Date 31.12.2021 RM'000</b>
Net property income	66,261	55,351	124,402	113,510
Other income	1,626	475	5,810	7,622
Expenses	(42,606)	(53,203)	(81,948)	(103,630)
Profit before tax	25,281	2,623	48,264	17,502
Income tax expense	(386)	(123)	(512)	(208)
Profit after tax	24,895	2,500	47,752	17,294
Distribution adjustments	2,101	15,320	10,192	18,442
Realised income for the quarter/period	26,996	17,820	57,944	35,736
Total undistributed realised income brought forward	231,342	215,326	200,394	197,410
Total realised income available for distribution	258,338	233,146	258,338	233,146
Less: income distribution	(52,154)	(32,179)	(52,154)	(32,179)
Balance undistributed realised income	206,184	200,967	206,184	200,967
Distribution per unit (sen)	3.0600	1.8880	3.0600	1.8880

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:23 February 2023