

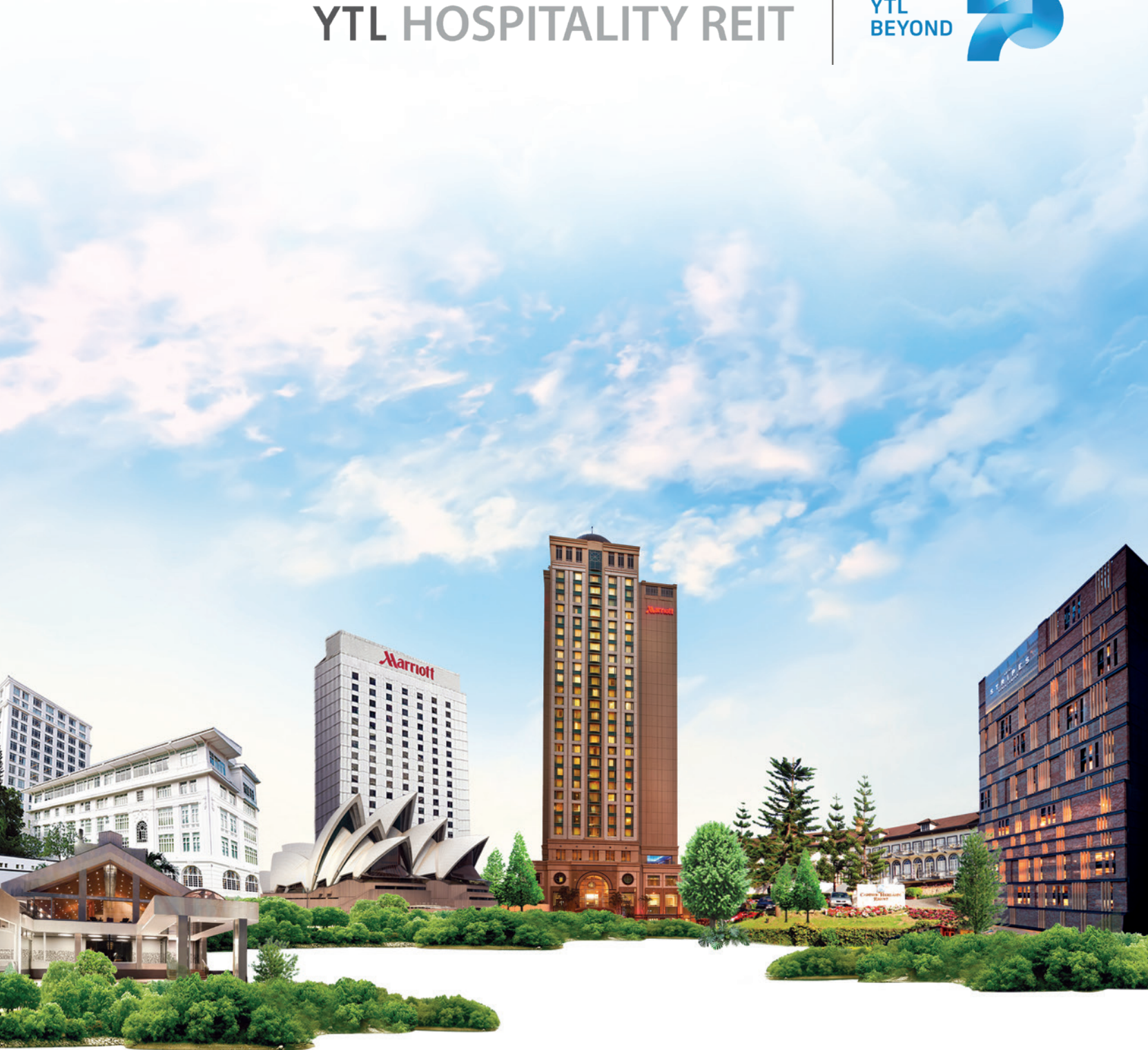
YTL HOSPITALITY REIT

managed by
PINTAR PROJEK SDN BHD
199401028328 (314009-W)

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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www.ytlhospitalityreit.com
www.ytlcommunity.com





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YTL HOSPITALITY REIT

managed by
PINTAR PROJEK SDN BHD
199401028328 (314009-W)

CORPORATE INFORMATION



MANAGER

Pintar Projek Sdn Bhd

MANAGER'S REGISTERED OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2038 0888
Fax : 603-2038 0388
Email : corpsecretariat@ytl.com

MANAGER'S PRINCIPAL PLACE OF BUSINESS

25th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2038 0888
Fax : 603-2038 0301

BOARD OF DIRECTORS OF THE MANAGER

Executive Chairman

Tan Sri (Sir) Yeoh Sock Ping

PSM, KBE, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon LLD (Nottingham), Hon DEng (Kingston),
BSc (Hons) Civil Engineering, FFB, F Inst D, MBIM, RIM

Chief Executive Officer

Dato' Yeoh Seok Kah

DSSA
LLB (Hons)

Executive Directors

Dato' Yeoh Soo Min

DSPN, DPMP, DIMP
BA (Hons) Accounting

Dato' Yeoh Seok Kian

DSSA
BSc (Hons) Bldg, MCI OB, FFB, (Hon) D.Univ

Independent Non-Executive Directors

Datuk Mark Victor Rozario

Fellow of the Institute of Chartered Accountants in England and
Wales, BSc (Hons) Economics

Dato' Zainal Abidin Bin Ahmad

DIMP, JSM, Medal of Friendship (Lao PDR), AMN
MA (Int. Affairs), BSc (Hons) Mathematics

Au Wei Lien

Bsc, Advanced Diploma in Law, Bar-at-law

Non-Independent Non-Executive Director

Dato' Ahmad Fuaad Bin Mohd Dahalan

ABS, DIMP, SIMP
BA (Hons)

Alternate Director to Dato' Yeoh Seok Kah

Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir

DPMP, PMP, AMN, PPN, PJK, OSTJ, JP

Alternate Director to Dato' Yeoh Soo Min

Yeoh Keong Shyan

LLB (Hons)

CORPORATE INFORMATION

COMPANY SECRETARY/HEAD OF COMPLIANCE OF THE MANAGER**Ho Say Keng****TRUSTEE****Maybank Trustees Berhad**

8th Floor, Menara Maybank
 100 Jalan Tun Perak
 50050 Kuala Lumpur
 Tel : 603-2078 8363
 Fax : 603-2070 9387
 Email : mtb@maybank.com.my

REGISTRAR**Pintar Projek Sdn Bhd**

33rd Floor, Menara YTL
 205 Jalan Bukit Bintang
 55100 Kuala Lumpur
 Tel : 603-2038 0888
 Fax : 603-2038 0388
 Email : shares@ytl.com

AUDIT COMMITTEE**Datuk Mark Victor Rozario**

(Chairman and Independent Non-Executive Director)

Dato' Ahmad Fuaad Bin Mohd Dahalan

(Non-Independent Non-Executive Director)

Dato' Zainal Abidin Bin Ahmad

(Independent Non-Executive Director)

AUDITORS**HLB Ler Lum Chew PLT**

(201906002362 & AF 0276)
 Chartered Accountants
 (A member of HLB International)

STOCK EXCHANGE LISTING**Bursa Malaysia Securities Berhad**

Main Market (16.12.2005)



PROPERTY PORTFOLIO

ABOUT YTL HOSPITALITY REIT

YTL Hospitality REIT has a market capitalisation of approximately RM1.83 billion (as at 30 June 2025) with a wide portfolio of prime hospitality assets across a range of unique locations worldwide.

In Malaysia, these include the JW Marriott Hotel Kuala Lumpur, The Majestic Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur (Hotel and Suite wings), the Pangkor Laut, Tanjong Jara and Cameron Highlands resorts, Hotel Stripes Kuala Lumpur and the AC hotels in Kuala Lumpur, Penang, Kuantan and Ipoh. The Trust has also acquired a hotel in Puchong, which is currently under renovation ("Puchong Hotel") and will relaunch as AC Hotel Puchong.

YTL Hospitality REIT's international portfolio comprises Hilton Niseko Village and The Green Leaf Niseko Village in Japan and the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia. The Trust is also undertaking the development of a hotel under the Moxy brand ("Moxy Niseko") in Hokkaido, Japan.

YTL Hospitality REIT's principal objective is to provide unitholders with stable cash distributions through owning and investing in yield accretive real estate assets. This provides potential for sustainable growth in its long term unit value, rewarding unitholders with noticeable returns.

YTL Hospitality REIT was established by a trust deed entered into on 18 November 2005 (as amended and restated) between Pintar Projek Sdn Bhd and Maybank Trustees Berhad, as manager and trustee, respectively, of YTL Hospitality REIT.

Key Milestones

YTL Hospitality REIT was listed on 16 December 2005 on the Main Market of Bursa Malaysia Securities Berhad under the name Starhill Real Estate Investment Trust, and consisted of prime properties within the Golden Triangle of Kuala Lumpur - the JW Marriott Hotel Kuala Lumpur, Starhill Gallery and parcels in Lot 10 Shopping Centre. Its principal investment strategy was investing in a diversified portfolio of retail, office and hospitality real estate assets, with an added focus on retail and hotel properties. In 2007, the REIT added part of The Ritz-Carlton, Kuala Lumpur - Suite Wing to its portfolio.

In 2009, the Trust embarked on a rationalisation exercise to reposition itself as a pure play hospitality REIT, focused on building a class of hotel and hospitality-related assets. The first stage of the exercise was completed in June 2010 and involved disposing the REIT's retail properties (Starhill Gallery and parcels in Lot 10 Shopping Centre) to Starhill Global Real Estate Investment Trust in Singapore.

YTL Hospitality REIT subsequently acquired 9 additional hotel properties in November and December 2011, namely, the Pangkor Laut, Tanjong Jara and Cameron Highlands resorts, The Ritz-Carlton, Kuala Lumpur - Hotel Wing, the remainder of The Ritz-Carlton, Kuala Lumpur - Suite Wing, the AC hotels in Kuala Lumpur, Penang and Kuantan, and Hilton Niseko Village in Japan.

The REIT's international portfolio was further strengthened with the acquisitions of the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia in November 2012. This extended the geographical scope of the REIT and significantly enhanced brand outreach, ultimately raising its appeal to existing and new investors.

In November 2017, YTL Hospitality REIT enhanced its asset portfolio with the acquisition of The Majestic Hotel Kuala Lumpur, the Trust's tenth property in Malaysia, and, in September 2018, acquired its second hotel in Japan, The Green Leaf Niseko Village.

YTL Hospitality REIT's Malaysia portfolio was further expanded with the additions of Hotel Stripes Kuala Lumpur in October 2023, AC Hotel Ipoh in April 2024, which was renovated and launched in April 2025, and the Puchong Hotel in April 2025, which is currently under renovation. In April 2024, the Trust also embarked on the development of Moxy Niseko.

PROPERTY PORTFOLIO

Portfolio

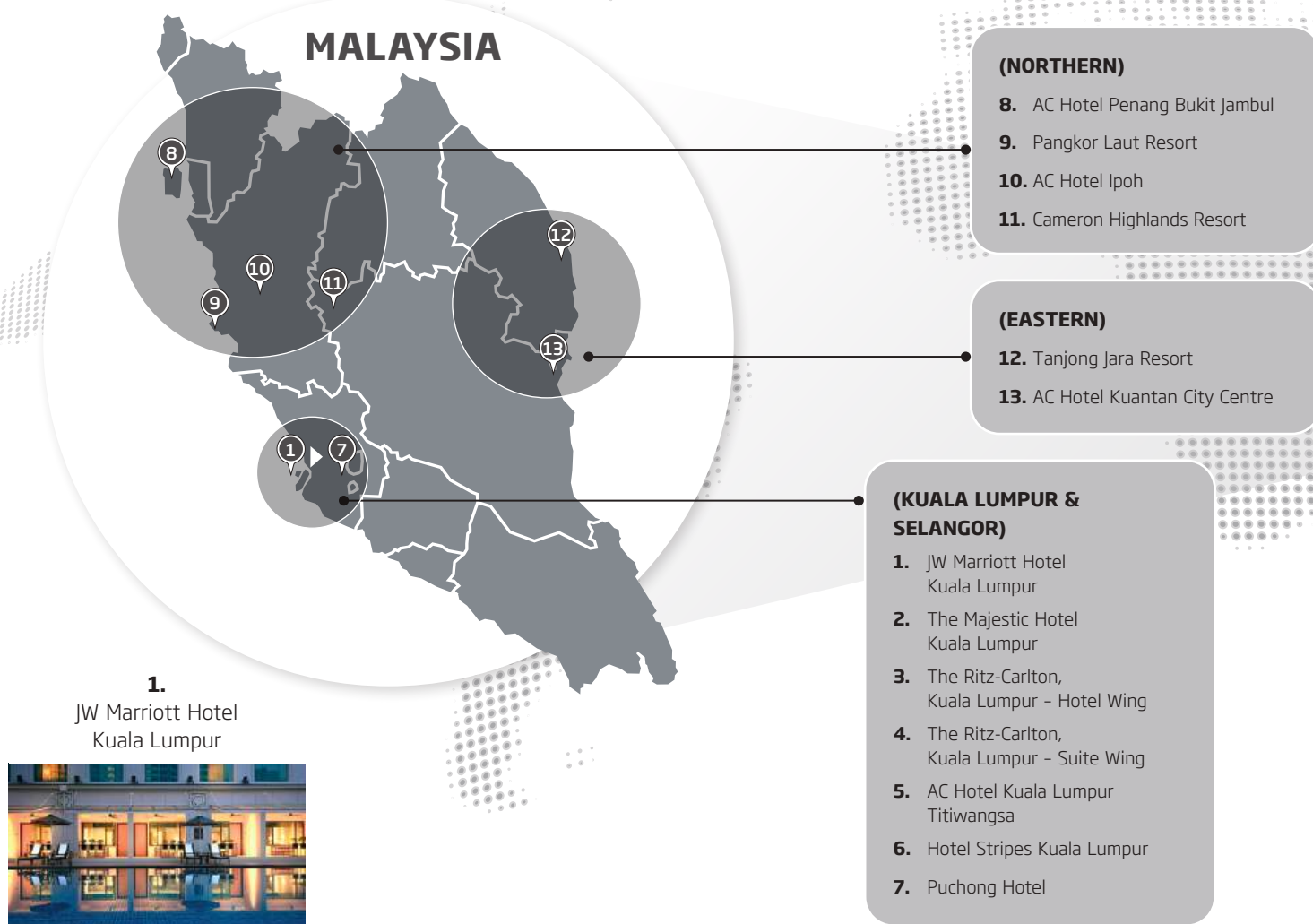
The composition of YTL Hospitality REIT's investment portfolio as at 30 June 2025 is as follows:-

	RM'000	%
Real Estate - Commercial		
At Fair Value		
• JW Marriott Hotel Kuala Lumpur	543,000	10
• The Majestic Hotel Kuala Lumpur	403,600	8
• The Ritz-Carlton, Kuala Lumpur - Hotel Wing	373,000	7
• The Ritz-Carlton, Kuala Lumpur - Suite Wing	329,000	6
• AC Hotel Kuala Lumpur Titiwangsa	166,000	3
• Hotel Stripes Kuala Lumpur	144,000	3
• AC Hotel Penang Bukit Jambul	142,000	3
• Pangkor Laut Resort	124,000	2
• AC Hotel Ipoh	117,000	2
• Tanjong Jara Resort	108,300	2
• AC Hotel Kuantan City Centre	107,000	2
• Cameron Highlands Resort	63,000	1
• Puchong Hotel	43,000	1
• Hilton Niseko Village	307,010	6
• The Green Leaf Niseko Village	190,346	4
• Sydney Harbour Marriott	1,429,960	27
• Brisbane Marriott	285,839	5
• Melbourne Marriott	199,313	4
Property Under Development		
At Cost		
• Moxy Niseko	54,156	1
Sub-total	5,129,524	97
Deposits with licensed financial institutions	147,673	3
Total	5,277,197	100

The Manager

Pintar Projek Sdn Bhd was incorporated in 1994 and is a 70%-owned subsidiary of YTL Land Sdn Bhd, which is a wholly-owned subsidiary of YTL Corporation Berhad. The Board of Directors and key personnel of Pintar Projek Sdn Bhd comprise competent and capable individuals that have extensive experience in their respective fields of expertise.

PROPERTY PORTFOLIO



1.

JW Marriott Hotel
Kuala Lumpur



2.

The Majestic Hotel
Kuala Lumpur



4.

The Ritz-Carlton,
Kuala Lumpur - Suite Wing



6.

Hotel Stripes
Kuala Lumpur



8.

AC Hotel Penang
Bukit Jambul



3.

The Ritz-Carlton,
Kuala Lumpur - Hotel Wing



5.

AC Hotel Kuala Lumpur
Titiwangsa



7.

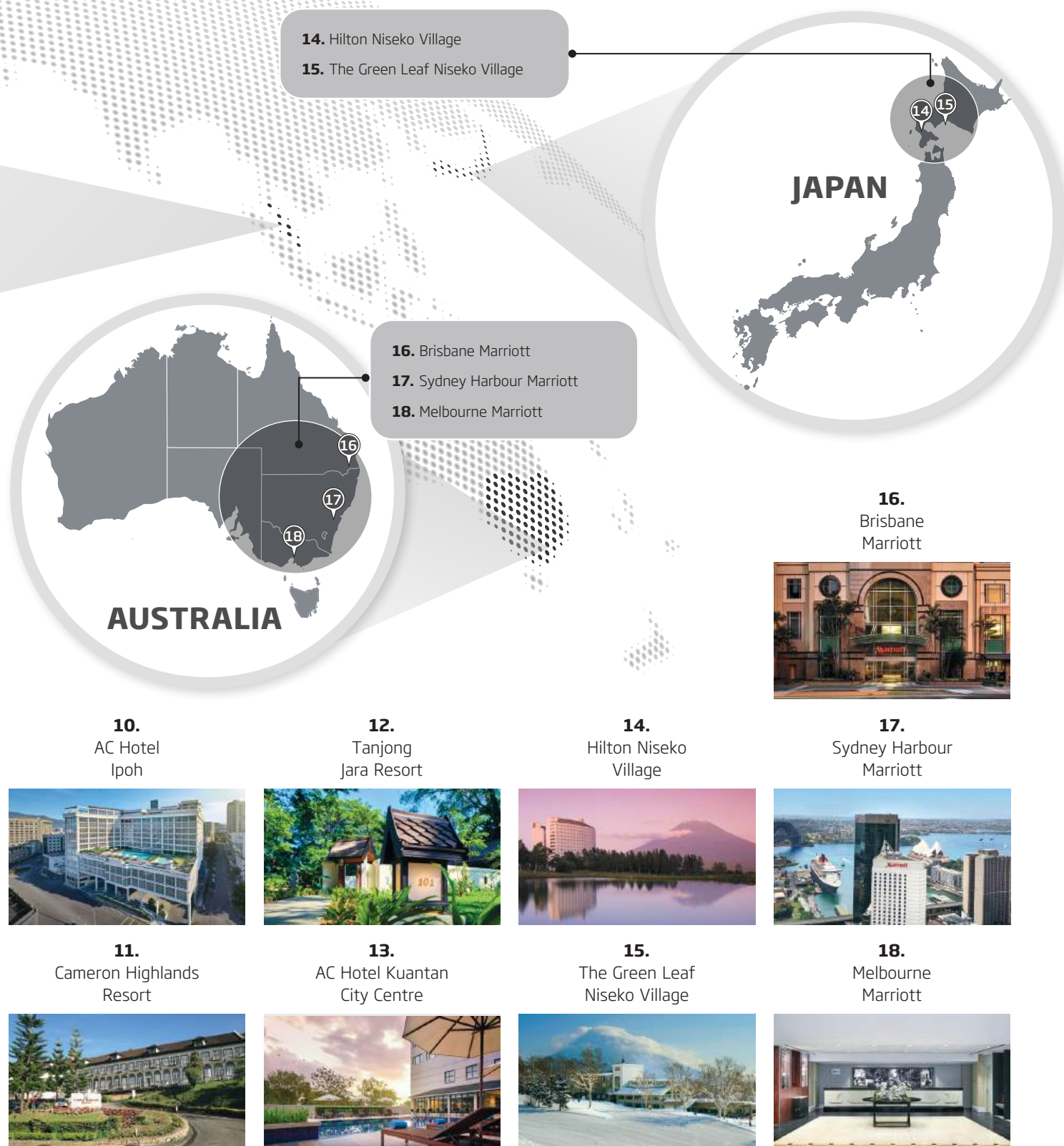
Puchong
Hotel



9.

Pangkor Laut
Resort

PROPERTY PORTFOLIO



PROPERTY PORTFOLIO

JW MARRIOTT HOTEL KUALA LUMPUR

Address/Location

No. 183, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.

Description

A 5-star hotel with 578 rooms located on part of an 8-level podium block and entire 24-level tower block of The Starhill together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5 of JW Marriott Hotel Kuala Lumpur.

Property type	Hotel
Age	Approximately 28 years
Title details	Grant No. 28678/M1/B5/1, within Parcel No. 1, Storey No. B5 of Building No. M1 and 8 accessory parcels for Lot No. 1267, Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	476 bays
Lessee	Star Hill Hotel Sdn. Bhd.
Car park operator	YTL Land Sdn. Bhd.
Lease term	The property is leased for a term expiring on 31 December 2038.
Date of acquisition	16 December 2005
Cost of acquisition (including incidentals)	RM331,024,000
Fair value adjustments for the financial year	RM5,000,000
Market value	RM543,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM543,000,000



PROPERTY PORTFOLIO

THE MAJESTIC HOTEL KUALA LUMPUR

Address/Location

No. 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur, Malaysia.

Description

A 5-star hotel comprising Majestic Wing (original historic hotel building) comprising 2-storey, 4-storey and 5-storey buildings with 47 rooms and 15-storey Tower Wing with 253 rooms and 3 levels of basement car park.

Property type	Hotel
Age	Majestic Wing - Approximately 93 years (refurbished in Year 2012) Tower Wing - Approximately 12 years
Title details	Grant No. 23849 for Lot No. 74, Section 59, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	90-year registered lease expiring on 11 May 2091 obtained from Pesuruhjaya Tanah Persekutuan. The unexpired lease period is approximately 66 years.
Existing use	Commercial building
Parking spaces	429 bays
Lessee	YTL Majestic Hotel Sdn. Bhd.
Lease term	The property is leased for a term expiring on 2 November 2032.
Date of acquisition	3 November 2017
Cost of acquisition (including incidentals)	RM384,221,000
Fair value adjustments for the financial year	RM873,000
Market value	RM403,600,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM403,600,000



PROPERTY PORTFOLIO

THE RITZ-CARLTON, KUALA LUMPUR - HOTEL WING

Address/Location

No. 168, Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Description

22-storey 5-star hotel building comprising 251 rooms with 4 levels of basement car parks.

Property type	Hotel
Age	Approximately 28 years
Title details	Grant No. 26579 for Lot No. 225, Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	154 bays
Lessee	East-West Ventures Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM253,017,000
Fair value adjustments for the financial year	RM433,000
Market value	RM373,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM373,000,000



PROPERTY PORTFOLIO

THE RITZ-CARLTON, KUALA LUMPUR - SUITE WING

Address/Location

No. 168, Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Description

38-storey hotel building comprising 110 suites and 4 penthouses with 4 levels of commercial podium, 1 level of facilities deck and 3 levels of basement car parks.

Property type	Serviced apartment
Age	Approximately 20 years
Title details	Grant No. 47693 for Lot No. 1308, Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	189 bays
Lessee	Star Hill Hotel Sdn. Bhd.
Lease term	The property is leased for a term expiring on 30 June 2031.
Date of acquisition	16 May 2007 and 15 November 2011
Cost of acquisition (including incidentals)	RM198,881,000
Fair value adjustments for the financial year	RM31,000
Market value	RM329,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM329,000,000



PROPERTY PORTFOLIO

AC HOTEL KUALA LUMPUR TITIWANGSA

Address/Location

No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur, Malaysia.

Description

17-storey hotel building with 364 rooms and 2-storey basement car parks.

Property type	Hotel
Age	Approximately 30 years
Title details	Grant No. 33550 for Lot No. 669, Section 47, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	144 bays
Lessee	Prisma Tulin Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM101,207,000
Fair value adjustments for the financial year	RM1,000,000
Market value	RM166,000,000
Date of latest valuation	31 May 2025
Independent valuer	Azmi & Co Sdn Bhd
Net book value	RM166,000,000



PROPERTY PORTFOLIO

HOTEL STRIPES KUALA LUMPUR

Address/Location

No. 25, Jalan Kamunting, 50300 Kuala Lumpur, Malaysia.

Description

20-storey hotel building with 184 rooms and 148 car park bays.

Property type	Hotel
Age	Approximately 8 years
Title details	Grant No. 78933 for Lot No. 20063 Section 41, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	148 bays
Lessee	Hotel 25 Sdn. Bhd.
Lease term	The property is leased for a term expiring on 30 October 2038.
Date of acquisition	31 October 2023
Cost of acquisition (including incidentals)	RM139,415,000
Fair value adjustments for the financial year	RM3,880,000
Market value	RM144,000,000
Date of latest valuation	31 May 2025
Independent valuer	Savills (Malaysia) Sdn Bhd
Net book value	RM144,000,000



PROPERTY PORTFOLIO

AC HOTEL PENANG BUKIT JAMBUL

Address/Location

No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang, Malaysia.

Description

17-storey Hotel Wing with 238 hotel rooms and 26-storey Suite Wing with 189 hotel suites with an annexed 3-storey podium.

Property type	Hotel
Age	Approximately 26 years
Title details	HSD 9632 for Lot No. P.T. 1678, Mukim 13, District of Timor Laut, State of Pulau Pinang.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is restriction attached to the title.
Status of holdings	99-year leasehold expiring on 27 October 2094. The unexpired lease period is approximately 69 years.
Existing use	Commercial building
Parking spaces	375 bays
Lessee	Business & Budget Hotels (Penang) Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM101,778,000
Fair value adjustments for the financial year	RM2,500,000
Market value	RM142,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM142,000,000



PROPERTY PORTFOLIO

PANGKOR LAUT RESORT

Address/Location

Pangkor Laut Island, 32200 Lumut, Perak Darul Ridzuan, Malaysia.

Description

36 units of Tropical Garden Villas, 52 units of Tropical Hill Villas, 8 units of Beach Villas and 1 unit of Pavarotti Suite.

Property type	Resort
Age	Approximately 32 years
Title details	PN 313713 for Lot 12362 and PN 313715 for Lot 12364, both in Mukim of Lumut, District of Manjung, State of Perak Darul Ridzuan.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is restriction attached to the title.
Status of holdings	99-year registered lease expiring on 21 May 2095 obtained from Perbadanan Kemajuan Negeri Perak. The unexpired lease period is approximately 70 years.
Existing use	Commercial building
Parking spaces	Not applicable
Lessee	Syarikat Pelanchongan Pangkor Laut Sendirian Berhad.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM98,365,000
Fair value adjustments for the financial year	-
Market value	RM124,000,000
Date of latest valuation	31 May 2025
Independent valuer	Azmi & Co Sdn Bhd
Net book value	RM124,000,000



PROPERTY PORTFOLIO

AC HOTEL IPOH

Address/Location

No. 88, Jalan Sultan Abdul Jalil, 30450 Ipoh, Perak Darul Ridzuan, Malaysia.

Description

13-storey hotel building with 291 rooms.

Property type	Hotel
Age	Approximately 31 years
Title details	PN 101774 for Lot 8633N in Bandar Ipoh (U), District of Kinta, State of Perak Darul Ridzuan.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is no restriction attached to the title.
Status of holdings	999-year leasehold expiring on 21 September 2894. The unexpired lease period is approximately 869 years.
Existing use	Commercial building
Parking spaces	194 bays
Lessee	Prisma Tulin Sdn. Bhd.
Lease term	The property is leased for a term expiring on 31 March 2040.
Date of acquisition	8 April 2024
Cost of acquisition (including incidentals)	RM55,687,000
Fair value adjustments for the financial year	RM731,000
Market value	RM117,000,000 *
Date of latest valuation	31 May 2025
Independent valuer	Savills (Malaysia) Sdn Bhd
Net book value	RM117,000,000 *



* Included renovation works amounting to RM55 million, completed during the year.

PROPERTY PORTFOLIO

TANJONG JARA RESORT

Address/Location

Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu Darul Iman, Malaysia.

Description

Small luxury boutique resort with 101 rooms.

Property type	Resort
Age	Approximately 30 years
Title details	HSD 1473 for Lot No. PT 18624, Mukim of Kuala Dungun, District of Dungun, State of Terengganu Darul Iman.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is restriction attached to the title.
Status of holdings	60-year leasehold expiring on 4 December 2067. The unexpired lease period is approximately 42 years.
Existing use	Commercial building
Parking spaces	Nil
Lessee	Tanjong Jara Beach Hotel Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM88,050,000
Fair value adjustments for the financial year	RM219,000
Market value	RM108,300,000
Date of latest valuation	31 May 2025
Independent valuer	Azmi & Co Sdn Bhd
Net book value	RM108,300,000



PROPERTY PORTFOLIO

AC HOTEL KUANTAN CITY CENTRE

Address/Location

Jalan Teluk Sisek, 25000 Kuantan, Pahang Darul Makmur, Malaysia.

Description

8-storey hotel building with 215 rooms.

Property type	Hotel
Age	Approximately 26 years
Title details	PN No. 13491 for Lot No. 714, Section 37, Town and District of Kuantan, State of Pahang Darul Makmur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is restriction attached to the title.
Status of holdings	99-year leasehold expiring on 11 July 2092. The unexpired lease period is approximately 67 years.
Existing use	Commercial building
Parking spaces	125 bays
Lessee	Business & Budget Hotels (Kuantan) Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM75,980,000
Fair value adjustments for the financial year	RM500,000
Market value	RM107,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM107,000,000



PROPERTY PORTFOLIO

CAMERON HIGHLANDS RESORT

Address/Location

By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur, Malaysia.

Description

3-storey luxury resort with a 2-storey spa village block with 56 rooms and suites and a single storey building.

Property type	Resort
Age	Approximately 51 years
Title details	HSD 3881 for Lot No. PT 1812, Mukim of Tanah Rata, District of Cameron Highlands, State of Pahang Darul Makmur.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	99-year leasehold expiring on 9 December 2108. The unexpired lease period is approximately 83 years.
Existing use	Commercial building
Parking spaces	Nil
Lessee	Cameron Highlands Resort Sdn. Bhd.
Lease term	The property is leased for a term expiring on 14 November 2026.
Date of acquisition	15 November 2011
Cost of acquisition (including incidentals)	RM50,649,000
Fair value adjustments for the financial year	-
Market value	RM63,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM63,000,000



PROPERTY PORTFOLIO

PUCHONG HOTEL

Address/Location

No. 6, Jalan Kenari 12, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan, Malaysia.

Description

10-storey hotel building with 180 rooms.

Property type	Hotel
Age	Approximately 8 years
Title details	HSD 298845 for Lot No. PT 2381, Pekan Puchong Jaya, District of Petaling, State of Selangor Darul Ehsan.
Encumbrances/Limitation in title/interest	The property is free from encumbrances and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building, vacant and under major renovation
Parking spaces	102 bays
Date of acquisition	28 April 2025
Cost of acquisition (including incidentals)	RM40,420,000
Fair value adjustments for the financial year	RM2,216,000
Market value	RM43,000,000
Date of latest valuation	31 May 2025
Independent valuer	Knight Frank Malaysia Sdn Bhd
Net book value	RM43,000,000
Vendor	JPS Holdings Sdn Bhd



Note: Images above are renderings of the proposed renovation for the Puchong Hotel.

PROPERTY PORTFOLIO

HILTON NISEKO VILLAGE

Address/Location

Aza-Soga, Niseko-cho, Abuta-gun, Hokkaido, Japan.

Description

16-storey hotel building with 1-storey of basement comprising 506 rooms.

Property type	Hotel
Age	Approximately 31 years
Title details	Lot No. 919-15, 919-18, 919-19, 920-4, 920-5 and 920-7, Aza-Soga, Niseko-cho, Abuta-gun and Lot No. 214-6, 252-2 and 264-4, Aza-Kabayama, Kutchan-cho, Abuta-gun, Hokkaido, Japan.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	290 bays
Lessee	Niseko Village K.K.
Lease term	The property is leased for a term expiring on 21 December 2026.
Date of acquisition	22 December 2011
Cost of acquisition (including incidentals)	JPY6,402,726,000
Fair value adjustments for the financial year	JPY200,000,000 or RM5,872,000
Market value	JPY10,500,000,000
Date of latest valuation	31 May 2025
Independent valuer	Colliers International Japan KK
Net book value	RM307,010,000



PROPERTY PORTFOLIO

THE GREEN LEAF NISEKO VILLAGE

Address/Location

Aza-Higashiyama, Niseko-cho, Abuta-gun, Hokkaido, Japan.

Description

5-storey hotel building with 1-storey of basement comprising 200 rooms.

Property type	Hotel
Age	Approximately 42 years
Title details	Lot No. 1-2, 5-4, 6-2 and 7-3, Aza-Higashiyama, Niseko-cho, Abuta-gun, Hokkaido, Japan.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	Nil
Lessee	Niseko Village K.K.
Lease term	The property is leased for a term expiring on 26 September 2048.
Date of acquisition	26 September 2018
Cost of acquisition (including incidentals)	JPY6,005,452,000
Fair value adjustments for the financial year	JPY80,000,000 or RM2,349,000
Market value	JPY6,510,000,000
Date of latest valuation	31 May 2025
Independent valuer	Colliers International Japan KK
Net book value	RM190,346,000



PROPERTY PORTFOLIO

SYDNEY HARBOUR MARRIOTT

Address/Location

30 Pitt Street, Sydney, New South Wales 2000, Australia.

Description

33-storey hotel building with central atrium comprising 595 rooms including 3 levels of basement with car parking bays.

Property type	Hotel
Age	Approximately 36 years
Title details	Lot 1 in Deposited Plan 804285 in the Local Government Area of Sydney, Parish of St James and County of Cumberland.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	Approximately 45 bays
Average occupancy rate	87.76%
Date of acquisition	29 November 2012
Cost of acquisition (including incidentals)	AUD264,618,000
Fair value adjustments for the financial year	AUD27,205,000 or RM77,219,000
Market value	AUD520,000,000
Date of latest valuation	31 May 2025
Independent valuer	Savills Valuations Pty Ltd
Net book value	RM1,429,960,000



PROPERTY PORTFOLIO

BRISBANE MARRIOTT

Address/Location

515 Queen Street, Brisbane, Queensland 4000, Australia.

Description

28-storey hotel building comprising 267 rooms with 3 levels of basement car park.

Property type	Hotel
Age	Approximately 27 years
Title details	Lot 5 on Survey Plan 100339 comprised in Certificate of Title Reference No. 50218402 in the Parish of North Brisbane and County of Stanley.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	Approximately 78 bays
Average occupancy rate	76.95%
Date of acquisition	29 November 2012
Cost of acquisition (including incidentals)	AUD120,311,000
Fair value adjustments for the financial year	AUD14,075,000 or RM39,950,000
Market value	AUD104,000,000
Date of latest valuation	31 May 2025
Independent valuer	Savills Valuations Pty Ltd
Net book value	RM285,839,000



PROPERTY PORTFOLIO

MELBOURNE MARRIOTT

Address/Location

Corner Exhibition and Lonsdale Streets, Melbourne, Victoria 3000, Australia.

Description

16-storey hotel building comprising 189 rooms with 5 split levels of car park.

Property type	Hotel
Age	Approximately 43 years
Title details	Lot 1 on Plan of Subdivision 349277H (Volume 10323 Folio 372) and Lot 1 on Plan of Subdivision 349276K (Volume 10323 Folio 375) in the Local Government Area of City of Melbourne Council and Parish of North Melbourne.
Encumbrances/Limitation in title/interest	The property is charged to secure financing and there is no restriction attached to the title.
Status of holdings	Freehold
Existing use	Commercial building
Parking spaces	Approximately 80 bays
Average occupancy rate	75.99%
Date of acquisition	29 November 2012
Cost of acquisition (including incidentals)	AUD56,404,000
Fair value adjustments for the financial year	AUD(5,395,000) or RM(15,313,000)
Market value	AUD72,500,000
Date of latest valuation	31 May 2025
Independent valuer	Savills Valuations Pty Ltd
Net book value	RM199,313,000



LETTER TO UNITHOLDERS

Dear Unitholders,

YTL Hospitality REIT delivered a good set of results for the financial year ended 30 June 2025, bolstered by strategic expansion via yield-accretive additions to the portfolio, and operational resilience and improvements in the existing asset portfolio.

SOUND FINANCIAL PERFORMANCE

YTL Hospitality REIT recorded revenue of RM548.3 million for the financial year under review, a marginal 1.2% decline compared to RM554.9 million last year, whilst net property income of RM292.1 million this year approximated last year's performance.

Included in income available for distribution last year was additional income of RM26.7 million from the realisation of final deferred rental upon the expiry of the lease agreement for the JW Marriott Hotel Kuala Lumpur in December 2023. In the absence of this additional income, income available for distribution for the current financial year of RM131.6 million was 8.3% higher than the adjusted amount of RM121.6 million last year.

Total distribution per unit stood at 7.7500 sen for the financial year under review, compared to 8.2661 sen last year, reaffirming our commitment to delivering sustainable returns to unitholders.



TAN SRI (SIR) YEOH SOCK PING
PSM, KBE
Executive Chairman

DATO' YEOH SEOK KAH
Chief Executive Officer

LETTER TO UNITHOLDERS

PORTFOLIO ENHANCEMENTS

We continued to focus on asset enhancement and development of the portfolio this year.

In April 2025, the lease agreement commenced for the newly refurbished and rebranded AC Hotel Ipoh. This addition further expands our footprint across the Peninsula, and extends our AC Hotels offering to 4 key cities.

Refurbishment works on the existing AC hotels in Kuala Lumpur, Penang and Kuantan were successfully completed towards the end of the last financial year, refreshing and upgrading the hospitality experience for guests. Additional lease income contributions commenced in the last quarter of the previous financial year, with the full-year effects reflected this year.

In April 2025, we completed the acquisition of a hotel property in Puchong, which will be renovated and launched as AC Hotel Puchong. This new acquisition marks our first in the wider Klang Valley region, with Puchong being one of Selangor's fastest-growing, most dynamic and well-connected catchment areas.

Meanwhile, in our international portfolio, we are making good progress on the new Moxy Niseko being developed in Hokkaido, Japan. Scheduled for completion in the fourth quarter of 2026, Moxy Niseko is a highly anticipated, modern new addition to the Niseko hospitality scene.

RESPONSIBLE STEWARDSHIP

We remain committed to creating lasting value for all stakeholders by managing the Trust's assets responsibly and sustainably.

In June 2025, YTL Hospitality REIT was included as a new component in the FTSE4Good Bursa Malaysia Index, which measures the performance of public listed companies with good liquidity and strong environmental, social and governance (ESG) practices.

Information about our progress on ESG matters for the year under review can be found in the *Managing Sustainability* section in this Annual Report.

Economic Review

The Malaysian economy registered higher gross domestic product (GDP) growth of 5.1% in 2024. This performance was largely driven by the strongest investment growth in a decade, in addition to better exports and sustained household spending. The economy continued to demonstrate resilience in 2025, expanding by 4.4% in the first quarter (*sources: Bank Negara Malaysia updates & reports*).

In other key markets where YTL Hospitality REIT operates, Australia's GDP grew by 1.0% in 2024 and 1.3% in the first quarter of 2025. Meanwhile, Japan's economy slowed to 0.2% in 2024 before rebounding to 1.7% in the first quarter of 2025 (*sources: Reserve Bank of Australia & Government of Japan Cabinet Office updates & reports*).

OUTLOOK & STRATEGIC PRIORITIES

As we embark on a new year, the outlook for the global hospitality industry is positive, supported by strong fundamentals, although the impacts of wider macroeconomic and geopolitical uncertainties on global economic conditions remain to be seen.

Our strategic priorities for the year ahead are centred on ongoing enhancement of YTL Hospitality REIT's portfolio through proactive asset management and pursuit of yield-accretive opportunities in resilient markets and key gateway cities, guided by our disciplined investment approach and robust due diligence.

We believe our diversified portfolio of prime hospitality assets across Malaysia, Japan and Australia, coupled with an experienced management team and strong brand affiliations, position us well to capture emerging opportunities, provide income stability and deliver long-term value to all our Unitholders and stakeholders across our operating environment.

TAN SRI (SIR) YEOH SOCK PING

PSM, KBE

Executive Chairman

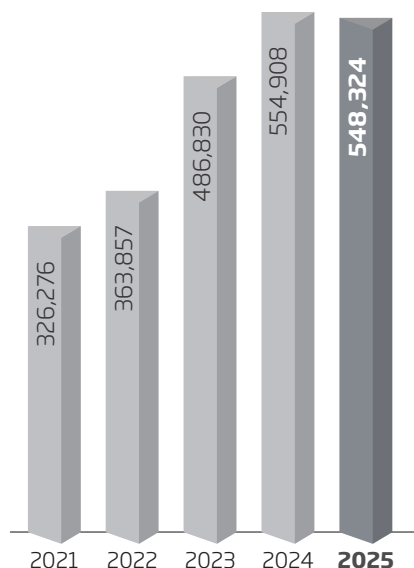
DATO' YEOH SEOK KAH

Chief Executive Officer

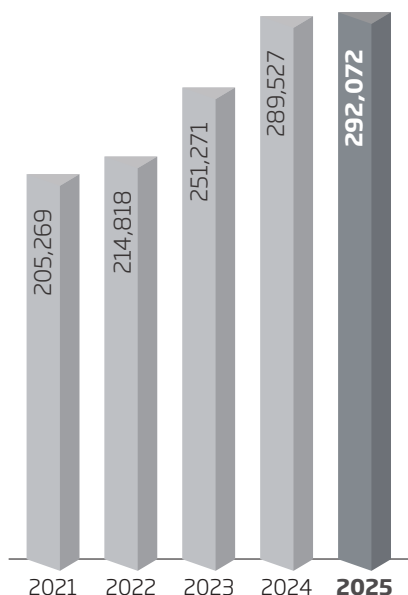
FINANCIAL HIGHLIGHTS

	2025	2024	2023	2022	2021
Revenue (RM'000)	548,324	554,908	486,830	363,857	326,276
Net property income (RM'000)	292,072	289,527	251,271	214,818	205,269
Total income distribution (RM'000)	132,090	140,887	126,863	67,409	70,964
Total assets (RM'000)	5,445,433	5,446,478	5,127,278	4,902,250	4,871,874
Net asset value (RM'000)	2,939,358	2,976,648	2,907,403	2,772,748	2,705,319
Units in circulation ('000)	1,704,389	1,704,389	1,704,389	1,704,389	1,704,389
Net asset value per Unit (RM)	1.725	1.746	1.706	1.627	1.587
Distribution per Unit (sen)	7.7500	8.2661	7.4433	3.9550	4.1636
Earnings per Unit (sen)	8.72	10.44	8.29	4.92	4.86

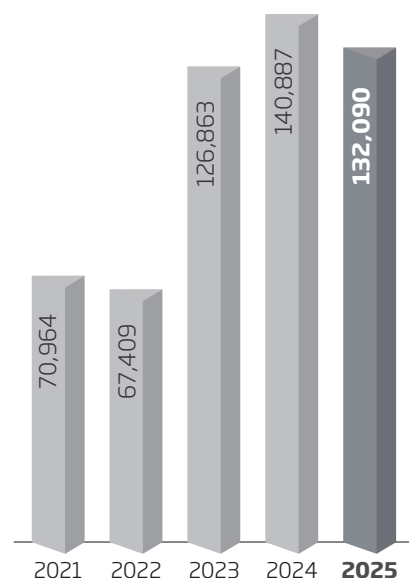
Revenue
(RM'000)



Net Property Income
(RM'000)

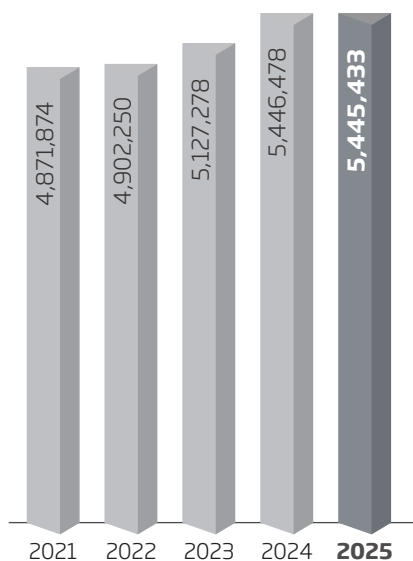


Total Income Distribution
(RM'000)

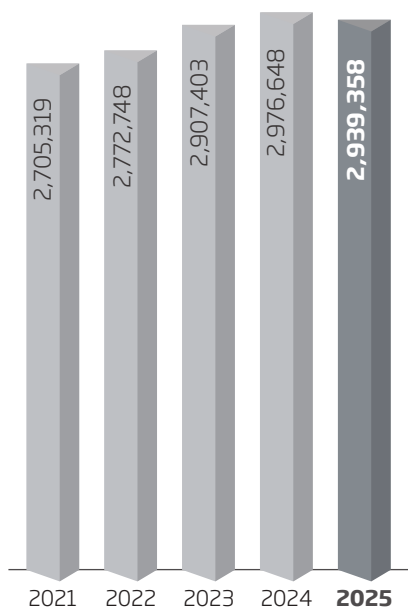


FINANCIAL HIGHLIGHTS

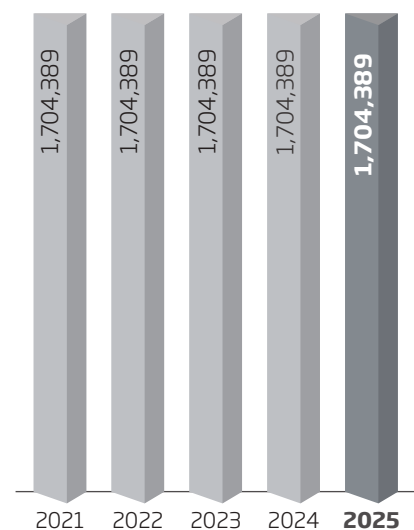
Total Assets
(RM'000)



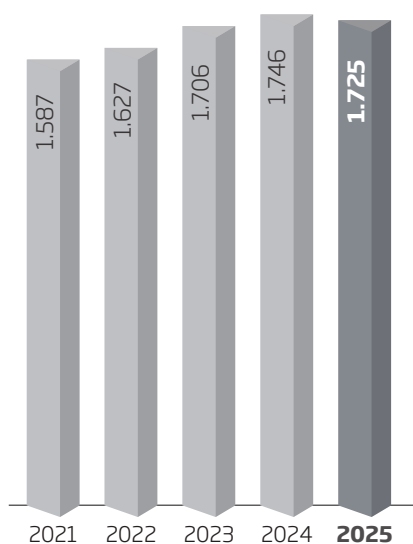
Net Asset Value
(RM'000)



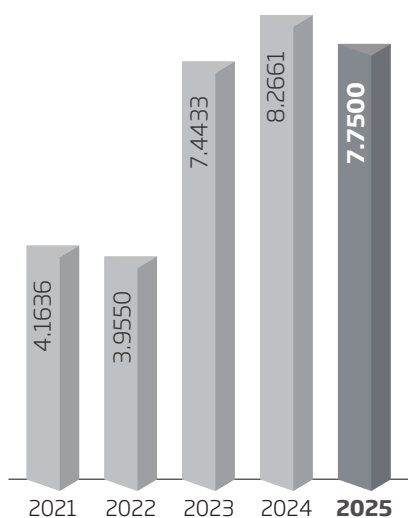
Units in Circulation
('000)



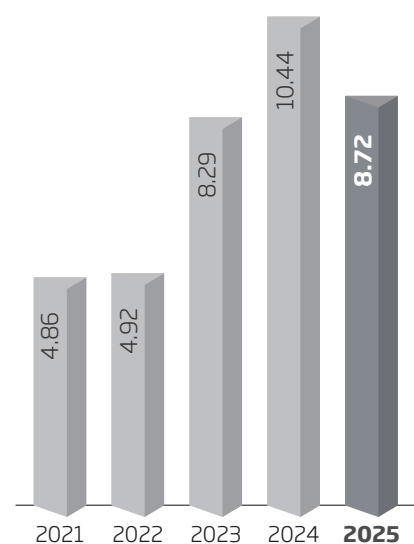
Net Asset Value per Unit
(RM)



Distribution per Unit
(sen)



Earnings per Unit
(sen)



FUND PERFORMANCE

(I) PORTFOLIO COMPOSITION OF THE GROUP

At 30 June	2025 %	2024 %	2023 %	2022 %	2021 %
Real estate	97	98	98	100	100
Non-real estate-related assets	-	-	-	-	-
Deposits	3	2	2	-	-
	100	100	100	100	100

(II) NET ASSET VALUE & UNIT INFORMATION

	2025	2024	2023	2022	2021
Total assets (RM'000)	5,445,433	5,446,478	5,127,278	4,902,250	4,871,874
Total net asset value ("NAV") (RM'000)					
- as at 30 June (before income distribution)	3,071,448	3,117,535	3,034,266	2,840,157	2,776,283
- as at 30 June (after income distribution)	2,939,358	2,976,648	2,907,403	2,772,748	2,705,319
Units in circulation ('000)	1,704,389	1,704,389	1,704,389	1,704,389	1,704,389
NAV per Unit (RM)					
- as at 30 June (before income distribution)	1.802	1.829	1.780	1.666	1.629
- as at 30 June (after income distribution)	1.725	1.746	1.706	1.627	1.587
- Highest NAV during the year	1.725	1.746	1.706	1.627	1.587
- Lowest NAV during the year	1.667	1.697	1.620	1.551	1.512
Market value per Unit (RM)					
- as at 30 June	1.07	1.21	0.95	0.95	0.90
- Weighted average price for the year	1.15	1.10	0.93	0.93	0.85
- Highest traded price for the year	1.24	1.25	1.01	1.01	1.08
- Lowest traded price for the year	0.99	0.96	0.85	0.87	0.70

FUND PERFORMANCE

(III) PERFORMANCE DETAILS OF THE GROUP

	2025	2024	2023	2022	2021
Distribution per Unit (sen)					
- Interim	2.9128	4.1781	3.0600	1.8880	1.8105
- Final	4.8372	4.0880	4.3833	2.0670	2.3531
	7.7500 ⁽⁶⁾	8.2661 ⁽⁴⁾	7.4433 ⁽⁶⁾	3.9550 ^{(4),(5)}	4.1636 ⁽⁵⁾
Distribution date					
- Interim	27 March 2025	27 March 2024	30 March 2023	31 March 2022	31 March 2021
- Final	29 August 2025	30 August 2024	30 August 2023	30 August 2022	30 August 2021
Distribution yield (%) ⁽¹⁾	6.74	7.51	8.00	4.25	4.90
Management expense ratio (%)	0.59	0.61	0.50	0.47	0.47
Total return (%) ⁽²⁾	11.28	25.79	8.00	13.66	(26.00) ⁽⁵⁾
Average total return (%) ⁽³⁾					
- One year	11.28				
- Three years	15.03				
- Five years	6.55				

Notes:

- ^{1.} Distribution yield is computed based on weighted average market price of the respective financial year.
- ^{2.} Total return is computed based on the distribution yield per unit and the change in the weighted average market price of the respective financial year.
- ^{3.} Average total return is computed based on total return per unit averaged over number of years.
- ^{4.} Representing approximately 95% of the total distributable income.
- ^{5.} Distribution per Unit was lower due to impact of COVID-19 pandemic on hospitality sector.
- ^{6.} Representing approximately 100% of the total distributable income.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may fluctuate.

MANAGEMENT DISCUSSION & ANALYSIS

GROUP OVERVIEW

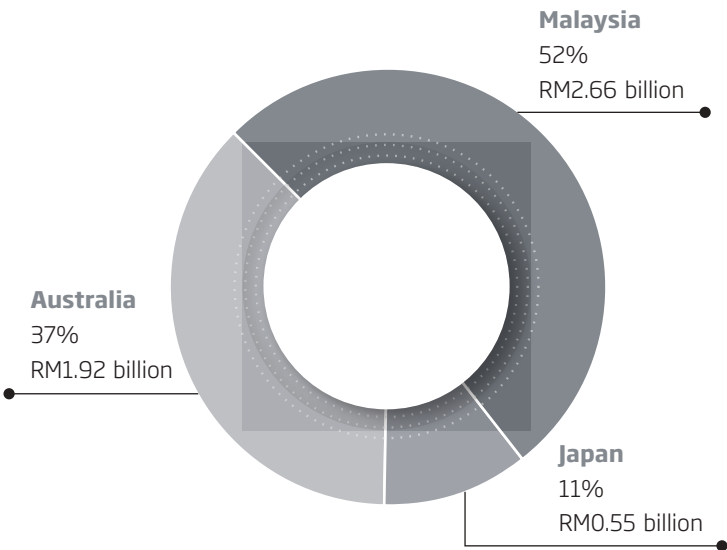
OVERVIEW OF YTL HOSPITALITY REIT

YTL Hospitality REIT (“YTL REIT” or “Trust”) was established on 18 November 2005 pursuant to a trust deed (as amended and restated) (“Trust Deed”) entered into between Pintar Projek Sdn Bhd, the Manager, and Maybank Trustees Berhad, the Trustee of YTL REIT, and is categorised as a real estate investment trust fund. YTL REIT and its subsidiaries are referred to as the “Group” or the “YTL REIT Group”.

YTL REIT was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 16 December 2005 and is an income and growth type fund. The investment objective of YTL REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate.

The investment portfolio of YTL REIT as at 30 June 2025 comprises 19 assets located in Malaysia, Australia and Japan.

Asset Breakdown by Country as at 30 June 2025



MANAGEMENT DISCUSSION & ANALYSIS

GROUP OVERVIEW

COMPOSITION OF INVESTMENT PORTFOLIO

As at the reporting date, the composition of YTL REIT's investment portfolio is as follows:-

	As at 30.6.2025 RM'000	% of total investment	As at 30.6.2024 RM'000	% of total investment
Real Estate - Commercial				
At Fair Value				
Properties in Malaysia				
1. JW Marriott Hotel Kuala Lumpur	543,000	10	538,000	10
2. The Majestic Hotel Kuala Lumpur	403,600	8	402,600	8
3. The Ritz-Carlton, Kuala Lumpur - Hotel Wing	373,000	7	368,000	7
4. The Ritz-Carlton, Kuala Lumpur - Suite Wing	329,000	6	326,000	6
5. AC Hotel Kuala Lumpur Titiwangsa	166,000	3	165,000	3
6. Hotel Stripes Kuala Lumpur	144,000	3	140,000	3
7. AC Hotel Penang Bukit Jambul	142,000	3	139,500	3
8. Pangkor Laut Resort	124,000	2	124,000	2
9. AC Hotel Ipoh	117,000	2	58,000	1
10. Tanjong Jara Resort	108,300	2	108,000	2
11. AC Hotel Kuantan City Centre	107,000	2	106,500	2
12. Cameron Highlands Resort	63,000	1	63,000	1
13. Puchong Hotel	43,000	1	-	-
Properties in Japan				
14. Hilton Niseko Village	307,010	6	301,955	6
15. The Green Leaf Niseko Village	190,346	4	188,502	4
Properties in Australia				
16. Sydney Harbour Marriott	1,429,960	27	1,578,787	30
17. Brisbane Marriott	285,839	5	289,994	5
18. Melbourne Marriott	199,313	4	249,672	5
Property Under Development				
At Cost				
Property in Japan				
19. Moxy Niseko	54,156	1	23,202	-*
Sub-total	5,129,524	97	5,170,712	98
Deposits with licensed financial institutions	147,673	3	111,172	2
Total	5,277,197	100	5,281,884	100

* % of total investment less than 1.

Further details about the Group's properties can be found in the *Property Portfolio* in this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

GROUP OVERVIEW



MANAGER'S INVESTMENT STRATEGIES & POLICIES

Investment Strategies

During the financial year, the Manager continued to carry out the following investment strategies, assessing all business and investment opportunities that arose, in order to achieve YTL REIT's business objectives:-

(i) Operating Strategy

The Trust continued to focus on the acquisition of hotel properties located both in Malaysia and internationally, subject to attractive valuations that will provide yield accretive returns to the unitholders and maintained the quality of the properties under its current portfolio.

The Trust was also able to leverage on focused co-branding and cross marketing strategies to enhance the performance of its hospitality assets that include integrated conference facilities to draw international business interest and internationally acclaimed food and beverage outlets.

(ii) Acquisition Strategy

The Manager seeks to increase cash flow and enhance unit value through selective acquisitions. This acquisition strategy takes into consideration:-

- (a) location;
- (b) opportunities; and
- (c) yield thresholds.

The Manager also has access to networks and relationships with leading participants in the real estate and hotel industry which may assist YTL REIT in identifying (a) acquisition opportunities to achieve favourable returns on invested capital and growth in cash flow; and (b) underperforming assets.

The Manager intends to hold properties on a long-term basis with the objective to consume substantially all of the economic benefits through generation of rental income, rather than through sale. However, in the future where the Manager considers that any property has reached a stage that offers only limited scope for growth and in the best interest of the unitholders, the Manager may consider selling the property and using the proceeds for alternative investments in properties that meet its investment criteria.

MANAGEMENT DISCUSSION & ANALYSIS GROUP OVERVIEW

(iii) Capital Management Strategy

The Manager optimises YTL REIT's capital structure and cost of capital within the borrowing limits prescribed by the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia ("SC") ("Listed REIT Guidelines") via a combination of debt and equity funding for future acquisitions and improvement works of its properties. This capital management strategy involves:-

- (a) adopting and maintaining an optimal gearing level; and
- (b) adopting an active interest rate management strategy to manage risks associated with changes in interest rates while maintaining flexibility in YTL REIT's capital structure to meet future investment and/or capital expenditure requirements.



Investment Policies

The Manager will continue to comply with the Listed REIT Guidelines and other requirements as imposed by the SC from time to time and the Trust Deed, including (i) to invest in investment permitted by the SC; and (ii) to ensure the investment portfolio requirements and limits imposed by the Listed REIT Guidelines and/or the Trust Deed are adhered to.

Permissible investments of a REIT, requirements and restrictions on investments and activities include the following:-

(a) Real estate assets

At least 75% of a REIT's total asset value must be invested in real estate that generates recurrent rental income at all times. The aggregate investments in property development activities (property development costs) and real estate under construction, must not exceed 15% of the REIT's total asset value and cannot be accounted towards meeting the 75% requirement.

(b) Non-real estate assets

The value of a REIT's investments in securities (which must be traded, except for unlisted debt securities) issued by any single issuer and group of companies must not exceed 5% and 10%, respectively.

(c) Cash, deposits and money market instruments

The REIT's assets may consist of placement of deposits provided that it is with a financial institution.

DISTRIBUTION POLICY

Pursuant to the Trust Deed, it is the policy of the Manager to distribute at least 90% of the distributable income for each financial year.

Commencing from the financial quarter ended 31 March 2020 of the financial year ended 30 June 2020, the frequency of distribution was changed from quarterly to semi-annually.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP

	FY2025 RM'000	FY2024 RM'000	Change %
Revenue			
- Hotel revenue (Management contracts)	358,579	373,689	(4.04)
- Property revenue (Master leases)	189,745	181,219	+4.70
Total revenue	548,324	554,908	(1.19)
Net property income ("NPI")			
- Management contracts	116,104	119,671	(2.98)
- Master leases	175,968	169,856	+3.60
NPI	292,072	289,527	+0.88
Profit before tax	164,632	184,428	(10.73)
Income available for distribution	131,629	148,303	(11.24)
Total income distribution	132,090	140,887	(6.24)

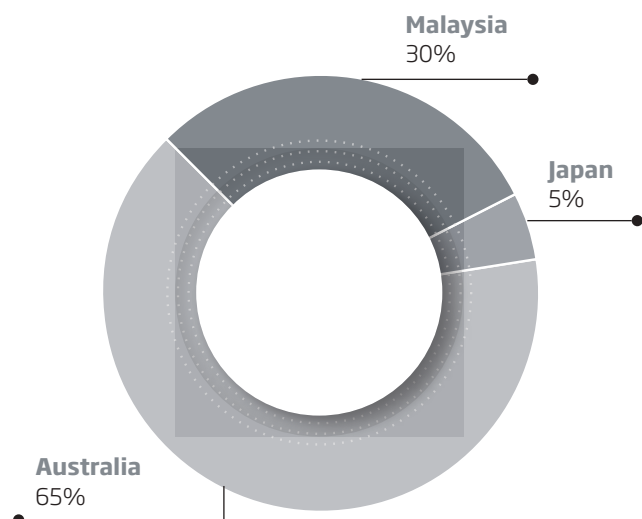
Segmental Results of the Group

	Property rental		Hotel	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
FY2025				
External revenue	163,117	26,628	358,579	548,324
Operating expenses	(8,241)	(5,536)	(242,475)	(256,252)
NPI	154,876	21,092	116,104	292,072
FY2024				
External revenue	154,024	27,195	373,689	554,908
Operating expenses	(7,971)	(3,392)	(254,018)	(265,381)
NPI	146,053	23,803	119,671	289,527

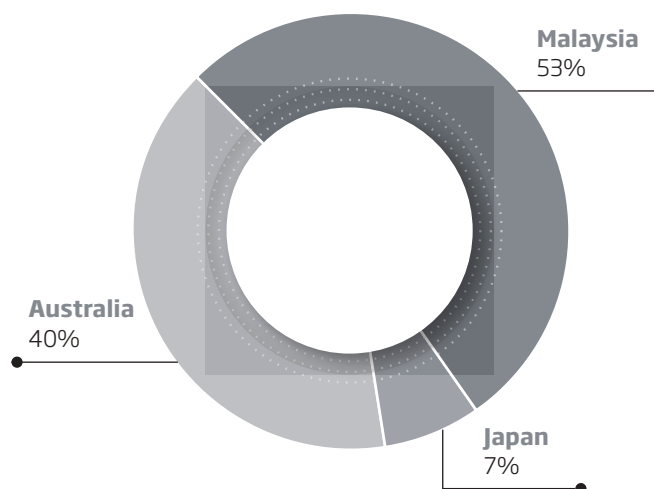
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Revenue by Country - FY2025



NPI by Country - FY2025



Review of Financial Performance

For the current financial year under review, the Group recorded revenue and net property income of RM548.32 million and RM292.07 million, respectively, as compared to RM554.91 million and RM289.53 million, respectively, recorded in the preceding year. This represented a marginal decrease of 1.19% and an increase of 0.88%, respectively.

The Group recorded a profit before tax of RM164.63 million for the current financial year ended 30 June 2025, a decrease of 10.73% as compared to a profit before tax of RM184.43 million recorded in the preceding year mainly due to the factors set out below:-

- (i) improved performance from hotel and property rental segments due to reasons set out under “Review of Operating Business Segments” below; and
- (ii) unrealised foreign currency translation gain of RM10.52 million on borrowings denominated in foreign currencies as compared to a loss of RM0.21 million recognised in the preceding year;

which was offset by

- (iii) net fair value gain on properties of RM52.20 million comprising RM33.49 million fair value gain from the annual valuation carried out in May 2025 and fair value gain on unrealised lease income of RM18.71 million recognised during the current financial year as compared to a net fair value gain on properties of RM92.73 million comprising RM68.64 million fair value gain from the annual valuation carried out in May 2024 and fair value gain on unrealised lease income of RM24.09 million recognised during the preceding year.

Included in the income available for distribution in the preceding year was an one-off rental income of RM26.73 million from the realisation of final deferred rental upon the expiry of JW Marriott Hotel Kuala Lumpur’s lease agreement in December 2023. In the absence of the said final deferred rental income, the income available for distribution for the current financial year of RM131.63 million is 8.28% higher than that recorded in the preceding year of RM121.57 million.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Review of Operating Business Segments

The performance of the respective operating business segments for the financial year ended 30 June 2025 as compared to the preceding year is analysed as follows:-

- **Hotel**

During the current financial year under review, the Australian portfolio posted higher revenue and net property income. The improved financial performance was primarily driven by higher room sales, supported by a robust calendar of entertainment and sporting events throughout the year, evidenced by the improvement in the average daily room and occupancy rates to Australian Dollar ("AUD") 326 (2024: AUD 312) and 82.9% (2024: 82.5%), respectively. The higher revenue coupled with cost management initiatives contributed to the stronger net property income. However, the overall contribution was partially offset by the depreciation of AUD against RM.

- **Property rental**

Revenue and net property income for the property rental segment improved by 4.7% and 3.6%, respectively in the current financial year.

Malaysia

- The Trust recorded additional rental income from AC Hotels in Kuala Lumpur, Penang and Kuantan following completion of the asset enhancement works which was fully funded by the Trust;
- Full year rental income was recognised from Hotel Stripes Kuala Lumpur acquired in October 2023 and the step-up rental income from the renewed lease agreement from JW Marriott Hotel Kuala Lumpur in December 2023; and
- The commencement of the new lease agreement from AC Hotel Ipoh in April 2025. The property was acquired in April 2024, remained vacant while undergoing extensive refurbishment works over a period of approximately 12 months. The refurbishment was completed in March 2025.

Japan

Revenue from the Japanese Properties approximated that of the preceding financial year. However, net property income declined primarily due to repair and maintenance activities carried out during the current financial year. In addition, the financial performance was impacted by the weaker Japanese Yen ("JPY") relative to RM.

Rental variations programme ("Programme")

The rental variations programme which involved certain Malaysian and Japanese properties (except The Green Leaf Niseko Village) reduced the lease rentals by 50% for twenty-four months commencing 1 July 2020 ended on 30 June 2022. The deferred rental which is the difference between the original rentals and reduced rentals are to be paid on a staggered basis within seven years or over the remaining tenures of the existing leases whichever is earlier. Accordingly, the first rental difference was collected at the end of June 2023 and collections have continued into the third year of the Programme.

DISTRIBUTION OF INCOME

An interim distribution of income for the six months from 1 July 2024 to 31 December 2024 (which is tax exempt at the Trust level under the amended Section 61A of the Income Tax Act 1967) of 2.9128 sen per unit (all taxable in the hands of unitholders) amounting to RM49,645,440 was paid on 27 March 2025.

For the six months from 1 January 2025 to 30 June 2025, the Manager declared a final income distribution (which is tax exempt at the Trust level under the amended Section 61A of the Income Tax Act 1967) of 4.8372 sen per unit amounting to RM82,444,699. Of the distribution, 4.1882 sen is taxable and 0.6490 sen is non-taxable in the hands of unitholders. The payment was paid on 29 August 2025.

Total distribution declared and paid for the financial year ended 30 June 2025 was 7.7500 sen per unit, totalling RM132,090,139, which translates to a yield of approximately 6.74% based on the twelve months weighted average market price of RM1.15 per unit.

MANAGEMENT DISCUSSION & ANALYSIS

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The total income distribution of RM132,090,139 represented approximately 100% of the total distributable income of RM131,629,437 recorded for the current financial year ended 30 June 2025 and RM460,702 undistributed distributable income from previous years.

The effect of the income distribution in terms of the net asset value per unit of the Group as at 30 June 2025 is as follows:-

	Before distribution RM	After distribution RM
Net asset value ("NAV") per unit	1.802	1.725

FINANCIAL POSITION

As at 30 June	2025 RM'000	2024 RM'000	Change %
Investment properties	3,214,412	3,052,259	+5.31
Property, plant and equipment	1,915,112	2,118,453	(9.60)
Cash and cash equivalents	269,206	233,701	+15.19
Other assets	46,703	42,065	+11.03
Total assets	5,445,433	5,446,478	(0.02)
Borrowings	2,323,107	2,317,701	+0.23
Other liabilities	182,968	152,129	+20.27
Total liabilities	2,506,075	2,469,830	+1.47
NAV	2,939,358	2,976,648	(1.25)
No. of units in circulation ('000)	1,704,389	1,704,389	-
NAV per unit (RM)	1.725	1.746	(1.25)

Analysis of NAV of the Group since the last financial year ended 30 June 2024:-

As at 30 June	2025	2024
Total NAV (RM'000)	2,939,358	2,976,648
NAV per unit (RM)	1.725	1.746

The decrease in total NAV and NAV per unit was mainly due to the unrealised foreign exchange translation loss arising from the investment in Australia following the depreciation of AUD against RM.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Analysis of the financial position of the Group and of the Trust are as discussed below:-

- **Acquisition of Investment Property**

In line with the Manager's acquisition strategy, the Group and the Trust acquired the Puchong Hotel on 28 April 2025 for cash consideration of RM40.0 million. The property is currently vacant and under major renovation.

- **Asset Enhancement/Capital Expenditure**

The Group is proactively engaging asset enhancement initiatives to uphold the quality and core value of the hotel properties. During the current financial year, asset enhancement works of RM62.86 million were carried out for certain Malaysian hotel properties, of which asset enhancement completed in March 2025 of RM55.0 million was incurred for AC Hotel Ipoh. Overseas investments in Australia and Japan incurred capital expenditure and maintenance costs of RM6.06 million (AUD2.14 million) and RM2.69 million (JPY91.70 million), respectively.

- **Property Development Activities**

During the previous financial year ended 30 June 2024, the Group commenced development of Moxy Niseko, a five-storey hotel with two-storey basement in Niseko, Hokkaido, Japan, for an estimated total development cost of approximately JPY6.38 billion (equivalent to approximately RM199.0 million translated at the prevailing exchange rate at the project inception date). As at 30 June 2025, total property development cost incurred was JPY1,852.19 million (RM54.16 million).

Liquidity

The Group and the Trust maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to fund its business requirements and payment of income distributions to the Unitholders. As at 30 June 2025, the Group's cash and cash equivalents stood at RM269.21 million (2024: RM233.70 million).



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Capital Management

The Manager reviews the capital structure of the Group on a regular basis and monitors capital using a gearing ratio guided by the Listed REIT Guidelines, which is total borrowings divided by total assets.

- Gearing

As at 30 June	2025 RM'000	2024 RM'000	Change %
Borrowings	1,173,541	1,262,089	(7.02)
Medium Term Notes	1,155,000	1,060,000	+8.96
Total borrowings	2,328,541	2,322,089	+0.28
Total assets	5,445,433	5,446,478	(0.02)
Gearing ratio (%)	42.76	42.63	+0.13pp

- Debt profile

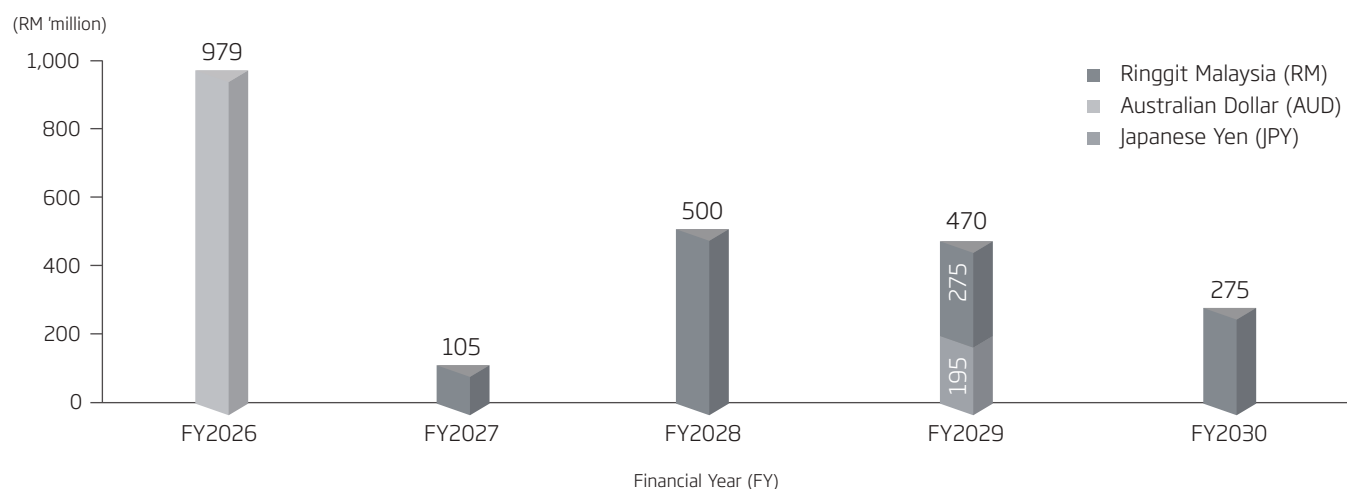
The Group diversifies its risks from borrowings via a combination of fixed and floating rates and spreads out the debt maturity profile to avoid concentrated repayment in any one financial year. Borrowings are also undertaken in the functional currency of the country where the real estate portfolio is located, thereby serving as a natural hedge and minimising foreign currency translation exposure.

During the current financial year, the Group and the Trust raised borrowings of RM138.61 million to finance the acquisition of Puchong Hotel, asset enhancement works for AC Hotel Ipoh, the property development activities at Moxy Niseko and capital expenditure for the Australian properties.

The existing Medium Term Notes of RM385.0 million were refinanced by two new issuances of RM150.0 million and RM235.0 million, with tenures of three and five years, respectively. Simultaneously, the Trust refinanced its existing AUD term loan of AUD260.0 million (RM718.0 million) with a new loan facility carrying a tenor of one year.

The maturity of the Group's borrowings denominated in the respective functional currency is as set out below:-

Debt Maturity Profile

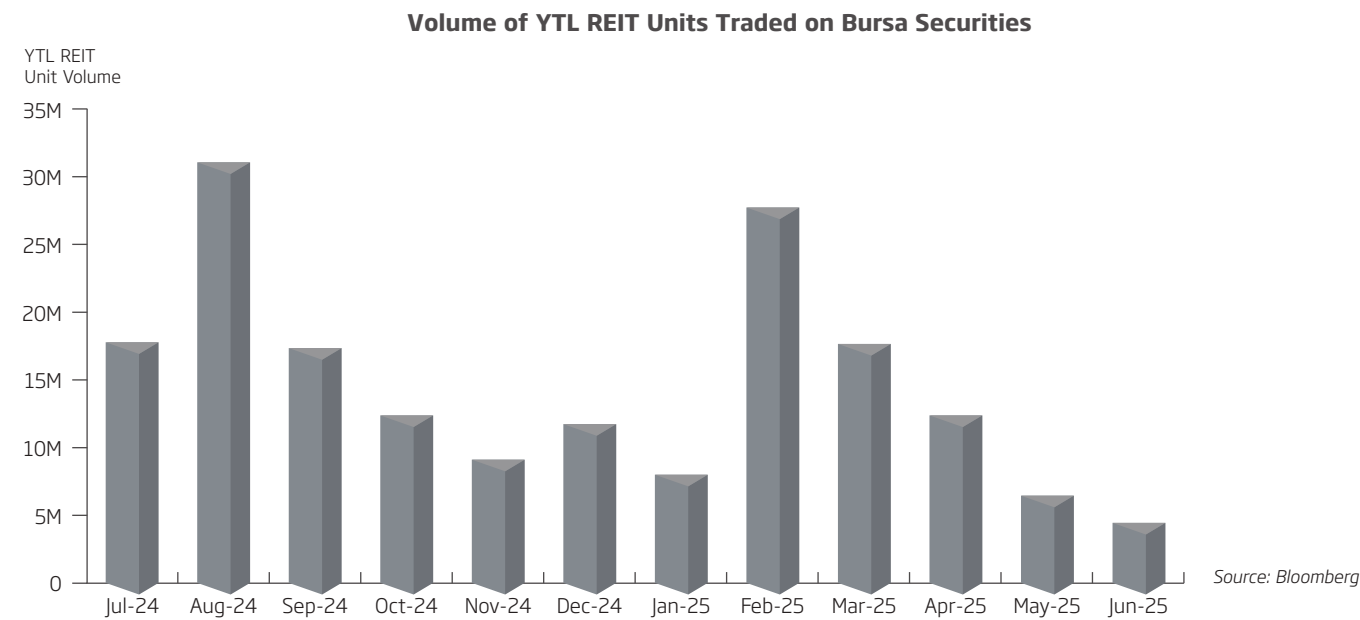
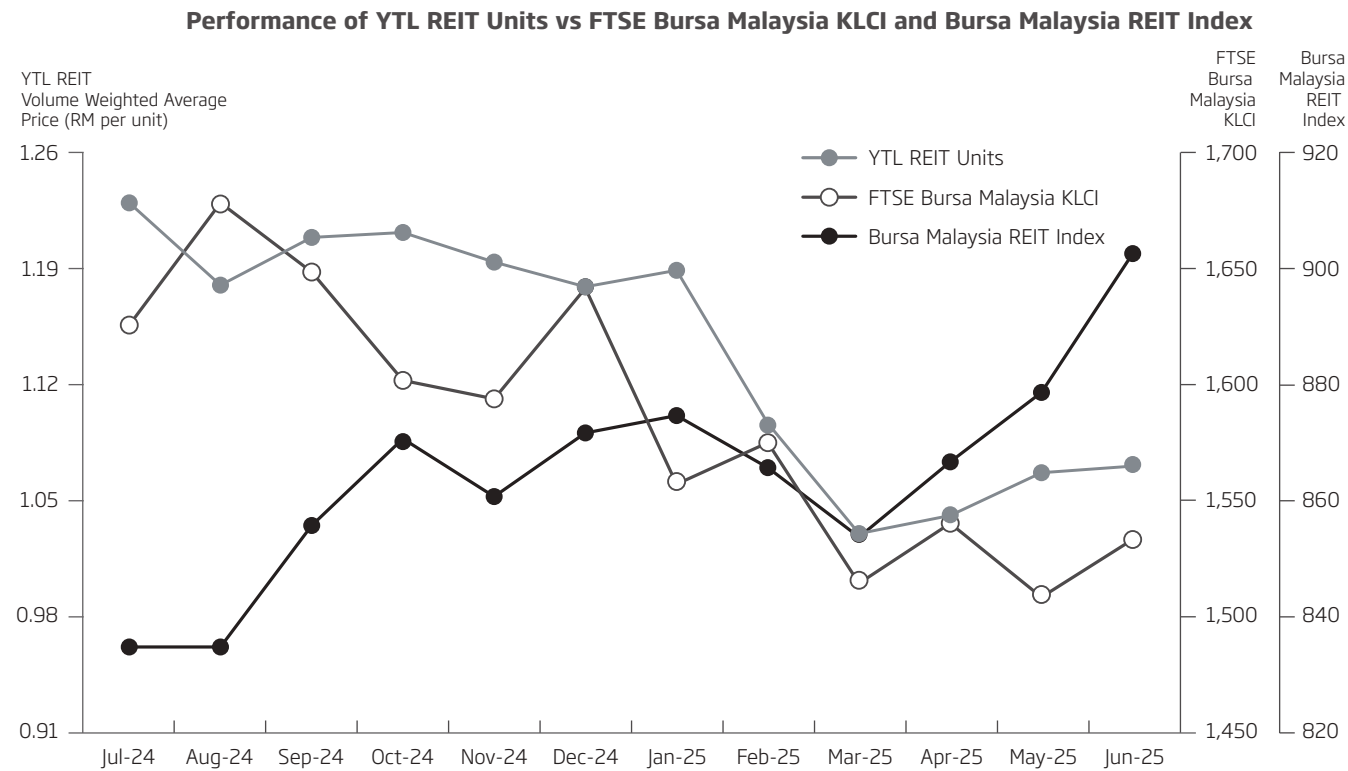


MANAGEMENT DISCUSSION & ANALYSIS
FINANCIAL REVIEW

UNIT PERFORMANCE

The Trust’s units traded at RM1.21 per unit at the beginning of the financial year and ended the year lower at RM1.07 per unit, with a volume weighted average price for the financial year of RM1.15 per unit. During the financial year under review, the closing prices of the Trust’s units recorded a high of RM1.24 per unit and a low of RM0.99 per unit.

Analysis of changes in prices during the financial year ended 30 June 2025:-



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

BENCHMARK RELEVANT TO THE GROUP

Management Expense Ratio ("MER")

	2025	2024
MER for the financial year	0.59%	0.61%

MER is calculated based on the ratio of the sum of fees (all ongoing fees deducted or deductible directly during the financial year, including manager's base and performance fees, trustee's fee, auditors' remuneration, other professional fees and any other fees deducted or deductible directly from the Group) and the recovered expenses (all expenses recovered from or charged to the Group as a result of the expenses incurred by the operation of the Group) to the average value of the Group calculated on a quarterly basis.

Since the basis of calculating MER can vary among real estate investment trusts, there is no sound basis for providing an accurate comparison of YTL REIT Group's MER against other real estate investment trusts.



MANAGEMENT DISCUSSION & ANALYSIS

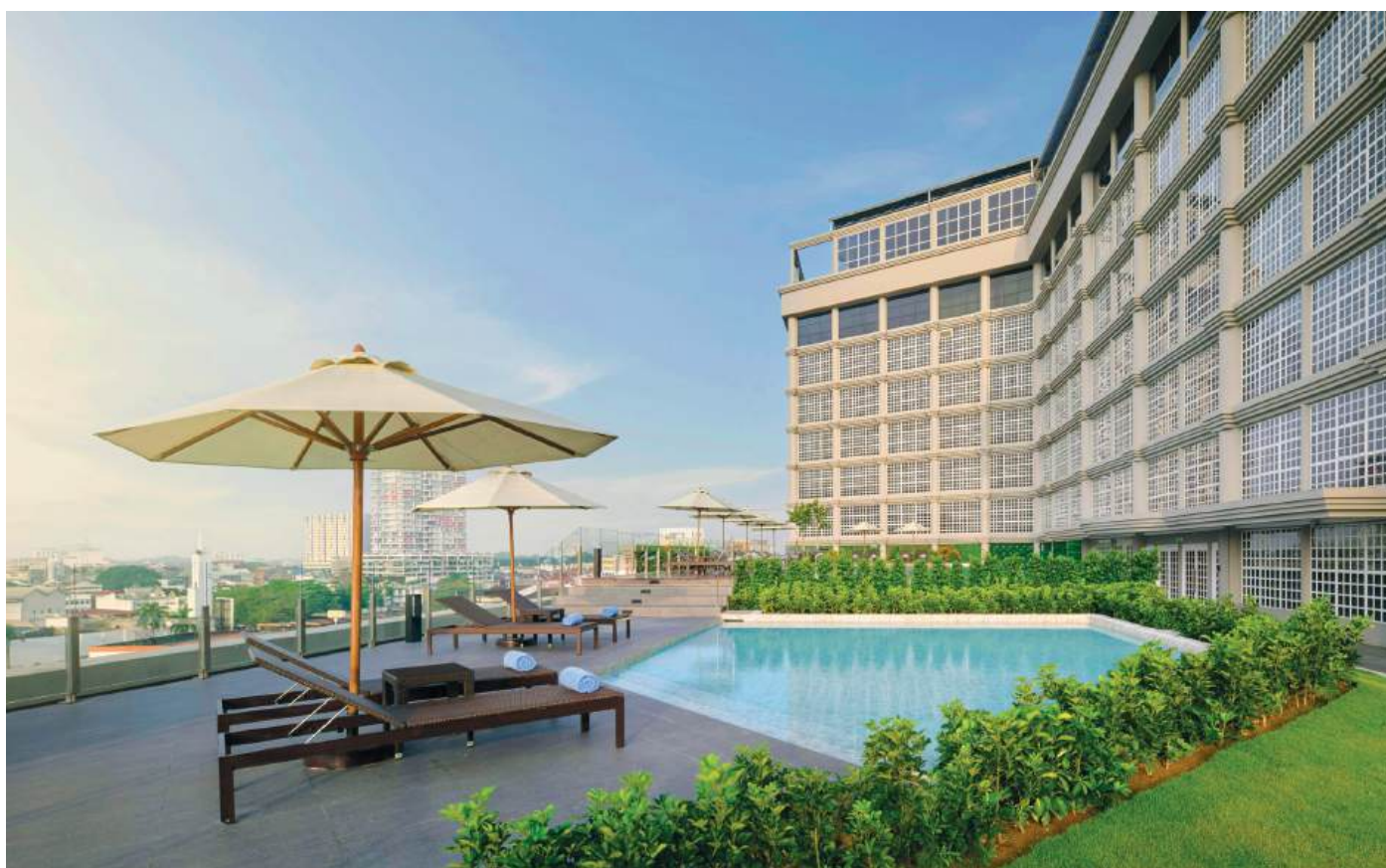
SIGNIFICANT CORPORATE DEVELOPMENTS

COMPLETION OF RENOVATION WORKS AT AC HOTEL IPOH

As reported last year, on 7 February 2024, the Trustee entered into a sale and purchase agreement with Syeun Hotel Berhad for the acquisition of a hotel in Ipoh, Perak formerly known as Syeun Hotel ("Property") for a total cash consideration of RM55.0 million.

On 8 April 2024, the acquisition was completed and the Manager announced that Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd was appointed to undertake the proposed renovation works of the Property at a cost of up to RM55.0 million ("Renovation").

Following completion of the Renovation, the Property, now rebranded as AC Hotel Ipoh, was subsequently leased to Prisma Tulin Sdn Bhd ("Lessee") (a wholly-owned subsidiary of YTL Corporation Berhad) under a lease agreement effective 1 April 2025 for a period of fifteen years with an option granted to the Lessee to renew for a further term of fifteen years.



MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

YTL REIT's investment portfolio was valued at RM5,277.20 million as at 30 June 2025, a decrease of RM4.68 million or 0.09% compared to the previous valuation of RM5,281.88 million as at 30 June 2024.

During the financial year under review, the Group's real estate properties were valued by independent professional valuers and recorded revaluation surpluses. The investment portfolio value also improved following the acquisition of Puchong Hotel, completion of refurbishment works at AC Hotel Ipoh and ongoing development activities at Moxy Niseko. However, overseas investment portfolio in Australia and Japan was adversely affected by the depreciation of AUD and JPY against RM.

YTL REIT Group's net asset value per unit dropped slightly to RM1.725 as at 30 June 2025 compared to RM1.746 as at 30 June 2024.

MALAYSIAN PORTFOLIO

YTL REIT's Malaysian portfolio consists of a diverse range of thirteen assets, from five-star properties and luxury resorts to business hotels in key city centres across the Peninsula. YTL REIT maintains fixed lease arrangements for the properties and benefits from the stable income produced by this revenue structure.

The Trust's domestic portfolio comprises luxury assets situated in the Golden Triangle commercial precinct of Kuala Lumpur, namely the JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur – Hotel Wing and The Ritz-Carlton, Kuala Lumpur – Suite Wing, as well as The Majestic Hotel Kuala Lumpur, Hotel Stripes Kuala Lumpur, Puchong Hotel, Pangkor Laut Resort, Tanjong Jara Resort, Cameron Highlands Resort and the AC Hotels operating in Kuala Lumpur, Kuantan, Penang and Ipoh.

Malaysia's tourism sector recorded a marked increase in tourist arrivals and spending during the financial year under review. Inbound tourism benefitted from visa exemptions for travellers from China and India, higher flight connectivity and vigorous promotional efforts targeting business and leisure, gastronomy and Muslim-friendly tourism. The rise in tourism activity resulted in higher guest numbers across the Trust's Malaysian properties compared to the preceding financial period.



INTERNATIONAL PORTFOLIO - JAPAN

YTL REIT's portfolio in Japan is made up of the Hilton Niseko Village and The Green Leaf Niseko Village, both of which are situated in Hokkaido, Japan, and operate under fixed lease arrangements, ensuring a steady level of income for the Group. The Group is also undertaking the development of Moxy Niseko, a new hotel in Hokkaido, Japan.

Japan's tourism industry, including the Niseko area, experienced remarkable growth over the past financial year, with international arrivals reaching record highs due to the weak JPY. The surge in international visitors, particularly during the ski season, contributed to stronger operating performance across the Trust's Japanese properties.



MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

INTERNATIONAL PORTFOLIO - AUSTRALIA

YTL REIT's Australian portfolio is made up of the Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott. The Group is afforded the benefit of a variable source of income from the operation of these hotel assets.

During the financial year under review, there was a surge in international arrivals into Australia, supported by increased flight connectivity and strong travel demand. Domestic travel demand remained resilient, especially in the corporate segment, but was impacted by cost-of-living pressures and strong outbound travel.

The Sydney Harbour Marriott achieved an increase in occupancy of 87.76% during the financial year under review, compared to 86.30% last year. This boost can be attributed to rising international arrivals and a strong events calendar. The Sydney Harbour Marriott is a 5-star, 595-room hotel set in the heart of Circular Quay, overlooking iconic landmarks including Harbour Bridge and the Sydney Opera House.

Similarly, the Melbourne Marriott, featuring 189 rooms, witnessed higher occupancy of 75.99% for the current financial year compared to 75.41% recorded last year, benefitting from a robust events calendar during the financial year under review. The Melbourne Marriott is located close to the city's theatre precinct and is within minutes of the Bourke and Collins street shopping districts, Chinatown, the Melbourne Museum and the Royal Exhibition Building.

In the financial year 2025, the Brisbane Marriott, comprising 267 rooms, recorded a slightly lower occupancy rate of 76.95% as compared to 78.88% in the previous year. The Brisbane market remains stable, supported by a strong local economy, growing tourist appeal and ongoing infrastructure improvements. The Brisbane Marriott is located between Brisbane's central business district and the Fortitude Valley hub, close to shopping, riverside dining along the Brisbane River, and the city's corporate and cultural locales.



Please refer to the *Review of the Property Market* in this Annual Report for further information on the markets and property sectors in which YTL REIT invests.

MANAGEMENT DISCUSSION & ANALYSIS

RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The Group's operations are subject to market, foreign currency exchange, interest rate, price, credit and liquidity risks. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Further details on the Group's financial risk management can be found in *Note 33* of the *Notes to the Financial Statements* in this Annual Report.



OPERATING RISK MANAGEMENT

Business/Market Risk

The YTL REIT Group is exposed to the economic, financial and hospitality/tourism markets in Malaysia, Japan and Australia. Any negative developments in these areas or globally may impact the Group's financial performance and the valuation of its asset portfolio.

The YTL REIT Group works to manage these factors through the revenue structure of its portfolio whereby the Trust receives stable, medium to long term fixed lease income from its Malaysian and Japanese portfolios and variable income from its Australian assets.

This structure is intended to insulate part of the portfolio from the cyclical nature of the hospitality industry, balanced with any potential upside generated from better performance in other parts of the portfolio.

Regulatory/Compliance Risk

YTL REIT is required to comply with applicable legislation, regulations and guidelines including the Capital Markets and Services Act 2007, the Main Market Listing Requirements of Bursa Securities, the Listed REIT Guidelines, exchange control rules issued by Bank Negara Malaysia and tax legislation and regulations, where failure to do so may result in fines, penalties or other remedies available to the regulatory authorities.

Any such compliance failures may impact the Trust's financial performance or reputation, whilst amendments to existing requirements or introduction of new requirements may also increase compliance costs.

The Manager addresses these risks via its governance and internal control frameworks to monitor and ensure compliance, further details of which can be found in the *Corporate Governance Overview Statement* in this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK



Global economic growth is anticipated to be broadly sustained, supported by favourable labour market conditions, moderating inflation and continued global monetary policy easing. However, the global economic outlook remains subject to considerable uncertainties surrounding higher trade restrictions and potential retaliatory measures as well as escalations in geopolitical conflicts. On the domestic front, Malaysia's economic growth is projected to moderate to between 4.5% and 5.5% in 2025, as a result of the significant global trade and policy uncertainties. Nonetheless, domestic demand should remain resilient and upside risks could emerge from favourable trade negotiation outcomes, pro-growth policies in major economies and more robust tourism activities (*source: Bank Negara Malaysia updates*).

Moving forward, Malaysia's tourism sector is expected to perform well, supported by increased flight connectivity, liberal visa policies and ongoing marketing efforts for Visit Malaysia 2026 ("VM2026"). VM2026 campaign's focus on attracting high-value travellers and promoting sustainable tourism through eco and cultural experiences bodes well for the Trust's diverse Malaysian portfolio.

The Japanese economy is likely to moderate in 2025, with growth projected at 0.4%-0.6%, as global trade and policy shifts are anticipated to result in a global slowdown and impact domestic corporate profits. Nonetheless, accommodative financial conditions, sustained business investment and modest improvements in private consumption are expected to provide support (*source: Bank of Japan updates*).

The number of inbound visitors to Japan in 2025 is estimated to surpass the record-high levels seen in 2024. Growing interest in areas beyond the major tourist cities, along with the Japanese government's efforts to promote sustainable and regional tourism, will drive long-term growth in secondary destinations including Niseko.

The Australian economy is projected to improve over 2025, with GDP growth projected at 2.1%. Alongside sustained government spending, private demand is expected to recover following the rebound in real household disposable incomes and the easing of interest rates. However, weaker global growth and increased policy uncertainty are likely to weigh on recovery (*source: Reserve Bank of Australia updates*).

International arrivals to Australia are expected to fully recover in 2025, driven by strong demand from China, India and Southeast Asia, supported by improved flight connectivity and a weaker Australian dollar. Meanwhile, domestic tourism is set to benefit from a strong events calendar and a pickup in corporate travel, with easing inflation and potential interest rate cuts likely to boost momentum.

The hospitality sector in the areas where the Trust's portfolio is situated is expected to maintain its resilience and growth, driven by sustained demand. The Group is proactively managing its business portfolio and making strategic choices to safeguard long-term growth, while ensuring sustainable value generation for its unitholders.

REVIEW OF THE PROPERTY MARKET

YTL Hospitality REIT and its subsidiaries ("Group") own eighteen (18) hospitality properties and a development property. Of the hospitality properties, thirteen (13) are in Malaysia, three (3) are in Australia and two (2) are in Japan, whilst the development property is in Japan. The Malaysian properties are located in Kuala Lumpur, Selangor, Pahang, Perak, Terengganu and Penang. The Australian properties are located in the capital cities of Australia's three most populous states, i.e. Sydney in New South Wales, Brisbane in Queensland and Melbourne in Victoria. The Japanese properties are located in the Niseko area of the island of Hokkaido.

MALAYSIA

1. Economy

The Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), exceeding the government's initial forecast range of 4.0% to 5.0%. Growth was supported by continued expansion in domestic demand and a rebound in exports as well as other contributing factors such as increased investment inflows, higher tourist arrivals and spending and development progression of mega projects.

In the first quarter of 2025 (1Q2025), the country's gross domestic product (GDP) expanded 4.4% (4Q2024: 4.9%). In line with steady growth momentum, the GDP for 2Q2025 remained firm at 4.4%. However, amid shifting global economic landscape due to uncertainties in trade policies and ongoing geopolitical tensions, Malaysia's economic growth prospects for the full year of 2025 has been lowered to between 4.0% and 4.8% (initial forecast of 4.5% to 5.5%).

For 2024, both headline and core inflation declined to 1.8% (2023: 2.5% and 3.0% respectively). Looking ahead to 2025, headline inflation is projected to remain moderate, averaging between 1.5% and 2.3%. This follows a consistent decline in the preceding quarters (2Q2025: 1.3%, 1Q2025: 1.5%). The decline has been supported by the government's consumption subsidies aimed at mitigating increases in services and food prices as well as lower utilities inflation due to dissipated effects from higher tariff in 2024.

As a pre-emptive measure to remain accommodative to Malaysia's steady growth path, Bank Negara Malaysia (BNM) reduced the overnight policy rate by 25 basis points to 2.75% on 9 July 2025. This follows a reduction in the Statutory Reserve Requirement ratio from 2.0% to 1.0% effective 16 May 2025 to provide continued support for financial intermediation activity amid growing global economic uncertainties.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), BNM Economic & Monetary Review 2024, BNM Quarterly Bulletin 1Q2025

2. Hotel Sector

Malaysia

The tourism industry in Malaysia continues to recover with the country welcoming 25.02 million international tourist arrivals in 2024 (2023: 20.14 million arrivals), marking an annual increase of 24.2% despite falling short of its target of 27.3 million arrivals for the year. Meanwhile, tourist receipts contributed RM102.2 billion to the national revenue in 2024, significantly higher by circa 43.4% year-on-year (2023: RM71.3 billion). The rebound in the industry is supported by several factors which include visa relaxations, upgraded infrastructure and well-targeted promotion efforts.

Singapore remained the leading source of international tourists with approximately 9.10 million arrivals, followed by Indonesia and China, which contributed around 3.65 million and 3.29 million visitors, respectively. Other top tourist generating markets in 2024 are Thailand (1.64 million), Brunei (1.14 million) and India (1.13 million).

Although the number of tourist arrivals remains slightly below pre-pandemic levels, tourist receipts have surpassed those of 2019 (2024: 25.02 million tourist arrivals with RM102.2 billion in tourist receipts / 2019: 26.10 million tourist arrivals with RM86.14 billion in tourist receipts). The average tourist spending reached a new peak of circa RM4,087 in 2024 (2023: RM3,540).

Under Budget 2025, Malaysia will continue to focus on enhancing infrastructure and systems at all entry points to better accommodate international and regional MICE (meetings, incentives, conferences, and exhibitions) events, including the ASEAN Chairmanship and various state-level Visit Year programmes. The government will also ramp up global promotions for Visit Malaysia 2026 (VM2026) through targeted advertising, increased presence at World Expos and other strategic initiatives aimed at restoring pre-pandemic levels of tourist arrivals and strengthening Malaysia's position as a leading global tourism destination.

REVIEW OF THE PROPERTY MARKET

A total of RM550 million has been allocated to support promotions in preparation for VM2026. This funding will focus on organising tourism and cultural events, improving flight connectivity and empowering local communities through the promotion of traditional arts such as handicrafts and batik. An additional RM110 million will be invested in upgrading key tourist destinations, fostering ecotourism partnerships and supporting Malaysia's bids for UNESCO World Heritage recognition, with targeted improvements at Taman Negara Endau Rompin, Pulau Redang and Pantai Tusan Bekenu.

To further bolster cultural tourism, RM600 million will be allocated to position Kuala Lumpur as a regional cultural and creative hub. Restoration efforts for landmarks such as Carcosa Seri Negara and Bangunan Sultan Abdul Samad will reinforce the capital's heritage appeal while driving economic and tourism growth.

Malaysia aims to host 31.3 million international tourists in 2025, with tourism earnings expected to surpass RM125.5 billion. This growth is expected to be driven by the rebound in travel demand as well as Malaysia's ASEAN chairmanship in 2025, which offers significant economic opportunities for local entrepreneurs in the logistics, hospitality, tourism and handicraft sectors.

In the first three months of 2025, Malaysia welcomed over 6.37 million foreign tourists with corresponding tourist receipts of RM27.5 billion. Compared to the same period last year, the figures were higher by 9.6% and 23.9% (1Q2024: 5.81 million tourist arrivals with RM22.2 billion in tourism receipts), respectively. It is noteworthy that during this period, the number of tourists from China and India rose by 27.4% and 28.1%, respectively following extension of the visa liberation programme which allows visa-free entry for 30 days for citizens of both countries. This forms part of a broader plan to boost tourism and the economy, aligning with Malaysia's ASEAN chairmanship in 2025 and VM2026.

In April 2025, Malaysia recorded 1.99 million tourist arrivals, bringing the total for January to April 2025 to 8.36 million. This represents a 10.5% increase compared to the same period in 2024, which registered 7.56 million tourist arrivals.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), Tourism Malaysia, Budget 2025 & Ministry of Tourism, Arts & Culture

Outlook

Malaysia's hospitality industry presents significant investment opportunities, driven by strong tourism growth, government incentives and rapid digital transformation. The country's diverse attractions, from vibrant cities to pristine islands and cultural heritage sites, continue to attract millions of visitors annually. The Malaysian government, through its various agencies such as the Malaysian Investment Development Authority and the Ministry of Tourism, Arts, and Culture, offers various incentives such as tax exemptions, investment allowances and tourism grants to support and encourage expansion of the industry.

The tourism sector contributed 15.1% of RM275.8 billion to the country's total GDP in 2023, marking a yearly growth of 10.3%, supported by retail trade and country-specific tourism services as well as food and beverage serving services.

Through strategic partnerships, industry collaborations and digital innovations, Malaysia is set to elevate its tourism offerings while ensuring a sustainable and inclusive travel experience. Tourism Malaysia continues to engage with stakeholders and international partners to refine and execute these strategies, reinforcing Malaysia's position as a top travel destination in the region.

VM2026 aims to position Malaysia as a premier global tourism destination, targeting 35.6 million visitors and generating RM147.1 billion in revenue anchored on two pillars: high-yield and sustainable tourism. Marketing efforts are focused on key source markets, grouped into priority levels, including China, India, Indonesia, Australia and Vietnam as top-tier targets. To provide a further boost to the industry, Malaysia should consider extending visa-free entry or e-visa options to more countries especially those with high tourism potential as well as expand and improve air connectivity to global tourists. As of January 2025, the Malaysia Airports network is served by 73 foreign and six local carriers (excluding freighters), connecting 138 international and 31 domestic destinations.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025) & Tourism Malaysia

REVIEW OF THE PROPERTY MARKET

Kuala Lumpur

As of 1Q2025, Kuala Lumpur recorded the highest number of hotel rooms in the country, with 254 properties offering a total of 47,525 rooms. There are 17 hotels with 3,862 rooms under various stages of construction, while another 10 hotels with 1,696 rooms are in the planning stage.

Several hotels are slated to open in the second half of 2025, with key developments including Park Hyatt Kuala Lumpur (252 rooms), Kimpton Naluria Kuala Lumpur (466 rooms) and Hyatt Regency Kuala Lumpur (410 rooms). These upcoming establishments are operated by international hotel chains under their luxury and upper upscale brands. Other hospitality projects that are expected to be completed during this period include the Marriott Executive Apartments and Grand Mercure Kuala Lumpur Bukit Bintang (currently operating as the Swiss-Garden Hotel).

In 2024, the average occupancy rate (AOR) of 4- and 5-star hotels in Kuala Lumpur rose further to 62.8% (2023: 59.7%), surpassing pre-pandemic performance as travel demand rebounds and consumer confidence improves. As of first half of 2025 (1H2025), the AOR increased marginally by 0.5 percentage point to record at 63.3%.

Similarly, the average daily rate (ADR) for 4- and 5-star hotels continued to uptrend in 2024, ranging between RM397 and RM464 per night (2023: RM363 to RM453 per night). In 1H2025, the shoulder season of travel, the ADR ranged from RM331 to RM426 per night.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), National Property Information Centre & ADATA Portal

Selangor

Selangor is stepping up its efforts to solidify its position as a leading tourism destination in ASEAN by leveraging the ASEAN Tourism Forum 2025 to promote the Visit Selangor Year 2025 campaign. Tourism Selangor is focusing on strategic partnerships and creating innovative tourism experiences, with the aim of attracting 8 million tourists and generating RM11.7 billion in tourism revenue.

Under the theme “Surprising Selangor”, the campaign showcases the vibrant diversity and rich heritage of the State, from serene ecotourism escapes and thrilling sports tourism adventures to immersive agrotourism experiences.

As of 1Q2025, there were 1.768 million tourists to the State, a marginal yearly decline of 0.6% (1Q2024: 1.778 million tourists). Foreign tourists made up about 28.0% of total arrivals with the leading source of countries being China, Singapore, Indonesia, Japan and India.

There were 210 accommodation premises with a total of 26,286 rooms comprising 103 star-rated hotels with a combined room count of 20,554; 25 budget (Orchid rated) accommodations with 924 rooms and 82 non-rated accommodations (4,808 rooms). Hotels in the 3- and 4-star category made up 55.3% (57 hotels) of the star-rated hotels. Collectively, they contributed 10,700 rooms or circa 52.1% of total room supply in the star-rated category.

Upcoming hotels in the State include the 250-room Citadines Montford Shah Alam and 280-room ASAI Gamuda Cove Hotel with target completions by 2027 and 2026, respectively.

The AOR of 3- and 4-star hotels in Selangor declined slightly to record at 59.2% in 2024 (2023: 60.6%). As of 1H2025, the AOR was lower at 55.4%.

The State’s tourism industry is well on the road to recovery from the pandemic, as evidenced by the trends in AOR and tourist spending of RM13.9 billion in 2024 (2023: RM9.5 billion). The bulk of tourist spending was directed towards shopping (33.9%), accommodation (18.8%) and food & beverages (14.9%).

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), Tourism Selangor (Prestasi Kedatangan Pelancong Ke Negeri Selangor 2024 & 1Q2025) & ADATA Portal

REVIEW OF THE PROPERTY MARKET

Perak

According to Tourism Malaysia, the overall hotel guests in Perak saw an increase from 5.14 million in 2023 to 5.16 million in 2024. However, the overall occupancy rate slightly decreased from 47.3% in 2023 to 46.9% in 2024.

In 2024, the total supply of 3- to 5-star hotel rooms in Perak registered 5,681 rooms (decreased by 0.37% from 5,702 rooms in 2023) comprising 2,845 3-star hotel rooms [2023: 2,866 rooms (decreased by 0.7%)], 2,336 4-star hotel rooms [2023: 2,336 rooms (maintained)] and 500 5-star hotel rooms [2023: 500 rooms (maintained)]. The 3-star hotels continued to dominate the existing hotel supply in Perak with 23 hotels compared to 11 hotels under 4-star category and 3 hotels under 5-star category. Overall, there is no change in the number of hotels in 2024 as compared to 2023. The incoming and planned supply has recorded a total of 12 hotels with 1,469 rooms as at 1Q2025 as compared to 11 hotels with 1,196 rooms as at 1Q2024.

The Visit Perak Year 2024 (TMP 2024) campaign with the theme known as “Promising Perak” has concluded with a great success, attracting over 10.2 million tourist arrivals in 2024, surpassing all other states in Malaysia. TMP 2024 has positioned Perak as a leading and competitive destination in ecotourism, culture, heritage and gastronomy. The top five destinations most visited by domestic visitors were Teluk Batik, Lumut Waterfront, Ipoh Night Market, Taman Rekreasi Gunung Lang and Pulau Pangkor.

The state government is promoting the tourism sector through agrotourism events, infrastructure upgrades and digital promotions such as the “Roar of Legacy” campaign, the Perak Agrotourism Carnival and the Greater Ipoh campaign in conjunction with Visit Malaysia 2026. It is also encouraging investments in tourism sector through conversion of old and abandoned buildings into suitable tourist accommodations.

Source: Savills Malaysia Research (August 2025)

Pahang

The Pahang government aims to welcome 13.8 million tourists for the year 2025. Post-pandemic, the State's tourist arrivals, which had been rising from 13.2 million in 2023 and 10.18 million in 2022, exceeded the 2024 target of 13.5 million by attracting 13.7 million tourist arrivals.

Genting Highlands remained as the most visited destination in Pahang with 8.55 million visitors recorded in 2024. The State's capital of Kuantan and Cameron Highlands are in second and third spots with circa 2.3 million and 1.4 million visitors respectively. Taman Negara, one of the world's oldest rainforests, attracted 135,435 tourists in 2024 compared to 128,592 visitors in the previous year.

As of 1Q2025, there are 303 hotels collectively offering 25,624 rooms in Pahang. About 44.9% of these hotels are in the city / town area (136 hotels, 6,750 rooms), 63 hill hotels (13,253 rooms or 51.7% of the State's total room supply) and 85 beach hotels (4,537 rooms) while the balance 19 hotels in 'other' category contribute 1,084 rooms.

About 70.3% of the existing hotels (213 hotels, 4,774 rooms) fall within the 10- to 49-room category. The remaining hotels have larger room capacities: 45 hotels (total of 2,984 rooms) in the 50- to 99-room category and 33 hotels (total of 5,404 rooms) in the 100- to 299-room category. There are 12 other hotels (4.0%) with more than 300 rooms each, collectively offering 12,462 rooms.

Since 2023, the number of hotels and corresponding rooms in the 4- and 5-star categories have remained unchanged at 17 (4,003 rooms) and eight (3,014 rooms), respectively.

Currently, there are nine hotels under planning which will collectively offer 783 rooms to the cumulative supply when completed/operational in the future. The 300-room Swissôtel Resort Genting Highlands is expected to open by 2028.

Hard Rock International has opened the country's seventh Hard Rock Café at Grand Ion Majestic in Genting Highlands. Located 6,000 feet above sea level, it forms part of the RM1.6 billion mixed-use development by NCT Alliance Bhd that also include circa 178,000 square feet of retail space, offering a variety of shopping and dining experiences.

REVIEW OF THE PROPERTY MARKET

Hotels in the 4- and 5-star categories recorded AOR of 63.1% in 2024 while the ADR for similar rated hotels was also relatively stable, ranging from RM395 to RM466 per night. As of 1H2025, the AOR of 4- and 5-star hotels in the State stood at 55.7%.

Tourism Pahang has organised 35 major international events throughout this year. Besides promotion campaigns, there are also planned familiarisation visits where travel agencies and stakeholders from abroad will be brought to visit top holiday destinations in the State.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), National Property Information Centre, Tourism Pahang & ADATA Portal

Penang

As of 1Q2025, Penang State has 252 hotels with a total of 25,590 rooms (1Q2024: 244 hotels with 24,034 rooms). Year-on-year, there was an increase of 3.3% and 6.5% in the number of hotels and rooms respectively. Approximately 66.5% of the hotel rooms are rated as 3-star or above, with 4-star and 5-star hotels accounting for 30.7% (30 hotels, 7,844 rooms) and 22.3% (21 hotels, 5,694 rooms) respectively.

Between January and March 2025, there were several new hotel openings, offering diverse options for both business and leisure travellers.

The Fifth Avenue Hotel, a 5-star establishment along Macallum Street in George Town, offers 241 rooms, a rooftop pool and bar, multiple dining options and event spaces for up to 480 guests. Similarly, The Millen Penang, Autograph Collection, the first of its brand in Penang under Marriott, opened along Millionaire's Row with 146 rooms, three dining outlets and a blend of colonial charm and modern luxury.

Located in Tanjung Bungah, the rebranded M Social Resort Penang (formerly Copthorne Orchid Hotel), is a 4-star hotel featuring 318 tech-enhanced rooms, a rooftop pool with sea views and the signature Beast & Butterflies restaurant.

Meanwhile, Holiday Inn & Suites Penang Prai offers 332 rooms and suites with family-friendly and long-stay features, extensive facilities and over 2,000 square metres of event space including a grand ballroom for up to 1,000 guests.

In 1H2025, the AOR for 3- to 5-star hotels in Penang recorded a marginal dip of 0.1 percentage point, edging down from 63.3% in 1H2024 to 63.2%. Meanwhile, the ADR recorded a sharper decline of 12.0%, dropping from RM357 per night to RM314 per night. This weaker performance could be attributed to the Ramadan period, heightened market competition, weaker economic sentiment and the growing popularity of alternative accommodations such as Airbnb.

In terms of future supply, there are 11 hotels with 2,174 rooms in the development pipeline and 10 hotels with 1,431 rooms with planning approval, collectively offering an additional 3,605 rooms in the mid to long-term.

The hospitality market in Penang is projected to sustain positive momentum in the second half of 2025, driven by increased air connectivity, visa-free travel policies for key markets such as China and India as well as targeted promotional efforts.

The ongoing expansion of Penang International Airport and the launch of new hotel developments will continue to enhance the State's hospitality landscape. The upcoming Penang Waterfront Convention Centre is also poised to be a key catalyst, drawing more business events and boosting overall demand. At the same time, cruise tourism in Penang is expected to grow further, supported by a rise in cruise ship arrivals at the Swettenham Pier Cruise Terminal, expanded itineraries from major cruise lines such as Oceania Cruises and regular sailings by Resorts World Cruises.

Penang's tourism appeal is further elevated by its recognition as one of Lonely Planet's seven best destinations to visit in Southeast Asia, highlighting its vibrant street food scene and rich creative culture. Such accolades are expected to enhance the State's visibility and attract more tourists, providing an additional boost to the local tourism industry.

Sources: Knight Frank Malaysia Sdn Bhd (August 2025), National Property Information Centre & ADATA Portal

REVIEW OF THE PROPERTY MARKET

Terengganu

Terengganu recorded 7.8 million tourist arrivals in 2024, far surpassing their target of 4.5 million. As of August 2024, 329,112 tourists visited Terengganu's islands (Pulau Redang, Pulau Perhentian, Pulau Kapas, Pulau Gemia, Pulau Bidong, Pulau Tenggol and Pulau Land Tengah) as compared to 330,528 tourists visits recorded in 2023.

Terengganu's property market activity (-5.7%) and transaction values (-0.8%) recorded a slight decline in 2024 respectively. For commercial property, the number of transactions and transaction value in the state dropped by 20% and 29.7% respectively as compared to 2023.

In 2023, only one hotel transaction was recorded i.e. Gem Beach Resort in Kuala Terengganu and in 2024, only one hotel was completed i.e. Hotel Fairfield by Marriott (98 rooms) in Kuala Besut. There are two new upcoming hotels in 2025 i.e. DJ City Plaza Hotel & Suites (130 rooms) in Kuala Terengganu and a 3-star hotel in Pulau Poh, Kenyir (150 rooms).

Sources: Azmi & Co Sdn Bhd (August 2025), Bank Negara Report, News & Property Market Report 2024

AUSTRALIA

1. Economy

The direct impact of United States tariff policies on the Australian economy is expected to be limited, as the United States accounts for only 4% of Australia's total exports. The scaling back of tariff increases on Chinese goods also reduces the potential for indirect impacts on the Australian economy from lower growth in China. Purchasing Managers' Index data suggest Australia's economy continues to expand across the services and manufacturing sectors.

Real Gross Domestic Product (GDP) rose by a weaker than expected 0.2% (seasonally adjusted) in the March quarter 2025, with annual growth remaining steady at 1.3%. The Australian Bureau of Statistics (ABS) noted that extreme weather events during the quarter affected activity in the tourism, mining and shipping sectors.

Consumer spending rose by 0.4% in the quarter, a slowdown from the 0.7% growth recorded in the December quarter, which had been boosted by stronger than usual spending during major December quarter retail sales events. Private investment increased by 0.7%, boosted by higher housing investment and non-residential building construction. Government spending was flat, with stronger defence spending by the federal government offset by lower state and local government expenditure. Public sector investment declined over the quarter.

Despite the soft March quarter result, economic activity is expected to accelerate this year and in 2026. The Reserve Bank of Australia (RBA) is forecasting Australia's GDP growth will increase to 2.1% in 2025 and 2.2% in 2026, underpinned by a rebound in consumer spending in line with a recovery in household disposable income.

The labour market remains relatively tight. Nationally, the unemployment rate was unchanged in April 2025 at 4.1%. Employment rose by 89,000 in April, taking annual employment growth to 2.7%, outpacing population growth of 2.1% over the same period.

The employment-to-population ratio rose by 0.3 percentage points in April to 64.4%, just below the record high of 64.5% in January, while the participation rate rose by 0.3 percentage points to 67.1%.

Australia's wage price index rose by 0.9% (seasonally adjusted) in the March quarter to be 3.4% higher over the year to March. The increase was driven by both the private sector (+0.9%) and the public sector (+1.0%).

In August 2025, the RBA cut the official cash rate by 25 basis points to 3.60%, reflecting moderating inflation and elevated global uncertainty leading to a weaker outlook for growth and inflation than previously anticipated.

While the RBA expects headline inflation to move to the top of the 2-3% target band this year, as some temporary factors suppressing cost pressures unwind, growth in underlying inflation is expected to remain around the mid-point of the target band over the next few years. Financial markets are currently pricing in multiple additional rate cuts over the course of this year.

REVIEW OF THE PROPERTY MARKET

The Consumer Price Index increased by 0.9% in the March quarter, with annual growth remaining stable at 2.4%. The main contributors to the rise in consumer prices were housing (+1.7%), education (+5.2%) and food and non-alcoholic beverages (+1.2%).

Underlying inflation continues to moderate, with trimmed mean inflation slowing to 2.9% over the year to March, down from 3.3% over the year to December. This is the lowest annual trimmed mean inflation rate since the December 2021 quarter.

2. Hotel Sector

Australia - Transaction Activity

During 2024, transaction volumes slowed further with some investors pausing until there is clarity on the continued upward movement in the cost of debt. A number of transactions are under due diligence, representing strong parameters, although it is clear that deals are taking longer to complete.

In 2024, there were 57 transactions with a total sales volume of \$1.9 billion, falling short of the \$2.5 billion sales volume recorded in 2023, despite comprising a greater number of transactions. Transaction volumes are anticipated to remain at this level in 2025.

In the six months to June 2025, there were 14 transactions above \$5 million, totalling \$620 million, compared to 31 transactions totalling \$865 million for the same period in 2024. However, significant sales are expected to occur in the second half of the year as the cost of debt is starting to ease.

Australia - Hotel Trade

A review of the 2024 Smith Travel Research (STR) data indicates a stabilisation in Average Daily Rate (ADR), but continued occupancy growth in national hotel performance, with Australia recording an overall Revenue Per Available Room (RevPAR) increase of 3.6% to \$170.86 when compared to the year prior.

All Australian main market destinations excluding Hobart experienced positive rates of RevPAR growth, with Cairns, Perth, Brisbane and Sydney showing the largest uplift.

Year-to-date June 2025 STR data indicates that occupancy growth has slowed across the national hotel market in Australia. RevPAR for year-to-date June 2025 recorded a 3.3% increase year-on-year, reaching \$170.03.

For the remainder of 2025, RevPAR growth is expected to moderate, as market stabilisation has been reached across most locations. Melbourne is anticipated to remain on its recovery trajectory for a further two years, while Sydney is likely to experience continued occupancy uplift throughout 2025.

Sydney

Sydney and Melbourne are recognised as Australia's primary gateway cities.

The Sydney CBD is benefiting from the return of international visitors along with the continued recovery of corporate demand.

Sydney wide occupancy in 2024 was recorded at 78.3%, while ADR was \$274.11, reflecting an overall RevPAR increase of 4.5% compared to the previous year.

For year-to-date June 2025, Sydney recorded a 2.9% increase in RevPAR, driven by a 3.2% rise in occupancy, while ADR remained stable, declining slightly by 0.3%.

Melbourne

In 2024, occupancy increased by 5.19% to 71.0%, although the ADR reduced by 1.07% to \$217.59. This resulted in a 2.15% increase in RevPAR to \$154.40.

Year-to-date June 2025 data in Melbourne shows ADR has stabilised with a marginal decline of 1.1%, while occupancy grew by 3.3%, resulting in a 2.1% uplift in RevPAR.

New hotel supply continues to open in Melbourne, but this is anticipated to reduce beyond the next two years, after which the city should experience a good recovery.

REVIEW OF THE PROPERTY MARKET

Brisbane

2024 STR data indicates that Brisbane has experienced consistent operational growth, with all key performance indicators showing an increase compared to the previous year.

In 2024, occupancy increased by 3.5% (to 76.2%), ADR rose by 2.6% (to \$234.24), resulting in a RevPAR uplift of 6.2% (\$178.60).

Brisbane recorded the strongest RevPAR growth for year-to-date June 2025, increasing by 10.8%, driven primarily by an 8.9% rise in ADR compared to the same period last year.

There are a number of key events at the end of 2025 and early 2026 which point towards continued positive growth.

Source: Savills Valuations Pty Ltd (August 2025)

JAPAN

1. Economy

Japan's economic growth is expected to moderate, as trade and other policy developments across jurisdictions lead to a slowdown in overseas economies and a decline in domestic corporate profits although accommodative financial conditions are likely to provide some support. Looking ahead, Japan's economic growth rate is projected to rise with overseas economies returning to a moderate growth path.

The year-on-year rate of increase in the Consumer Price Index (CPI, all items less fresh food) is expected to be in the range of 2.5–3.0 percent for fiscal 2025, in the range of 1.5–2.0 percent for fiscal 2026 and at around 2 percent for fiscal 2027. The impact of the recent increase in food prices - such as rice - is anticipated to subside. Meanwhile, underlying CPI inflation is likely to remain subdued in the near term, mainly due to the economic slowdown. However, underlying CPI inflation is expected to increase gradually, driven by growing labour shortages and increase in medium- to long-term inflation expectations. In the second half of the projection period, underlying CPI inflation is expected to reach levels broadly consistent with the price stability target.

Comparing the projections with those presented in the previous Outlook for Economic Activity and Prices (Outlook Report), the projected real GDP growth rates remain largely unchanged. The projected increase in CPI for fiscal 2025 is higher, mainly reflecting the effects of increase in food prices, while the projections for fiscal 2026 and 2027 are mostly unchanged.

There are various risks to the outlook. In particular, significant uncertainty remains regarding the evolution of trade and other policies in each jurisdiction, and how overseas economic activity and prices will respond. It is therefore important to closely monitor the impact of these developments on financial and foreign exchange markets, as well as on Japan's economic activity and prices.

With regard to the risk balance, risks to economic activity are skewed to the downside for fiscal 2025 and 2026. Risks to prices are broadly balanced.

Sources: Colliers International Japan KK (August 2025) & Outlook for Economic Activity and Prices (July 2025), Bank of Japan

2. Hotel Sector

Japan

The hotel market in Japan saw a robust growth in 2024 with 36.87 million visitors entered the country, well surpassing the pre-pandemic high of 31.88 million in 2019. According to JTB Travel Trends, 40.2 million foreign visitors are projected to visit Japan in 2025 mainly due to the World Expo 2025 in Osaka, continued weakness of Japanese yen and recovery of international flights. As of the first half of 2025, the cumulative number of inbound tourists to Japan has reached 21.5 million.

Amid strong tailwinds, the hospitality investment market is booming. Foreign investments are expected to continue in 2025 due to factors such as undersupply of hotels in recent years, extremely strong demand for accommodation and Japan's ability to secure higher yield spread than other countries despite the moderate rising trend in interest rates.

REVIEW OF THE PROPERTY MARKET

Overall, the hotel operation performance in Japan has remained strong throughout the first half of 2025. The ADR has continued to grow, exceeding the pre-pandemic levels for most hotels owned by real estate investment trusts in Japan. Revenue per available room has also reached record highs, supported by robust inbound tourism, which totalled 21.5 million visitors by the end of June 2025. While hotel occupancy rates are still slightly below the pre-pandemic peaks due to ongoing labour shortages, gradual improvements in staffing and the adoption of operational technologies are helping to close the gap. The overall outlook remains positive, with regional destinations seeing increase in demand from experience-seeking travellers and major events like World Expo 2025 in Osaka driving further growth.

Sources: Colliers International Japan KK (August 2025), JTB Travel Trends & Japan National Tourism Organization

Niseko

In the 2024 winter season, the hotel market in the Niseko area (including Niseko Town and Kutchan Town) has shown strong growth, driven by the recovery of inbound tourism and the stabilisation of domestic travel. During the winter season (December 2024 to March 2025), the four major ski resorts i.e. - Grand Hirafu, HANAZONO, Niseko Village, and Annupuri - recorded over 11.31 million lift and gondola rides (increase of 13.5% year-on-year), marking the highest number of rides ever recorded.

The number of overnight guests has also remained solid. From April 2024 to March 2025, Niseko Town welcomed approximately 110,000 foreign visitors, an increase of 18.0% as compared to the previous year. The total number of overnight guests (including both domestic and international travellers) exceeded 320,000, approaching pre-pandemic levels. Kutchan Town has also shown a steady recovery, with a consistent increase in number of guests from 2022 to 2024. Notably, around 80% of guests during the winter season were international visitors.

Hotel development is active, with several luxury-oriented projects scheduled to open from 2025 onwards. Key upcoming developments include:

- Moxy Niseko Village (310 rooms)
- Hotel 101 Niseko (482 rooms)

Visitors from Australia, Hong Kong, Singapore, and the United States continue to dominate the international tourism market in Niseko. Despite increase in prices for accommodation, ski lift tickets and dining, the international demand remains strong, supported by the weak Japanese yen.

Sources: Colliers International Japan KK (August 2025), Hokkaido Shimibun, Niseko Town and Kutchan Town

MANAGING SUSTAINABILITY

ABOUT THIS REPORT

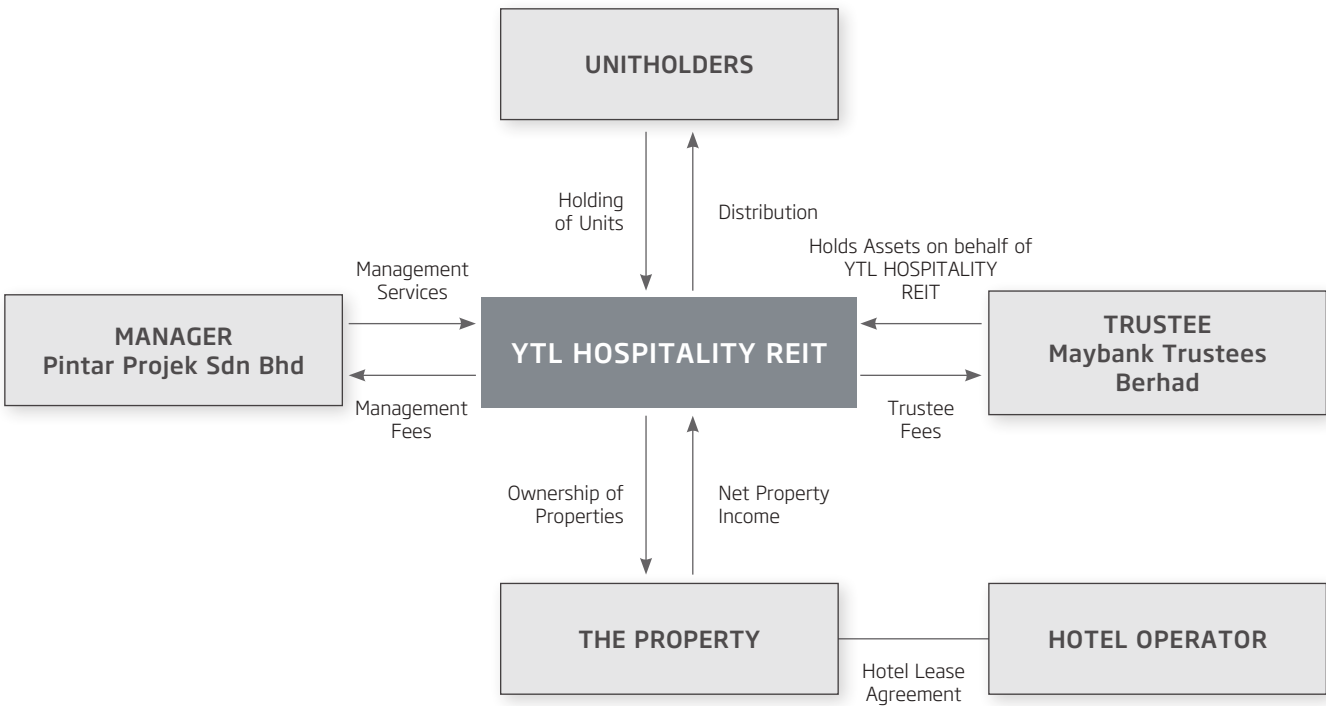
Structure and Management

YTL Hospitality REIT (“YTL REIT” or the “Trust”) was listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 16 December 2005 and is an income and growth type fund. The principal investment objective of YTL REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate.

YTL REIT has a market capitalisation of RM1.83 billion (as of 30 June 2025) and owns a broad portfolio of 19 hospitality assets, spread across Malaysia, Australia and Japan.

The trustee of YTL REIT is Maybank Trustees Berhad and YTL REIT is managed by Pintar Projek Sdn Bhd (“Pintar Projek” or the “Manager”), a 70%-owned subsidiary of YTL Corporation Berhad (“YTL Corp”).

YTL Hospitality REIT Structure



MANAGING SUSTAINABILITY

Reporting Scope and Boundary

This sustainability statement provides an overview of how we operate and manage our strategy and day-to-day business to address our sustainability commitments and performance.

This statement covers YTL REIT's portfolio, where the Manager, Pintar Projek, has both financial and operational control, aligned with YTL REIT's financial year from 1 July 2024 to 30 June 2025 ("FY2025"), unless otherwise specified, and where there is readily available data. The environmental data in this report covers Brisbane Marriott Hotel ("BMH"), Melbourne Marriott Hotel ("MMH") and Sydney Harbour Marriott Hotel ("SHMH"). The social and governance data covers the Manager, BMH, MMH and SHMH.

Properties where we do not have financial and operational control are excluded. Where material, newly acquired assets will be included upon the availability of a full year of data corresponding with YTL REIT's financial year, whilst any assets divested during the financial year are excluded from this statement.

Where relevant, the sustainability initiatives, performance and achievements of the lessees and operators of the Trust's properties will be outlined in greater detail in the consolidated YTL Group Sustainability Report 2025, which will be published in October 2025 in conjunction with YTL Corp's Annual Report for the financial year ended 30 June 2025. The report can be accessed from the YTL Group's sustainability website at <https://www.ytl.com/sustainability/>.

Reporting Framework, References & Guidelines

This statement was prepared with reference to the following requirements, guidance, standards, frameworks and principles:

- Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Malaysian Code on Corporate Governance ("MCCG")
- Bursa Securities' Sustainability Reporting Guide and Corporate Governance Guide
- FTSE Russell ESG Data Model Methodology
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol")
- United Nations Global Sustainable Development Goals ("UN SDGs")

Data Validation & Assurance

The information and performance data presented in this statement have been verified for their accuracy using internal sources. The proportion of spending on local suppliers and the lost time incident rate ("LTIR") for FY2024 have been restated. We are continuously working on standardising the datasets and improving our data tracking and collection methods. This effort aims to overcome the challenges in gathering data related to our environmental, social and governance ("ESG") metrics and to improve the process of reporting non-financial information.

We have not undertaken third-party verification for non-financial data. Seeking external assurance is under consideration for future reports.

This report was approved by the Board of Directors of the Manager ("Board") on 28 August 2025. References in this report to our website are to our corporate website at www.ytlhospitalityreit.com.

Forward-looking Statements

This statement contains forward-looking statements related to future expectations. These statements are premised on current assumptions and circumstances that are subject to change. Although we believe that these statements are reasonable, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from expectations expressed or implied in such statements.

Contact

We welcome feedback, questions and suggestions from our stakeholders about this report. Please contact us at:

Sustainability Division
YTL Hospitality REIT
Email: sustainability@ytl.com

MANAGING SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

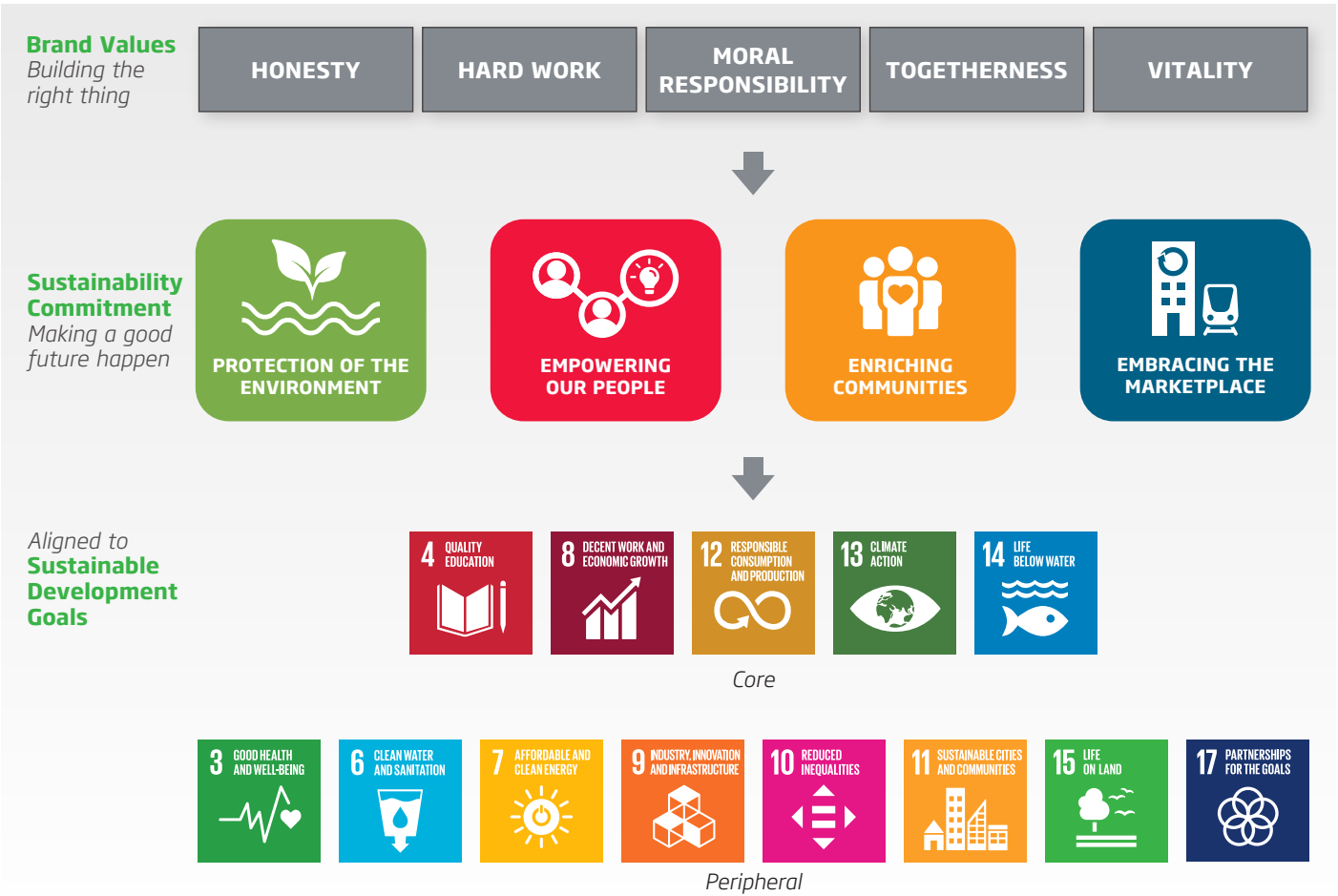
As part of YTL Corp and its subsidiaries (“YTL Group”), YTL REIT’s sustainability focus is aligned with YTL Group’s credo, “Making A Good Future Happen”. This approach is embodied in our value chain and business practices, aiming to create long-term positive impacts for our stakeholders. Regular assessment, review and feedback on ESG issues are conducted in line with YTL Group’s practices and policies.

The Manager’s sustainability commitment is rooted in creating lasting value for all stakeholders by strongly emphasising management of the Trust’s assets responsibly and with integrity. Our commitment to sustainable practices enables us to demonstrate a clear commitment towards achieving our growth objectives, balancing business opportunities and risks in the ESG realms.

We have aligned and adopted YTL Group’s established sustainability structure and framework, policies and guidelines, where relevant and appropriate. The following value-added Sustainability Framework is intrinsically linked to our sustainable business practices, ensuring our business remains relevant, acts responsibly and creates value over the long-term.

Where applicable to the Trust, we incorporate sustainability into the day-to-day management of YTL REIT, which is aligned with the UN SDGs, YTL Group Code of Conduct and Business Ethics (“the Code”), Anti-Bribery and Corruption Policy (“ABC”) and Global Privacy Policy. On 21 August 2024, YTL Group updated its Code to formally consolidate existing ESG policies and general practices applicable across the Group. As a result, the previous Corporate Statements have been replaced with the updated Code.

YTL REIT Sustainability Framework



MANAGING SUSTAINABILITY

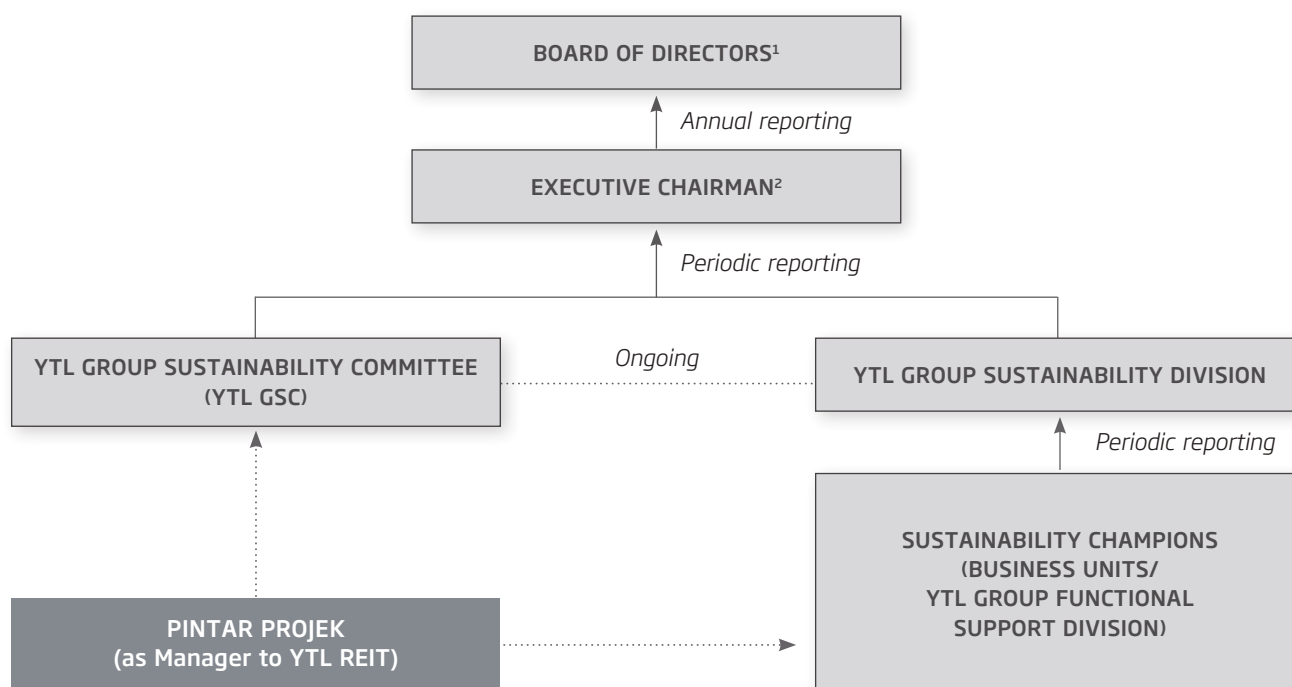
Sustainability Governance

YTL Group operates with a clear and well-communicated governance structure and robust governance systems, which YTL REIT has similarly adopted. The Manager's Board of Directors (the "Board") is responsible for implementing and ensuring good governance.

The Board maintains rigorous oversight of sustainability matters through a structured governance framework. YTL Group's Sustainability Division consolidates performance data across all key ESG metrics, before presenting it to the Board. Sustainability issues are discussed with the Board at least once a year during board meetings to enable effective oversight of strategies addressing climate change and sustainability-related risks and opportunities. In FY2025, the Board attended training on sustainability-related topics, further details of which can be found in the *Corporate Governance Overview Statement* in this Annual Report.

More information on the Trust's governance and internal control systems can be found in the *Corporate Governance Overview Statement*, and the *Statement on Risk Management and Internal Control* set out separately in this Annual Report.

YTL REIT Sustainability Governance Structure



Note:

¹ Refers to YTL Corp's Board of Directors

² Executive Chairman of Pintar Projek is also Executive Chairman of YTL Corp and Chairman of YTL GSC

MANAGING SUSTAINABILITY

Board of Directors

- Responsible for the governance of ESG, including setting YTL REIT's ESG strategy, priorities and targets, and reviewing material ESG risks and opportunities.
- Oversees the progress of the sustainability strategy and performance across material ESG matters, including approving materiality results and the sustainability statement.

YTL Group Sustainability Committee

- Led and chaired by the Executive Chairman of YTL Corp, who is also the Executive Chairman of Pinar Projek.
- Comprises representatives from YTL Group's Sustainability Division and Senior Management from all YTL Group Business Units, who support the Board in setting high-level sustainability direction and strategic focus.
- Oversees the implementation of sustainability strategy, the roadmap and other ESG-related matters.
- Reviews, monitors and provides YTL Group's sustainability strategic plans and initiatives across our value chain.
- Reports to the Board on an annual basis or more frequently, as and when needed and updates the Board on regulatory changes and requirements.

Roles and Responsibilities

Group Sustainability Division

- Spearheaded by the Head of Group Sustainability.
- Formulates sustainability framework.
- Leads and oversees the implementation of YTL Group's sustainability strategy.
- Coordinates and implements YTL Group's sustainability activities.
- Monitors and tracks YTL Group's sustainability performance.

Sustainability Champions (Business Units/ Group Functional Support Division)




- Play a significant role in aligning the sustainability agenda with business practices on the ground.
- Implement, manage and monitor sustainability activities and performance.

MANAGING SUSTAINABILITY

Stakeholder Engagement

Stakeholders	Engagement Methods	Stakeholder Interests and Concerns	Our Response and Initiatives
 LESSEES	<ul style="list-style-type: none"> Dialogue and engagement sessions 	<ul style="list-style-type: none"> Create a conducive hotel environment Property maintenance and enhancement 	<ul style="list-style-type: none"> Identify potential areas of improvement and implement appropriate follow-up actions
 INVESTORS	<ul style="list-style-type: none"> Dedicated investor relations section on the company's website Annual General Meeting Annual Report Results briefings with analysts, investors and via press releases to the media 	<ul style="list-style-type: none"> Access to yield-accretive real estate investments Business performance and strategy Corporate governance and risk management Sustainable returns 	<ul style="list-style-type: none"> Provide accurate information to the investing public through timely communication channels Implement effective strategies for investor engagement Uphold high standards of corporate governance, risk management and internal controls
 GUESTS	<ul style="list-style-type: none"> Newsfeed in lounges, guest rooms, front desk and other public areas Loyalty programmes for hotel guests Social media Websites 	<ul style="list-style-type: none"> Condition of amenities provided in properties Promotions and rewards 	<ul style="list-style-type: none"> Provide a safe and convenient environment Improve guest experience via digitalisation initiatives
 EMPLOYEES	<ul style="list-style-type: none"> Weekly department meetings Annual performance appraisals Recreational and team-building activities Training courses and workshops Employment incentives and benefits 	<ul style="list-style-type: none"> Communicate business strategy and developments Personal growth and remuneration benefits Diversity Training and career development Healthy, safe and inclusive work environment 	<ul style="list-style-type: none"> Foster open dialogue with employees to share updates and receive feedback Ensure compliance with all applicable health and safety and labour laws Provide opportunities for employees to develop skills and gain knowledge Promote a positive culture through activities and engagements Conduct performance appraisals, competitive remuneration and benefits

MANAGING SUSTAINABILITY

Stakeholders	Engagement Methods	Stakeholder Interests and Concerns	Our Response and Initiatives
 GOVERNMENTS AND REGULATORS	<ul style="list-style-type: none"> Meetings, feedback and other correspondence 	<ul style="list-style-type: none"> Compliance with regulatory requirements Sustainability and risk management 	<ul style="list-style-type: none"> Implement policies and procedures to ensure regulatory compliance Regularly monitor and review regulatory issues and performance Adopt best practices for ongoing improvement in sustainability and risk management
 SUPPLIERS AND CONTRACTORS	<ul style="list-style-type: none"> Requests for Proposals Meetings and site visits Vendor evaluation 	<ul style="list-style-type: none"> Fair procurement policies and practices Workplace safety assurance Strict adherence to timelines Timely payment for goods and services Preference for local procurement or nearshoring 	<ul style="list-style-type: none"> Uphold ethical business practices and integrity Foster responsible supply chain management
 COMMUNITY	<ul style="list-style-type: none"> Corporate social responsibility ("CSR") programmes 	<ul style="list-style-type: none"> Community investment Supporting local communities 	<ul style="list-style-type: none"> Ongoing CSR activities through volunteerism, donations and in-kind sponsorships Support for environmental and social causes

MANAGING SUSTAINABILITY

FEATURE STORY - Industry Engagement

YTL REIT actively participates in industry associations that support the growth, sustainability and resilience of the hospitality sector. Through our assets across Australia, we contribute to collaborative efforts that drive operational excellence, sustainable tourism and destination stewardship.

Queensland Hotels Association (QHA)

BMH is a member of the QHA, the peak industry body representing hotels in Queensland. QHA advocates for industry standards and regulatory compliance whilst promoting workforce development, sustainability and responsible service.

Brisbane Economic Development Agency (BEDA)

BMH is a member of BEDA which is the key body which drives engagement with all the key economic drivers in the City of Brisbane. All major city-wide events are partnered through BEDA.

Accommodation Australia

Both MMH and SHMH are members of Accommodation Australia, a leading national body representing Australian accommodation providers. The organisation works closely with government and industry stakeholders to support sustainable policies, workplace relations and business resilience.

Australian Cruise Association (ACA)

SHMH is a member of the ACA, which plays a pivotal role in making Australia and the Pacific region a major world class base and destination for cruise vessels. ACA fosters collaboration between ports, destinations and operators to realise the region's potential as a world-class cruise destination.

Business Events Sydney (BESydney)

As a member of BESydney, SHMH supports the promotion of Sydney as a leading sustainable destination for global conferences and events. BESydney works to attract high-impact events that contribute to economic development, knowledge exchange and sustainable tourism.

Uptown Sydney

SHMH is also part of the Uptown Sydney district partnership, a place-based initiative focused on revitalising the district through local business collaboration, cultural programming and urban placemaking to attract visitors to the area that was once overlooked as a tourist trap or corporate centre.

Ecotourism Australia

SHMH attained certification from Ecotourism Australia, the peak body for ecotourism and sustainable tourism that supports the tourism industry through building capacity and actively promoting sustainable tourism operations and systems.

Victorian Tourism Industry Council (VTIC)

MMH holds membership under VTIC, Victoria's peak tourism industry body and leading advocate for Victoria's tourism and events industry. VTIC connects and informs their members on future-focused insights and keeps members abreast of policy changes in the industry.



MANAGING SUSTAINABILITY

MATERIALITY

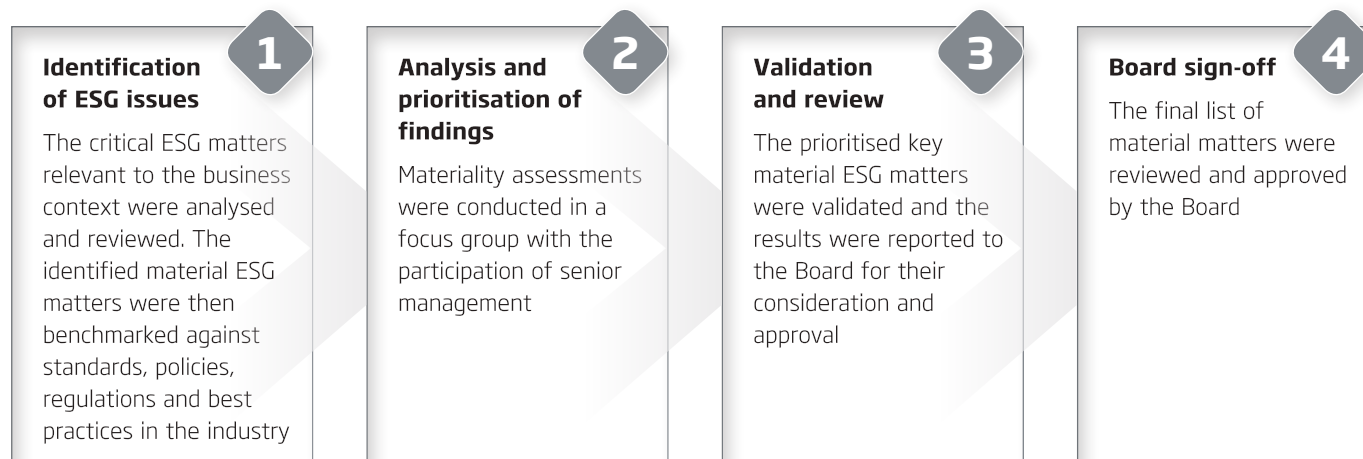
To ensure that YTL REIT remains aligned with the dynamic nature of sustainability issues, stakeholder priorities and regulations, we have conducted a new materiality assessment this year. The YTL Sustainability team worked with the relevant internal stakeholders to identify and review a new list of materiality matters, which are based on the common sustainability matters list from Bursa Malaysia's Sustainability Reporting Guide and Toolkits (3rd Edition), industry reports, peer benchmarking, as well as reports from the YTL Group of companies.

A six-point Likert scale was used, and respondents were asked to rank priorities based on the actual and potential impacts of issues affecting business continuity and development. The final list of material issues is reviewed and approved by the Board. The materiality assessment generated 15 material sustainability matters, of which five were ranked as highly material.

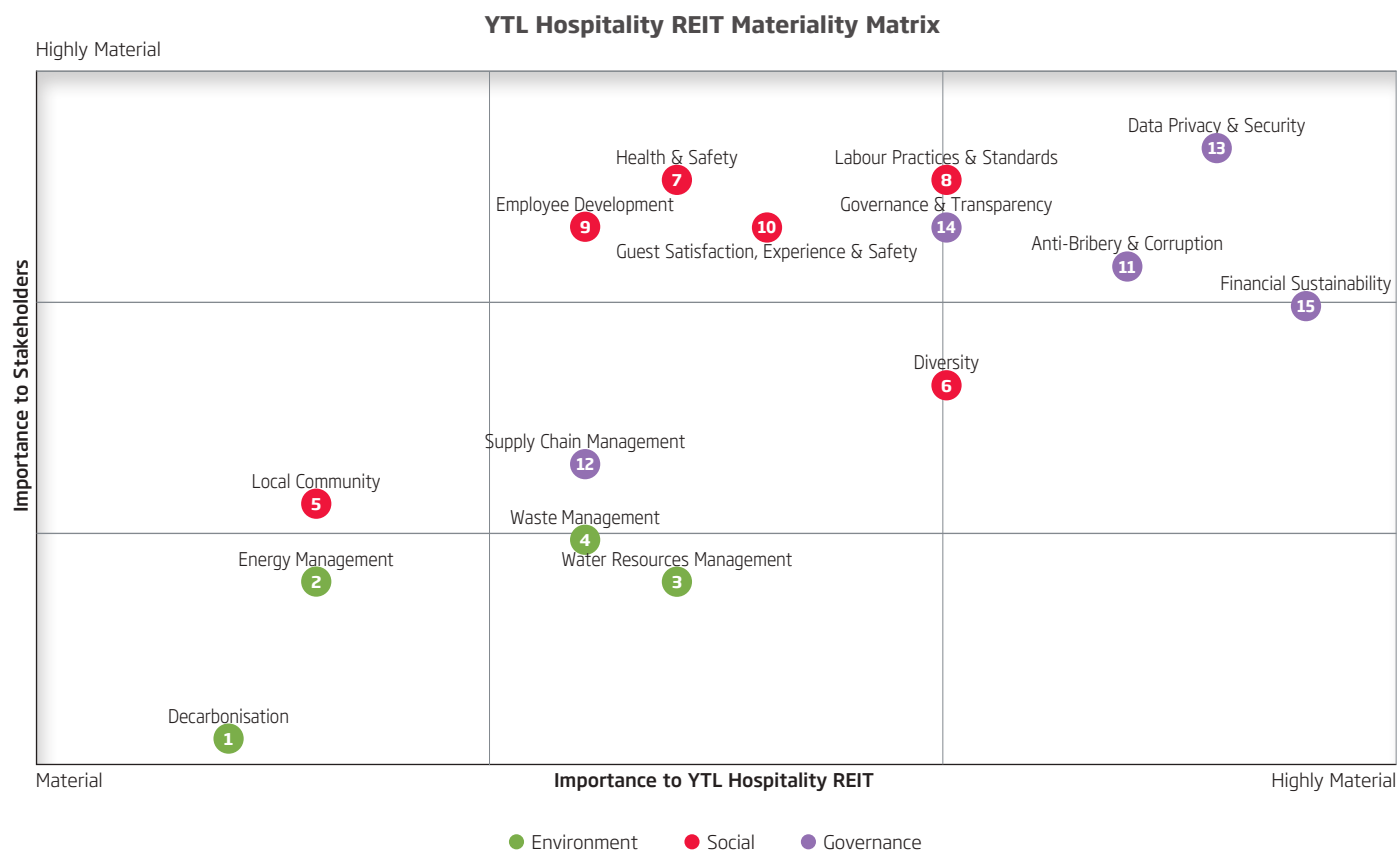
The table below highlights the key changes to materiality matters with a comparison based on FY2024's list of materiality matters:

Type of Change	FY2024 Materiality Matters	FY2025 Materiality Matters
Consolidation	Corporate Governance Business Transparency	Governance & Transparency
Consolidation	Financial Sustainability Quality of Asset Portfolio	Financial Sustainability
Deconsolidation	Resource Management	Energy Management Water Resources Management Waste Management
Deconsolidation	Human Resources	Diversity Health & Safety Labour Practices & Standards Employee Development
Newly added	-	Guest Satisfaction, Experience & Safety
Newly added	-	Anti-Bribery & Corruption
Newly added	-	Data Privacy & Security
Renamed	Supply Chain	Supply Chain Management
Renamed	Local Community Impacts	Local Community
Renamed	Climate Change	Decarbonisation

Materiality Assessment Process



MANAGING SUSTAINABILITY



Management of our Material Matters

YTL REIT's material matters, which are aligned with the UN SDGs, are inherently tied to our sustainability strategy and categorised into three sustainability pillars. Identifying risks and opportunities within each of these pillars helps us to prepare and integrate suitable action plans into our operations, creating a positive impact on all ESG aspects.

Environment

Key Stakeholders: Community, Governments and Regulators, Guests, Investors

UN SDGs:



Material ESG Matters	Management Approach	Risks	Opportunities
<ul style="list-style-type: none"> 1 Decarbonisation 2 Energy Management 3 Water Resources Management 4 Waste Management 	<ul style="list-style-type: none"> Optimise resource use whilst maintaining or improving asset quality Transition towards low-carbon assets and management of climate risks 	<ul style="list-style-type: none"> Negative impacts on the environment resulting from our operations Business operation disruptions due to supply shortage of resources Increase in operating expenses due to rising temperature and extreme weather events (i.e. heavy rain, floods, heat waves, etc.) 	<ul style="list-style-type: none"> Promote sustainable development through environmentally responsible operations Reduction of insurance premiums Implement sustainable practices by embracing innovation, mitigation and adaptation

MANAGING SUSTAINABILITY

Social

Key Stakeholders: Community, Employees, Guests, Suppliers and Contractors

UN SDGs:



Material ESG Matters	Management Approach	Risks	Opportunities
<ul style="list-style-type: none"> 5 Local Community 6 Diversity 7 Health & Safety 8 Labour Practices & Standards 9 Employee Development 10 Guest Satisfaction, Experience & Safety 	<ul style="list-style-type: none"> • Enhance community resilience for better lives and livelihoods • Promote workplace diversity and inclusion through leadership, recruitment, policies, education and a supportive environment • Promote workplace safety and health • Deliver high-quality services, ensure a safe and secure environment and create unique and memorable experiences for hotel guests 	<ul style="list-style-type: none"> • Negative image and/or brand reputation for the company • Underperforming workforce that leads to decreased productivity, increased turnover and employee disengagement • Unsafe workplace, physical, ergonomic and psychosocial hazards may lead to injuries, illnesses or accidents in the workplace and regulatory fines • Low guest satisfaction may cause the loss of repeat business, negative reviews, decreased occupancy rates and financial loss 	<ul style="list-style-type: none"> • Enhance brand image to a broader and more diverse community as well as contribute to local communities and create lasting positive impacts • Good occupational health and safety practices improve overall productivity and all aspects of physical and mental, health and safety in the workplace • Promote a positive culture to improve workplace performance • Good guest satisfaction can boost revenue, enhance the hotel's reputation and drive repeat business through positive reviews and word-of-mouth recommendations

Governance

Key Stakeholders: Lessees, Investors, Governments and Regulators, Suppliers and Contractors

UN SDGs:



Material ESG Matters	Management Approach	Risks	Opportunities
<ul style="list-style-type: none"> 11 Anti-Bribery & Corruption 12 Supply Chain Management 13 Data Privacy & Security 14 Governance & Transparency 15 Financial Sustainability 	<ul style="list-style-type: none"> • Implement policies and procedures to ensure sound corporate governance, risk management and compliance with applicable laws and regulations • Maintain zero tolerance for corruption, bribery, fraud and money laundering • Ensure fair and responsible supply chains and procurement processes • Incorporate data security management strategies to safeguard digital information and protect sensitive data • Strengthen the asset portfolio and deliver sustainable growth and long-term value 	<ul style="list-style-type: none"> • Heightened legal, regulatory and reputational risks • Address inconsistency, strategic misalignment and accountability gaps to prevent corruption, negligence and fraud • Potential conflict of interest, corruption and unethical practices in supply chain • Data breaches, compromised guest information, reputational damage and legal consequences • Underperforming assets impact income distribution, stability and profitability 	<ul style="list-style-type: none"> • Promote good governance practices that contribute to growth and management stability • Improve organisational efficiency and effectiveness in entrepreneurial risk management • Improved collaboration and relationships with suppliers in managing procurement processes • Improve data protection measures through adoption of industry best practices • Unlocking value through the optimisation of the asset portfolio

MANAGING SUSTAINABILITY

ENVIRONMENT

1 Decarbonisation

Aligned with YTL Group's aspiration of achieving carbon neutrality in operations by 2050, YTL REIT recognises the importance of supporting the transition towards a low-carbon economy by managing climate risks, reducing our carbon footprint, remaining resilient and driving sustainable investments for long-term value creation.

In FY2025, our Scope 1 emissions were reported at 1,206 tonnes of carbon dioxide equivalent (tCO₂e) and Scope 2 emissions were 7,105 tCO₂e. As part of YTL Group, our climate change strategy

remains focused on reducing emissions, improving energy efficiency and adopting renewable energy solutions, whilst also enhancing the resilience and value of our portfolio where possible.

During the transition period to cope with rising demands for shifting to more climate-friendly and responsible practices and the realisation of YTL Group's 2050 carbon neutral vision, several transitional risks were identified which may potentially have short, medium, to long-term financial impacts as listed in the table below:

Climate-related Risks	Transition Risks <ul style="list-style-type: none"> Policy and Legal (Short to Medium): Introduction of carbon pricing, enhanced policy and regulations Technology (Short to Long): Transition to lower emissions technology Market and reputation (Short to Long): Increased cost of raw materials, shift in stakeholders' expectations, reputation risk from perceived inaction Physical Risks <ul style="list-style-type: none"> Acute (Short to Long): Increased severity and frequency of extreme weather events (e.g., heatwaves, heavy rainfall, floods, droughts) Chronic (Long): Changes in precipitation patterns and extreme variability in weather patterns (e.g., sea level rise and high temperatures)
Potential Impacts	<ul style="list-style-type: none"> Increase in operating costs (e.g., higher compliance costs and penalties, higher repair costs and increased insurance premiums) Reduction in demand for services due to shift in consumer preferences Financial losses and damage due to service disruption Greater capital investment required for climate adaptation and energy efficiency measures Write-offs and early retirement of existing equipment
Potential Opportunities	<ul style="list-style-type: none"> Reduction in operating costs through efficiency gains and cost savings Increase in the value of fixed assets (e.g., highly rated energy-efficient buildings and sustainably designed buildings) Stronger competitive position aligned with evolving stakeholder preferences, resulting in higher revenues Improved reliability of supply chains and greater operational resilience under challenging or variable conditions Adoption of new and cleaner technologies, supported by favourable policy incentives, subsidies and tax benefits

The risks and potential impact findings are qualitatively based on our practical and unique hospitality experience. We will continue to be transparent about how our businesses are rising to the generational challenge of climate change.

To strengthen climate risk management, we are working towards alignment with the International Financial Reporting Standards (IFRS) S2 - Climate-related Disclosures and the National Sustainability Reporting Framework (NSRF)'s "climate-first" disclosure approach, adopting a phased approach to enhance disclosures over time.

MANAGING SUSTAINABILITY

2 Energy Management

Effective energy management is crucial for YTL REIT, reflecting our commitment to sustainability and operational excellence across our portfolio. By implementing efficient energy practices, such as energy action plans, retro-commissioning, lighting retrofits and building automation, these not only help to reduce operational expenses but also enhance the overall guest experience by ensuring uninterrupted service and comfort.

In FY2025, total energy consumption across YTL REIT’s portfolio amounted to 16,816 MWh from our Australian hotels. This represents a 2% reduction compared to the previous year. Electricity remained the predominant source of energy, accounting for 61% of overall consumption.

Energy Management Initiatives

Heating, Ventilation, Air Conditioning (HVAC) Efficiency Improvements	<p>BMH, MMH and SHMH conducted routine optimisation of critical systems, including chillers, boilers and ventilation equipment. These maintenance programmes ensure sustained operational efficiency across our portfolio, with particular focus on preventive measures to avoid energy waste in climate control systems.</p> <p>SHMH completed essential repairs and recommissioning of the chiller, restoring its design efficiency and integrating it with the Building Management System (BMS). This enables demand-driven operation, reducing cooling energy consumption whilst maintaining guest comfort.</p> <p>New Variable Speed Drives (VSDs) have been installed in the BMH plant room to reduce energy consumption associated with chiller and cooling tower motors. These VSDs optimise motor speed based on real-time demand, allowing the chillers and cooling towers to operate more efficiently.</p>
Building Management System (BMS)	<p>BMH and SHMH are fitted with BMS, which help monitor and control core building services such as HVAC and lighting.</p>
Electric Vehicle (EV) Charging Facilities	<p>MMH and BMH installed EV charging facilities at their sites, facilitating electric vehicle adoption amongst guests and employees.</p>
LED Fixtures	<p>BMH, MMH and SHMH are progressively transitioning from conventional lightings to energy-efficient LED fixtures to further reduce energy consumption.</p> <p>BMH and MMH have implemented LED lighting paired with motion sensors in designated areas to help reduce unnecessary energy use.</p> <p>SHMH has just completed their phase two project focusing on guest rooms back in October 2024. The project is initiated by the hotel following an assessment in 2022, which projected annual savings of about 150,000 kWh through the transition to LED lighting. Phase 1 consisted of replacing the lights at the back of the house, offices and storage rooms.</p>

MANAGING SUSTAINABILITY

3 Water Resources Management

Water is a critical resource and especially in tourism services, underpinning essential hotel operations such as housekeeping, food and beverage services, landscaping and guest amenities. Recognising this, YTL REIT remains committed to managing water responsibly across our properties.

An assessment using the World Resources Institute's Aqueduct Water Risk Atlas has identified several of YTL REIT's properties, particularly the three hotels in Australia, as located in regions experiencing high water stress. In response, we are strengthening our water-related risks and ensuring long-term operational resilience.

Our properties primarily source water from local municipal supplies. In FY2025, total water withdrawn across YTL REIT's properties was 102,000 m³, of which 22,000 m³ of water is consumed and 79,000 m³ of used water is discharged back into the municipal sewage system.

Water Resources Management Initiatives

Low-flow Fixtures	All guest bathrooms across BMH, MMH and SHMH feature water-saving fixtures as the standard. These carefully selected fittings reduce consumption whilst maintaining full functionality.
Towel and Linen Reuse	BMH, MMH and SHMH encourage guests to opt out of daily towel and sheet replacement, conserving water with the decrease in laundry.
Rainwater Harvesting System	BMH has rainwater harvesting systems in place that collect and store rainfall for use in greywater systems and fire safety infrastructure. At SHMH, a similar system has been implemented to capture and store rainwater, which is repurposed for landscape irrigation.
Cooling Tower Optimisation	BMH upgraded to a new water filtration system aimed at reducing overall water intake for the HVAC and chiller systems. SHMH undertook key refurbishments to its cooling towers in 2024, focusing on structural reinforcement and advanced water treatment upgrades. These improvements optimise chemical dosing and system control, supporting more efficient operations. The upgrades contribute to long-term system resilience, responsible resource management and future water savings.
Employee Engagement in Water Conservation	SHMH complements their technical water efficiency measures with ongoing employee education programmes. They are encouraged to adopt responsible practices including prompt leak reporting, minimising unnecessary water use during food preparation and ensuring dishwashers are fully loaded before operation.

MANAGING SUSTAINABILITY

4 Waste Management

Effective waste management is a key component of our sustainability commitment in our operations. In line with the global waste management hierarchy, we prioritise waste prevention, followed by responsible and cost-effective disposal, in full compliance with local regulations.

In FY2025, YTL REIT generated 574 tonnes of waste, of which 158 tonnes were diverted from disposal through recycling and other recovery initiatives, whilst 416 tonnes were directed to disposal.

Waste Management Initiatives

Landfill Diversion	<p>SHMH maintains dedicated recycling bins across all guest rooms and back-of-house operational areas. This dual-stream system enables proper segregation of recyclables at source, with clearly labelled bins designed for optimal participation from both guests and employees. Eligible items left by guests are distributed to charities resulting in 43 bags of clothes and 16 boxes of books being donated.</p> <p>BMH participated in the Container of Care Exchange (COEX) programme, where they recycled bottles and cans, with a significant portion of the proceeds channelled to Scouts Australia.</p>
Food Waste Diversion	<p>SHMH have implemented organic waste segregation using designated bins to facilitate composting.</p> <p>BMH established a food waste management system in collaboration with third-party vendors.</p>
Single-use Plastic (SUP) Reduction	<p>BMH, SHMH and MMH have transitioned from single-use toiletries to residential-sized bathroom amenities across all guest rooms.</p> <p>BMH and MMH have replaced SUP water bottles with reusable glass alternatives in guest rooms.</p> <p>SHMH have an annual collaboration with The Hidden Sea to promote a special one-month campaign where they served The Hidden Sea wine, a brand committed to removing plastic from the ocean with every bottle sold. This initiative was actively promoted to both external guests and in-house patrons.</p>
Public Area Water Dispenser	<p>BMH and SHMH have installed water refill stations in key public areas to support guests in the use of reusable water bottles and to move away from SUP.</p>

MANAGING SUSTAINABILITY

FEATURE STORY - Pioneering Green Hospitality: SHMH Earns Ecotourism Australia Certification

YTL REIT is pleased to report that SHMH at Circular Quay has become the first Marriott International property in Australia to earn the Sustainable Tourism Certification from Ecotourism Australia. This certification, awarded in July 2025, reflects the hotel's commitment to meeting best-practice standards across environmental, socio-economic, cultural and sustainable management principles.

The certification forms part of Ecotourism Australia's nationally accredited programme, with standards that are recognised by the Global Sustainable Tourism Council (GSTC). It recognises tourism operators that meet more than 200 robust requirements across four core pillars: effective sustainability management, environmental performance, cultural respect and contribution to local communities.

"Achieving Ecotourism Australia's Sustainable Tourism Certification is a proud milestone for SHMH at Circular Quay. We have embedded environmentally responsible practices across every aspect of our operations, from reducing energy and water consumption to improving waste management and building strong partnerships with our local community.



This recognition reaffirms our commitment to minimising our environmental footprint as a hospitality leader, whilst continuing to deliver exceptional guest experiences as we work towards a more sustainable future."

Bernhard Langer, SHMH General Manager



MANAGING SUSTAINABILITY

SOCIAL

5 Local Community

YTL REIT embraces social responsibility and maintains a solid commitment to uplift the well-being of communities that directly or indirectly impact our business. As part of the YTL Group, we believe that fostering positive relationships and social connections is a fundamental aspect of creating tangible long-term value through community engagement and impact programmes. In FY2025, YTL REIT invested around RM48,200 in the local community, supporting 25 organisations.

Local Community Initiatives

Education & Career Development	BMH fosters local talent development through active participation in “My First Jobs” and university career fairs, whilst inspiring future hospitality professionals through school industry tours for institutions like St James College to promote hospitality careers.
Health & Social Welfare Fundraising	<p>BMH employees hosted Australia’s Biggest Morning Tea, raising funds for Cancer Council.</p> <p>SHMH contributed to Bowel Cancer Australia and the Children’s Hospital through gift certificate donations. The annual New South Wales (NSW) Marriott International hotels “Road to Give” charity event raised AUD9112.72 in donations for the UN Women’s fund.</p> <p>BMH, MMH and SHMH participate in UNICEF Check Out for Children, where guests are able to donate AUD2 per night of their stay, helping children in need worldwide.</p> <p>MMH employees volunteered at the “Eat Up” programme, which provides sandwiches for disadvantaged children.</p> <p>BMH and MMH participated in Silly Socks for a Safe House, a campaign launched and coordinated by The DV Collective, a national initiative that assists domestic violence victims.</p>
Community Safety & Emergency Response	SHMH registered with GoodSAM, a life-saving emergency response programme that improves community access to AED defibrillators before medical services arrive. The hotel also provided financial support to the Palm Beach Surf Life Saving Club, helping to protect beachgoers through vital surf safety initiatives.
Environmental Stewardship	<p>In conjunction with Earth Hour, SHMH featured a themed cocktail and exclusive beverage offer in support of the global sustainability initiative.</p> <p>Employees in MMH participated in a community clean-up initiative on Clean Up Australia Day.</p>

MANAGING SUSTAINABILITY

6 Diversity

At YTL REIT, we embrace all people regardless of gender, age, cultural or ethnic background, religion, sexual orientation or disability. We believe that providing equitable opportunities and championing diversity not only enhances employee well-being but also strengthens our organisation by attracting and retaining top talent.

We uphold a non-discriminatory work environment and ensure that hiring and career advancement is based on merit, ability, experience and performance. We also adopt local employment strategies to support community development and economic resilience. Hiring locally enables us to integrate local cultural awareness and regional insights into our operations, strengthening our connection with the communities we serve.

In FY2025, YTL REIT had a total of 371 employees, of which locals accounted for 82%. Notably, 100% of our senior management positions are held by locals, reflecting our belief in empowering regional leadership to enhance market understanding and responsiveness.

Diversity Initiatives

Associate Resource Groups (ARGs)	ARGs are established in BMH, MMH and SHMH to promote an inclusive community and culture within the employees via education and networking events, such as the Women's ARG bringing women together to engage in dialogue on women empowerment and development, helping to drive innovation and performance in hospitality.
Cultural Diversity Week	MMH supported Cultural Diversity Week and Harmony Day, where employees share cultural dishes, fostering a sense of inclusivity and appreciation for different backgrounds.

7 Health & Safety

At YTL REIT, our workplaces adhere to health and safety (H&S) standards, and we equip our employees with adequate H&S training and knowledge to identify and manage hazards in unfavourable situations. We ensure that all properties under our portfolio comply with local occupational H&S regulations and implement standard operating procedures to prevent workplace accidents, injuries and other safety-related incidents. In FY2025, 653 employees in YTL REIT received various trainings in H&S.

Recognising that well-being extends beyond physical safety, we equally emphasise the importance of the mental health and well-being of our people. Work may sometimes take a heavy toll on workers, both physically and psychologically, and we are committed to supporting our employees in whatever way necessary.

Health & Safety Initiatives

Employee Assistance Programme (EAP)	BMH, MMH and SHMH provide support and assistance to employees including counselling, legal advice and mental health services through this programme.
TakeCare Programme	BMH and SHMH adopted the TakeCare initiative, an associate well-being programme that offers resources for mental, physical and financial health.
Anti-harassment Training	MMH and SHMH conduct annual harassment prevention training for all employees.

MANAGING SUSTAINABILITY

Work, Health and Safety (WHS) Committee	BMH, MMH and SHMH have their respective WHS Committees that comprise employee representatives who identify potential risks, as well as develop safety standards, rules and procedures.
First Aid Certification	21.93% of the employee base at SHMH are certified in first aid.
Safety and Security Training	BMH requires all new employees to complete safety and security training, both online and in-person. MMH has a section on security and safety included in their employee onboarding course, whilst SHMH conducts onboarding, orientation and weekly safety and security training, e.g. fire extinguisher training. "Safety lunch" is activated for no lost time incidents within the calendar month.

8 Labour Practices & Standards

At YTL REIT, we seek to uphold and respect human rights across our operations by fostering a fair, safe and healthy work environment by complying with applicable labour laws and regulations, and by encouraging ethical employment practices. Our approach is guided by the YTL Group Code of Conduct and Business Ethics, which address key principles including the prevention of child and forced labour, non-discrimination, freedom of expression, employment rights and ethical business conduct. We also adhere to applicable laws and regulations in all our operating countries, which include but are not limited to Malaysia’s Employment Act 1955 and Australia’s Fair Work Act 2009.

Our properties operate with applicable policies and procedures that address human rights and labour practices, in alignment with local requirements, practices and standards in their respective operating regions. Employees are provided with competitive wages and benefits in line with industry norms.

In line with the YTL Group Code of Conduct and Business Ethics, our employees are allowed to raise genuine concerns relating to unlawful, unethical or questionable behaviours to superiors, heads of departments, higher management or the Human Resources Department. In FY2025, YTL REIT maintained a clean slate of zero complaints on human rights violations.

9 Employee Development

Employee engagement, development and appreciation are fundamental tools to create a supportive and productive work environment for our employees, who are our most valuable assets and the backbone of our operations. YTL REIT is committed to cultivating a supportive, engaging and high-performing work environment by fostering open communication, encouraging participation and creating opportunities for professional growth. Our offering of employee upskilling programmes ensures that employees have access to continuous learning and skill enhancement, empowering them to grow professionally and remain competitive, progressive and future ready. Employee appreciation, whether through recognition programmes, constructive feedback or rewards, reinforces positive behaviour and motivates our employees to strive for personal and organisational excellence. In FY2025, we recorded a total of 7,686 hours of employee training.

MANAGING SUSTAINABILITY

Employee Engagement and Appreciation Initiatives

Employee Recognition	BMH, MMH and SHMH have employee recognition programmes to acknowledge and recognise employees providing exemplary service.
Digital Learning Zone	MMH and SHMH offer self-directed and self-paced training on topics including safety, security and sustainability, alongside mandatory discipline and compliance training on this online learning platform.
Annual Performance Reviews	BMH, MMH and SHMH conduct yearly performance appraisals and succession planning as part of human capital planning.
Employee Engagement Survey	BMH and SHMH have engagement surveys conducted on employees to collect feedback and raise concerns over work.

10 Guest Satisfaction, Experience & Safety

Our robust safety measures and hygiene protocols remained steadfast even after the pandemic subsided, sustaining guest confidence in our hotels. Positive guest experience is crucial to operational excellence and long-term value creation at YTL REIT. We are exploring attaining sustainability-related certification that can improve our sustainability performance whilst supporting our guests with the notion of doing good for the environment. We integrate various sustainable practices into our operations such as using refillable wall-mounted bath amenities, installing air-conditioning with occupancy sensors and timers, placing recycling bins in guest rooms and setting up public water dispensers. Our commitment to guest inclusivity means making sure all our guests feel accommodated and comfortable, regardless of their individual situation, requirements and needs.

Guest Satisfaction, Experience & Safety Initiatives

Accessibility	<p>In order to create an inclusive and welcoming environment for all guests, BMH, MMH and SHMH ensure there are accessible entrances to hotel amenities and have disabled-friendly hotel bathrooms.</p> <p>MMH and SHMH offer valet parking for wheelchair-bound drivers.</p> <p>BMH and MMH welcome service animals - working animals that are trained to perform tasks that assist disabled people - without a fee.</p>
Helping Guests Be Sustainable	SHMH has the "Connect Responsibly" initiative that supports event planners and attendees in achieving their sustainability objectives by promoting environmental conscious choices and contributing to a more sustainable future for travel and events. The initiative provides tools and resources to track and reduce the environmental impact of events, including the meeting impact reports and access to carbon offset projects.
Local Cultural Advertising	To enhance the guests' city experience, MMH has an online newspaper platform and brochures about cultural tours of Melbourne in guest rooms.

MANAGING SUSTAINABILITY

GOVERNANCE

12 Supply Chain Management

Responsible management of resources and ethical sourcing practices play a pivotal role in the hospitality industry. During the year under review, the YTL Group’s Code of Conduct and Business Ethics was updated to set out our expectations for responsible and ethical supplier conduct. We also believe in engaging and supporting locally owned businesses as a way to drive local economic growth, strengthen community relations and reduce our emissions. In FY2025, 82% of our supply chain expenditure was spent on local suppliers and businesses.

Supply Chain Management Initiatives

Responsible Sourcing of Ingredients	<p>MMH sources ingredients locally wherever possible – fruits and vegetables are locally and seasonally grown and where possible, meat products are from trusted local suppliers.</p> <p>SHMH has responsible sourcing policies including cage-free eggs, crate-free pork and sustainable fisheries.</p> <p>BMH prioritises purchasing local brands, where their vendors provide weekly updates on available produce and the region of origin.</p>
Third-party Certification	<p>SHMH requires that their suppliers comply with the listed environmental and social requirements. Third-party certifications are not required to demonstrate compliance with the requirements; however, suppliers with third-party certifications will be given preference.</p>

13 Data Privacy & Security

We are committed to upholding the highest standards of data privacy and security as part of our sustainability approach. Protecting sensitive information not only ensures compliance with regulations but also fosters trust, integrity and accountability across our operations, which are essential values for building a resilient and sustainable future. We prioritise the protection of personal data and privacy for our valued customers, employees and other stakeholders. Our data management practices adhere diligently to the applicable data protection regulations in the countries where we operate, including the Personal Data Protection Act 2010 of Malaysia and The Privacy Act 1998 in Australia. We report zero substantiated complaints of breaches of customer privacy and data loss in FY2025.

15 Financial Sustainability

YTL REIT is committed to delivering sustainable growth and long-term value to our stakeholders. A detailed analysis of the Trust’s financial results and performance for the financial year under review can be found in the *Management Discussion & Analysis* and the full financial results can be found in the *Financial Statements*. A complete overview of the Trust’s assets can be found in the *Property Portfolio* in this Annual Report.

MANAGING SUSTAINABILITY

COMMON SUSTAINABILITY MATTERS

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Executive	Percentage	80.00	67.00
Non-executive	Percentage	79.00	67.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	38.00	70.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	96,842.00	48,247.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	31	25
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Executive Under 30	Percentage	14.00	16.00
Executive Between 30-50	Percentage	64.00	62.00
Executive Above 50	Percentage	22.00	22.00
Non-executive Under 30	Percentage	63.00	62.00
Non-executive Between 30-50	Percentage	27.00	28.00
Non-executive Above 50	Percentage	10.00	10.00
Gender Group by Employee Category			
Executive Male	Percentage	46.00	50.00
Executive Female	Percentage	54.00	50.00
Non-executive Male	Percentage	44.00	53.00
Non-executive Female	Percentage	56.00	47.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	75.00
Female	Percentage	25.00	25.00
Under 50	Percentage	0.00	0.00
Between 50-60	Percentage	38.00	38.00
Above 60	Percentage	62.00	62.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	17,166.00	16,816.00

Internal assurance

External assurance

No assurance

(*)Restated

MANAGING SUSTAINABILITY

Indicator	Measurement Unit	2024	2025
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	3.70 *	4.70
Bursa C5(c) Number of employees trained on health and safety standards	Number	356	322
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Executive	Hours	4,323	2,338
Non-executive	Hours	12,115	5,348
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Executive	Number	11	39
Non-executive	Number	158	199
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.00 *	82.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	16.000000	22.000000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	680.00 *	574.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	78.00 *	158.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	602.00 *	416.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	1,549.00 *	1,206.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	8,016.00 *	7,105.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided

Note:

Collection and inclusion of more complete Scope 3 data is currently in progress and we aim to include it in future disclosures.

Internal assurance

External assurance

No assurance

(*)Restated

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI (SIR) YEOH SOCK PING

Malaysian, male, aged 71, was appointed to the Board of Pintar Projek Sdn Bhd on 10 March 2005 as Executive Director, serving as the Chief Executive Officer until 14 February 2019, when he was redesignated as Executive Chairman. He holds a Bachelor of Science (Hons) in Civil Engineering from Kingston University, United Kingdom, and was conferred an Honorary Doctorate of Engineering by the same institution in 2004. In July 2014, he received an Honorary Doctor of Laws from the University of Nottingham. Since his appointment as the Managing Director of YTL Corporation Berhad Group in 1988, he led the transformation from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad, NSL Ltd, Ranthill Utilities Berhad and Starhill Global Real Estate Investment Trust.

His strategic foresight and commitment to sustainable development have earned him international acclaim. Tan Sri Yeoh is widely respected for integrating ethical governance, innovation, and long-term value creation across the YTL Group's operations in Asia, Europe, and Australia.

He was the Managing Director of YTL Corporation Berhad, YTL Power International Berhad and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is the Executive Chairman and Managing Director of YTL e-Solutions Sdn Bhd and also a director of YTL Industries Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is the Executive Chairman of YTL Cement Berhad. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He sits on the board of trustees of YTL Foundation and serves on the board of NSL Ltd, which is listed on the Main Board of SGX-ST.

He is a Founding Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and Global Council member of the Asia Society.

He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. He served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. He was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

He was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005.

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette in 2018 and in the same year the Italian government conferred upon him the honour of Grande Ufficiale of the Order of the Star of Italy. In 2022, he was awarded the PropertyGuru Real Estate Personality of the Year for Malaysia. The award is given to individuals who have made a significant impact in the Asian real estate sector.

PROFILE OF THE BOARD OF DIRECTORS

DATO' YEOH SEOK KAH

Malaysian, male, aged 60, has been an Executive Director of Pintar Projek Sdn Bhd since 17 January 2012. He was redesignated to the position of Chief Executive Officer on 14 February 2019. He graduated from King's College, University of London, with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London, in 1988. He was awarded Fellowship of King's College London in July 2014.

Dato' Yeoh Seok Kah joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. He serves as an Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He is a board member of YTL Cement Berhad, YTL Land & Development Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO MIN

Malaysian, female, aged 69, has been appointed to the Board on 13 December 2022 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is an Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad. She also sits on the board of trustees of YTL Foundation.

She is the first female President of the Malaysian Institute of Management in history and Life Member of the Women's Institute of Management, Malaysia. Dato' Yeoh Soo Min is currently an Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah and IJN (Institut Jantung Negara - National Heart Institute Malaysia) Foundation.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 68, has been an Executive Director of Pintar Projek Sdn Bhd since 10 March 2005. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK).

He served as Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, and the Executive Director of YTL Land & Development Berhad, until 29 June 2018

when he was redesignated as Managing Director of YTL Corporation Berhad and YTL Land & Development Berhad, and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Kian also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust and NSL Ltd, both of which are listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

PROFILE OF THE BOARD OF DIRECTORS

DATUK MARK VICTOR ROZARIO

Malaysian, male, aged 61, was appointed to the Board as an Independent Non-Executive Director and a member of the Audit Committee on 18 May 2023. He was then redesignated as the Chairman of the Audit Committee on 30 May 2023.

He graduated with a Bachelor of Science with a major in Economics from the London School of Economics. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Corporate Directors Malaysia and a member of the Malaysian Institute of Accountants.

Datuk Mark Rozario has more than 25 years of experience in management, corporate finance and strategic leadership in companies involved in property investment and development, manufacturing, healthcare, aerospace and innovation.

Datuk Mark held various senior management positions in General Electric International Inc, Agensi Inovasi Malaysia, Country Heights Holdings Berhad, Sunway Berhad, Schlumberger Group and Adventa Berhad. He currently is an Independent Non-Executive Director of Petronas Gas Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad, as well as Citibank Berhad and QBE Insurance (Malaysia) Berhad. He also serves as a Non-Independent Non-Executive Director of Tropicana Corporation Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, male, aged 75, was appointed to the Board on 17 January 2012 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Ahmad Fuaad holds a Bachelor of Arts (Hons) degree from the University of Malaya. He was attached with Wisma Putra, Ministry of Foreign Affairs as Malaysian Civil Service ("MCS") Officer in April 1973 before joining Malaysia Airlines in July 1973. While in Malaysia Airlines,

Dato' Ahmad Fuaad served various posts and his last position was as the Managing Director. He was formerly a director of Lembaga Penggalakan Pelanchongan Malaysia, Malaysia Industry-Government Group for High Technology and Malaysia Airports Holdings Berhad, Tokio Marine Insurans (Malaysia) Berhad, Hong Leong Capital Berhad, YTL Corporation Berhad and YTL e-Solutions Berhad. Dato' Ahmad Fuaad was formerly a Trustee of YTL Foundation.

DATO' ZAINAL ABIDIN BIN AHMAD

Malaysian, male, aged 68, was appointed to the Board on 23 February 2018 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Zainal holds a Master of International Affairs from Columbia University, U.S.A; a Bachelor of Science (Hons) Degree in Mathematics from University of Manchester, United Kingdom; and a Diploma in Public Administration from Institut Tadbiran Awam Negara (INTAN), Kuala Lumpur.

He also attended the Oxford Foreign Services Programme conducted by University of Oxford, United Kingdom. He was attached with Ministry of Foreign Affairs since 1983. Dato' Zainal served various posts and his last position was as the High Commissioner of Malaysia to Australia.

PROFILE OF THE BOARD OF DIRECTORS

AU WEI LIEN

Malaysian, female, aged 61, was appointed to the Board on 13 December 2022 as an Independent Non-Executive Director. She holds a Bachelor of Science in Business Studies from University of Bradford, United Kingdom and an Advanced Diploma in Law for Academic stage of training for the Bar from University of Westminster, London. She was subsequently called to the Bar at Gray's Inn, London, in 1988. She was admitted as an advocate and solicitor of the High Court of Malaya in 1989.

Ms Au started practice at Albar, Zulkifly & Yap ("AZY"), a leading Malaysian law firm that specialised in corporate and conveyancing matters. She served as a partner of the corporate department of AZY from 1993 to 1999. In November 1999, she left AZY and founded Zul Rafique & Partners ("ZRp") together with her other partners. As the partner administering ZRp, she successfully managed ZRp, as the finance and administrative partner, from inception until 2011 in addition to leading the real estate practice group and communications practice group. She retired from the partnership in 2013 and became a consultant at ZRp until February 2024.

DATO' HJ MOHAMED ZAINAL ABIDIN BIN HJ ABDUL KADIR

Malaysian, male, aged 85, has been an Executive Director of Pintar Projek Sdn Bhd since 10 March 2005. He resigned as an Executive Director and was appointed as an Alternate Director to Dato' Yeoh Seok Kah on 13 December 2022. He qualified as a teacher in 1963 from the Day Training Centre for Teaching in Ipoh, Perak, and was in the teaching profession from 1964 to 1981 prior to entering the

business arena as a property developer in May 1981. Dato' Hj Mohamed Zainal Abidin also sits on the boards of several private limited companies involved in construction, property development and resort operations such as Pakatan Perakbina Sdn Bhd and Syarikat Pelanchongan Pangkor Laut Sendirian Berhad.

YEOH KEONG SHYAN

Malaysian, male, aged 39, has been an Executive Director of Pintar Projek Sdn Bhd since 18 January 2011. He resigned as an Executive Director and was appointed as an Alternate Director to Dato' Yeoh Soo Min on 13 December 2022. He graduated from the University of Nottingham with an LLB (Hons) in 2008. He obtained the Capital Markets and Financial Advisory Services (CMFAS) Certification in 2010. He joined YTL Group in 2009 and is presently engaged in the

YTL Hotels and Resorts as well as the Property Development Divisions. He is currently a Non-Executive Alternate Director to Tan Sri (Sir) Yeoh Sock Ping, the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

PROFILE OF THE BOARD OF DIRECTORS

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 6 Board meetings were held and the details of attendance are as follows:

	Attendance
Tan Sri (Sir) Yeoh Sock Ping	6/6
Dato' Yeoh Seok Kah (Alternate Director: Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir)	5/6
Dato' Yeoh Soo Min (Alternate Director: Yeoh Keong Shyan)	6/6
Dato' Yeoh Seok Kian	4/6
Datuk Mark Victor Rozario	6/6
Dato' Ahmad Fuaad Bin Mohd Dahalan	6/6
Dato' Zainal Abidin Bin Ahmad	6/6
Au Wei Lien	6/6

Notes:

1. Family Relationship with Director and/or Major Unitholder

Tan Sri (Sir) Yeoh Sock Ping, Dato' Yeoh Soo Min, Dato' Yeoh Seok Kian and Dato' Yeoh Seok Kah are siblings. They are the children of Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong who is deemed a major unitholder of YTL Hospitality REIT ("YTL REIT") and major shareholder of Pintar Projek Sdn Bhd (the "Manager"). Mr Yeoh Keong Shyan is a son of Tan Sri (Sir) Yeoh Sock Ping. Save as disclosed herein, none of the Directors of the Manager has any family relationship with any director of the Manager and/or major unitholder of YTL REIT.

2. Conflict of Interest or Potential Conflict of Interest

None of the Directors of the Manager has any conflict of interest or potential conflict of interest, including interest in any competing business with YTL REIT or its subsidiaries.

3. Conviction of Offences (other than traffic offences)

None of the Directors of the Manager has been convicted of any offences within the past five (5) years.

4. Public Sanction or Penalty imposed

None of the Directors of the Manager has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

YTL Hospitality REIT ("YTL REIT" or "Trust") was established on 18 November 2005 pursuant to a trust deed (as amended and restated) ("Deed") entered into between Pintar Projek Sdn Bhd ("PPSB" or "Manager") and Maybank Trustees Berhad ("Trustee"), as the manager and trustee, respectively, of the Trust. YTL REIT has been listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") since 16 December 2005.

The Board of Directors of PSPB ("Board") is firmly committed to ensuring that the Manager implements and operates good corporate governance practices in its overall management of the Trust and its subsidiaries ("YTL REIT Group" or "Group").

In implementing its system of corporate governance, the Directors have been guided by the measures set out in the Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the Malaysian Code on Corporate Governance ("Code") and the Guidelines on Corporate Governance for Capital Market Intermediaries ("Corporate Governance Guidelines") issued by the Securities Commission Malaysia ("SC"), and the Main Market Listing Requirements of Bursa Securities ("Listing Requirements").

This statement details YTL REIT's compliance with the Code and the applicable requirements under the Corporate Governance Guidelines during the financial year ended 30 June 2025.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

The Role of the Manager

YTL REIT is managed and administered by PSPB, with the primary objectives of:

- (a) providing unitholders of the Trust ("Unitholders") with stable cash distributions with the potential for sustainable growth, principally from the ownership of properties; and
- (b) enhancing the long-term value of YTL REIT's units ("Units").

The Manager is required to ensure that the business and operations of YTL REIT are carried on and conducted in a proper, diligent and efficient manner, and in accordance with acceptable and efficacious business practices in the real estate investment trust industry in the countries in which the Trust owns assets, namely Malaysia, Japan and Australia. Subject to the provisions of the Deed, the Manager has full and complete powers of management and must manage YTL REIT (including all assets and liabilities of the Trust) for the benefit of its Unitholders.

The Board recognises that an effective corporate governance framework is critical in order to achieve these objectives, fulfil its duties and obligations and ensure that YTL REIT continues to perform strongly.

The general functions, duties and responsibilities of the Manager include the following:

- (a) to manage the YTL REIT Group's assets and liabilities for the benefit of Unitholders;
- (b) to be responsible for the day-to-day management of the YTL REIT Group;
- (c) to carry out activities in relation to the assets of the YTL REIT Group in accordance with the provisions of the Deed;
- (d) to set the strategic direction of the YTL REIT Group and submit proposals to the Trustee on the acquisition, divestment or enhancement of assets of the Group;
- (e) to issue an annual report and quarterly reports of YTL REIT to Unitholders within 4 months and 2 months of YTL REIT's financial year end and the end of the periods covered, respectively; and
- (f) to ensure that the YTL REIT Group is managed within the ambit of the Deed, the Capital Markets and Services Act 2007 (as amended) and other applicable securities laws, the Listing Requirements, the REIT Guidelines, the Corporate Governance Guidelines and other applicable laws.

Responsibilities of the Board

The Manager is led and managed by an experienced Board with a wide and varied range of expertise. This broad spectrum of skills and experience gives added strength to the leadership, thus ensuring the Manager is under the oversight and guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the Manager.

Key elements of the Board's stewardship responsibilities include:

- Ensuring that the strategic plans for the YTL REIT Group support long-term value creation for the benefit of its stakeholders and include strategies on economic, environmental and social considerations underpinning sustainability;
- Promoting good corporate governance culture within the YTL REIT Group which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the YTL REIT Group's businesses to evaluate and assess management performance to determine whether businesses are being properly managed;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

- Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;
- Succession planning for the Board and senior management;
- Overseeing the development and implementation of a Unitholder/stakeholder communications policy;
- Reviewing the adequacy and integrity of the YTL REIT Group's management information and internal control systems; and
- Ensuring the integrity of the YTL REIT Group's financial and non-financial reporting.

The Board is led by the Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

There is a clear balance of power, authority and accountability between the Executive Chairman, Tan Sri (Sir) Yeoh Sock Ping, and the Chief Executive Officer, Dato' Yeoh Seok Kah, between the running of the Board and the Group's business, respectively. The positions of the Executive Chairman and the Chief Executive Officer are separate and clearly defined, and are held by different members of the Board.

The Executive Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Group, including good corporate governance practices, the orderly and effective conduct of the meetings of the Board and Unitholders, leading discussions, encouraging active and open participation, managing the interface and encouraging constructive relations between the Board and management, ensuring the provision of accurate, timely and clear information to Directors and effective communications with stakeholders and facilitating the effective contribution of Non-Executive Directors.

The Chief Executive Officer is responsible for, amongst others, overseeing the day-to-day running of the business, developing and implementing Board policies and strategies, making operational decisions, serving as the conduit between the Board and management in ensuring the success of the Group's governance and management functions, ensuring effective communication with Unitholders and relevant stakeholders, providing strong leadership, i.e., effectively communicating the Board's vision, management philosophy and business strategy to employees and keeping the Board informed of salient aspects and issues concerning the Group's operations.

The Chief Executive Officer and Executive Directors are accountable to the Board for the profitability and development of the YTL REIT Group, consistent with the primary aim of enhancing long-term Unitholder value. The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the YTL REIT Group.

The roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties to Unitholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent and objective judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are responsible for the Manager's operations and for ensuring that the strategies proposed by the executive management are fully discussed and examined, and take account of the long-term interests of the Unitholders.

In accordance with the Code, the Executive Chairman is not a member of the Audit Committee. The Audit Committee is chaired by an Independent Non-Executive Director and comprises solely Non-Executive Directors, with a majority being Independent Non-Executive Directors, in compliance with the Listing Requirements. This promotes objectivity in the Board's deliberations and ensures there are effective checks and balances, as well as objective review by the Board of recommendations put forth by the Audit Committee.

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to management. Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities, change in income distribution policy and capital alteration plans. Further information on authorisation procedures, authority levels and other key processes can also be found in the *Statement on Risk Management and Internal Control* set out in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least four times a year in order to review and approve the interim and annual financial statements. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the Trust. Meetings of the Audit Committee are conducted separately from those of the main Board to enable objective and independent discussions. The Board met six times during the financial year ended 30 June 2025.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the business and affairs of the YTL REIT Group to enable them to discharge their duties. At least one week prior to Board meetings, all Directors receive the agenda together with a comprehensive set of Board papers containing information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

Board papers are presented in a consistent, concise and comprehensive format and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the YTL REIT Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

The minutes of the Board and Board committee meetings are circulated and confirmed at the next meeting. Once confirmed, the minutes of the Board committee meetings are subsequently presented to the Board for notation.

Company Secretary

The Board is supported by a professionally-qualified and competent Company Secretary. The Company Secretary, Ms Ho Say Keng, is a Fellow of the Association of Chartered Certified Accountants, a registered member of the Malaysian Institute of Accountants and an affiliate member of the Malaysian Institute of Chartered Secretaries and Administrators, and is qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act 2016.

The Company Secretary ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors.

In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Manager.

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary carries out ongoing reviews of existing practices in comparison with any new or amended measures introduced in the Listing Requirements, REIT Guidelines and/or legislation, regulations and codes applicable to the governance of YTL REIT and updates the Board accordingly.

Board Charter

The Board's functions are governed and regulated by the Constitution of the Manager and the laws, rules and regulations governing companies in Malaysia, including the Companies Act 2016, Listing Requirements and REIT Guidelines. The Board has a Board Charter, a copy of which can be found under the "Governance" section on the Trust's website at www.ytlhospitalityreit.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

The Board Charter serves several important functions, including as a primary reference to the Board of its role, fiduciary duties and responsibilities, its governance processes and legal framework within which it operates and as an induction tool for new Directors. The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board committees, Directors and management and the issues and decisions reserved for the Board.

The Board Charter was most recently updated and adopted on 5 September 2024 to set out, amongst others, the applicability to the Board of the new Conflict of Interest Policy (detailed below) and the Code of Conduct & Business Ethics for the YTL Group of Companies ("YTL Group") ("YTL Group Code of Conduct & Business Ethics") and to establish a policy which limits the tenure of the Independent Non-Executive Directors to nine years without further extension.

The Board Charter is reviewed as and when changes arise and updated in accordance with the needs of the Manager and any new regulations that impact the discharge of the Board's responsibilities.

Business Conduct, Ethics & Whistleblowing

Following the amendment to the Board Charter on 5 September 2024, the Directors observe and adhere to the YTL Group Code of Conduct & Business Ethics, replacing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

The Manager is also guided by the corporate culture of its parent company, YTL Corporation Berhad ("YTL Corp"), which has an established track record for good governance and ethical conduct. Key guidance is contained in the YTL Group Code of Conduct & Business Ethics, which also sets out the whistleblowing policy and procedures, and the YTL Group's Anti-Bribery & Corruption Policy, as detailed in the following section. A copy of the Code of Conduct & Business Ethics can be found on the Trust's website at www.ytlhospitalityreit.com.

The YTL Group Code of Conduct & Business Ethics sets out the acceptable general practices and ethics for the YTL REIT Group and includes policies and measures to address conflicts of interest, abuse of power, corruption, insider trading, money laundering and data protection. On 5 September 2024, the YTL Group Code of Conduct & Business Ethics was updated to codify existing environmental, social and governance policies and general practices that apply across the YTL Group.

Training modules and other methods of communication are employed on an ongoing basis to familiarise employees of the Manager with their duties and obligations in this area. Training carried out during the financial year under review focused on areas including the Personal Data Protection Act and workplace health and safety.

Anti-Bribery & Corruption Policy ("ABC Policy")

The objective of the ABC Policy is to further enforce the YTL Group Code of Conduct & Business Ethics in order to ensure that all Directors and employees understand their responsibilities in compliance with the YTL Group's zero tolerance for bribery and corruption within the organisation. This is in line with the corporate liability provision in Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into force on 1 June 2020. A copy of the ABC Policy can be found on the Trust's website at www.ytlhospitalityreit.com.

The ABC Policy outlines the YTL Group's strategies in identifying, preventing and managing bribery and corruption issues. The policies and procedures put in place are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act. The ABC Policy applies to all Directors, managers and employees of the Manager in dealing with external parties in the commercial context. The policy is reviewed at least once every three years and amended as needed to ensure that it continues to remain relevant, appropriate and effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing law.

A comprehensive implementation plan has been established to communicate and disseminate the ABC Policy on an ongoing basis throughout the YTL Group through online training modules and other communication methods, and has been a highly effective component of the overall anti-bribery and corruption risk management process.

Directors and employees of the YTL Group in Malaysia are required to read and understand the ABC Policy and the YTL Group Code of Conduct & Business Ethics, successfully complete the online training modules to reinforce their understanding of the policy and sign the YTL Group's Integrity Pledge in acknowledgement of their obligations and responsibilities.

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Compliance with the ABC Policy continues to be monitored closely, both on an ongoing basis and in conjunction with the annual assessment of the Group's corruption risks. The annual risk assessment is carried out to identify the corruption risks to which the Group is exposed and the appropriateness of the mitigation measures established to minimise the exposure to these risks.

Sustainability Governance

The Board oversees governance of the YTL REIT Group's sustainability matters which includes setting its environmental, social and governance ("ESG") strategies, priorities and targets, overseeing the progress of ESG strategy and performance and reviewing and addressing the YTL REIT Group's material ESG risks and opportunities. Further information can be found in the *Managing Sustainability* section in this Annual Report and the *YTL Group Sustainability Report 2025* which will be published later this year and will be available for download at www.ytl.com/sustainability.

The Manager's key methods for communicating its sustainability strategies, priorities and targets as well as performance against these targets to internal and external stakeholders include the Annual Report of the Trust, the YTL Group Sustainability Report, which is issued annually, and the YTL Group's Sustainability website at www.ytl.com/sustainability.

The Directors are kept apprised of the key ESG issues relevant and specific to the YTL REIT Group through briefings from management on performance, targets and operational updates, and also stay abreast with more general developments in the ESG arena through training programmes, further details of which are set out in the section below on *Board Commitment*.

ESG risks are incorporated into the Board's process for addressing and managing significant risks that may have a considerable impact on YTL REIT as they form part of the overall risk management framework, further details of which can be found in the *Statement on Risk Management and Internal Control* set out in this Annual Report.

Composition of the Board

The Board currently comprises 8 Directors (excluding 2 Alternate Directors), of which 4 are executive members and 4 are non-executive members.

The Independent Directors currently comprise 37.5% of the Board. This is in compliance with the provisions of the Listing Requirements and the REIT Guidelines for at least one-third of the Board to be independent.

Board & Senior Management Appointments

The appointment of Directors is undertaken by the Board as a whole whereby the Executive Chairman and/or the Chief Executive Officer make recommendations on the suitability of candidates nominated for appointment to the Board and, thereafter, the final decision lies with the entire Board to ensure that the resulting mix of experience and expertise of members of the Board is sufficient to address the issues affecting the Manager. The Board is of the view that its current practice and procedures are suitable and appropriate to fulfil the needs of the Trust and to comply with the applicable Listing Requirements. As previously reported, the Board will continue to assess the necessity of delegating this function to a separate nominating committee and will do so if it is deemed appropriate at the relevant time.

The Directors understand the importance of having a diverse Board to leverage the varying perspectives, experience and expertise required to achieve effective stewardship and management, and this forms a key part of the periodic assessment of the Board's composition.

In its deliberations, the Board assesses suitable candidates with due regard for diversity, taking into account the required mix of skills, experience, age, gender, ethnicity, time and commitment, background and perspective. Nevertheless, in identifying future candidates, the Board will also endeavour to utilise independent sources including external human resources consultants and specialised databases, as appropriate.

The Board recognises the importance of encouraging and developing female talent at all levels. There are currently two female directors on the Board comprising 25% of the Board. This is deemed to comply with the requirement under the Corporate Governance Guidelines.

Meanwhile, members of senior management are appointed by the Executive Chairman and/or the Chief Executive Officer based on relevant industry experience and with due regard for diversity in skills, experience, age, background and gender.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

Board Remuneration

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract and retain Directors of the calibre needed to successfully carry on the Manager's operations. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. In general, the component parts of remuneration are structured so as to link rewards to the overall performance of YTL REIT. In the case of Non-Executive Directors, the level of remuneration reflects the contribution, experience and responsibilities undertaken by the particular non-executive concerned.

As previously reported, the Board has continued to assess the need to delegate this function to a separate committee and concluded that its current practice and procedures remain suitable and appropriate to fulfil the needs of the Trust and are in compliance with the Listing Requirements. In this context, it is pertinent to note that the Directors and senior management are remunerated by the Manager and not by YTL REIT.

The following tables provide an overview of the remuneration of the Directors for the financial year ended 30 June 2025:-

Remuneration of Executive and Non-Executive Directors for the financial year ended 30 June 2025					
	Salaries and other emoluments RM'000	Directors' fees RM'000	Meeting attendance allowances RM'000	Benefits- in-kind RM'000	Total RM'000
Executive Directors	9,329	-	-	2	9,331
Non-Executive Directors	-	830	43	-	873

Range of remuneration per annum	Executive Directors	Non-Executive Directors
RM50,000 and below	-	-
RM50,001 - RM200,000	-	-
RM200,001 - RM400,000	-	4
RM1,000,001 - RM2,000,000	-	-
RM2,000,001 and above	3	-

Notes:-

Details of the remuneration of individual directors and members of senior management are not disclosed as the Directors and senior management are remunerated by the Manager and not by YTL Hospitality REIT.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

Board Commitment

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the REIT industry, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. The Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

All the Directors have undergone training programmes during the financial year ended 30 June 2025. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
■ Risk Management/Technology/Innovation	
Singapore Institute of Directors ("SID"): Listed Entity Director ("LED") 6 – Board Risk Committee Essentials	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
Australian Trade and Investment Commission: Women in Technology – Breaking Barriers	Dato' Yeoh Soo Min
Bursa Malaysia Board Ethics – Growing Concerns from New Technology, Stakeholder Interests and Conflict of Interest	Dato' Ahmad Fuaad Bin Mohd Dahalan
Asia-Pacific Digital Innovation Expo, Malaysia (ADIE) 2024 – Digital Innovation for Sustainable Business Growth (Speaker)	Datuk Mark Victor Rozario
The Institute of Chartered Accountants in England and Wales (ICAEW) – DeepSeek's AI Emergence: Exploring Groundbreaking Advancements and Market Disruption	Datuk Mark Victor Rozario
Data Centre & Cloud Infrastructure Summit 2025	Datuk Mark Victor Rozario
Mastering Technology and Data Risk in the Age of Generative AI	Tan Sri (Sir) Yeoh Sock Ping Dato' Yeoh Seok Kah Datuk Mark Victor Rozario Dato' Ahmad Fuaad Bin Mohd Dahalan Dato' Zainal Abidin Bin Ahmad Au Wei Lien Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)
■ Leadership and Business Management/Finance/Economy/ Retail Management	
J.P. Morgan: Women's Forum 2024 – The Power of Perseverance	Dato' Yeoh Soo Min

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for the financial year ended 30 June 2025

Seminars/Conferences/Training	Attended by
YTL LEAD Conference 2024	Tan Sri (Sir) Yeoh Sock Ping Dato' Yeoh Seok Kah Dato' Yeoh Soo Min Dato' Yeoh Seok Kian Datuk Mark Victor Rozario Dato' Ahmad Fuaad Bin Mohd Dahalan Dato' Zainal Abidin Bin Ahmad Au Wei Lien Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah) Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
Forum Ekonomi Malaysia 2025	Datuk Mark Victor Rozario
Korn Ferry's Caffeine, Conversations, & Connections - Leadership Lens: AI in the Workplace	Datuk Mark Victor Rozario
FIDE Forum - Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025	Datuk Mark Victor Rozario
ASEAN Investment Conference 2025	Datuk Mark Victor Rozario
PwC AI Leadership Conference 2025	Datuk Mark Victor Rozario
PPK Malaysia & EQLB: Retail Forum 2025 - Treading the Intricate Retail Landscape	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
Malaysia Hotel Industry Summit 2025	Datuk Mark Victor Rozario
■ Corporate Governance/Cybersecurity/Capital Markets/Investment/Legal/Compliance/Environmental, Social & Governance/Sustainability	
Recent Developments with the Listing Requirements, Including COI Amendments	Tan Sri (Sir) Yeoh Sock Ping Dato' Yeoh Seok Kah Dato' Yeoh Soo Min Datuk Mark Victor Rozario Dato' Ahmad Fuaad Bin Mohd Dahalan Dato' Zainal Abidin Bin Ahmad Au Wei Lien Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)
SID: LED 1 - Listed Entity Director Essentials	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Seminars/Conferences/Training	Attended by
Malaysian Institute of Management: Shared Responsibility, Shared Future: Uniting Stakeholders to Co-Create a Greener Malaysia	Dato' Yeoh Soo Min
SID: LED 2 – Board Dynamics	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
Petronas Gas Berhad ("PGB"): BAC & BSRC Training	Datuk Mark Victor Rozario
SID: LED 3 – Board Performance	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
SID: LED 4 – Stakeholder Engagement	Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)
YTL Personal Data Protection Course	Dato' Yeoh Seok Kian Dato' Yeoh Seok Kah Datuk Mark Victor Rozario Dato' Ahmad Fuaad Bin Mohd Dahalan Dato' Zainal Abidin Bin Ahmad
PGB: Greenhouse Gas Management	Datuk Mark Victor Rozario
PGB: Malaysia's Climate Agenda and Carbon Market	Datuk Mark Victor Rozario
Securities Commission Malaysia: SCxSC Fintech Summit 2024	Datuk Mark Victor Rozario
Securities Commission Malaysia's Audit Oversight Board: Conversation with Audit Committees – "Preparing for IFRS Sustainability Disclosure Standards in Malaysia"	Dato' Ahmad Fuaad Bin Mohd Dahalan
PETRONAS: Sustainability Deep Dive: Scope 3	Datuk Mark Victor Rozario
United Nations: International Women's Day Forum 2025 – For ALL Women and Girls in Malaysia: Rights. Equality. Empowerment	Dato' Yeoh Soo Min
YTL Workplace Health & Safety	Dato' Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Au Wei Lien
Webinar by DBS: XRP & the XRP Ledger 101	Dato' Yeoh Soo Min
Citibank: Cybersecurity Training	Datuk Mark Victor Rozario
Asia School of Business: FIDE Core Program Module A (Bank)	Datuk Mark Victor Rozario
ICDM: Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Tan Sri (Sir) Yeoh Sock Ping Dato' Yeoh Soo Min Dato' Yeoh Seok Kian Dato' Ahmad Fuaad Bin Mohd Dahalan Dato' Zainal Abidin Bin Ahmad Au Wei Lien Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah) Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

The Directors are responsible for ensuring that financial statements of the Trust are drawn up in accordance with applicable approved accounting standards in Malaysia, the REIT Guidelines and the Deed. The *Statement of Directors' Responsibilities* made pursuant to paragraph 15.26(a) of the Listing Requirements is set out in this Annual Report.

In presenting the financial statements, the Manager has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, to present a true and fair assessment of the Company's position and prospects. Interim financial statements are reviewed by the Trustee and the Audit Committee and approved by the Directors prior to release to the relevant regulatory authorities.

Audit Committee

The Manager has in place an Audit Committee which comprises three Non-Executive Directors, the majority of whom are independent, in compliance with the Listing Requirements, namely Datuk Mark Victor Rozario, Dato' Ahmad Fuaad Bin Mohd Dahalan and Dato' Zainal Abidin Bin Ahmad. The Chairman of the Audit Committee is Datuk Mark Victor Rozario, in accordance with the recommendations of the Code that the chairman of the Audit Committee should not be the chairman of the Board.

The members of the Audit Committee possess a wide range of necessary skills to discharge their duties, and are financially literate and able to understand matters under the purview of the Audit Committee including the financial reporting process. The members of the Audit Committee also intend to continue to undertake professional development by attending training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The Audit Committee holds quarterly meetings to review matters including the YTL REIT Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met five times during the financial year ended 30 June 2025. Full details of the composition and summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this Annual Report. This information and the terms of reference of the Audit Committee, which includes the expanded scope of the Audit Committee in dealing with COI situations, are available under the "Governance" section on the Trust's website at www.ytlhospitalityreit.com.

The Audit Committee has established formal and professional arrangements for maintaining an appropriate relationship with the Trust's external auditors, HLB Ler Lum Chew PLT ("HLB"). The external auditors also attend each Annual General Meeting ("AGM") in order to address clarifications sought pertaining to the audited financial statements by Unitholders.

The Audit Committee's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. The policy includes, amongst others, a cooling off period of three years before a former audit partner of the external audit firm may be appointed as a member of the Audit Committee, and additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. None of the Audit Committee members were formerly partners of the Trust's external auditors.

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2025 are as follows:-

	Trust RM'000	Group RM'000
Statutory audit fees paid/payable to HLB	114	147
Non-audit fees paid/payable to HLB	6	6
Total	120	153

Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of the Unitholders and the assets of the YTL REIT Group, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Details of the YTL REIT Group's system of risk management and internal control are contained in the *Statement on Risk Management and Internal Control* and the *Audit Committee Report* as set out in this Annual Report.

Conflicts of Interest & Related Party Transactions

The Deed provides that the Manager, the Trustee and any delegate of either of them shall avoid conflicts of interest arising or, if conflicts arise, shall ensure that the YTL REIT Group is not disadvantaged by the transaction concerned. The Manager must not make improper use of its position in managing the YTL REIT Group to gain, directly or indirectly, an advantage for itself or for any other person or to cause detriment to the interests of Unitholders.

In order to deal with any conflict-of-interest situations that may arise, any related party transaction, dealing, investment or appointment carried out for or on behalf of the YTL REIT Group involving parties related to the Trust must be executed on terms that are the best available to the Trust and which are no less favourable than an arm's length transaction between independent parties.

The Manager may not act as principal in the sale and purchase of real estate, securities and any other assets to and from the YTL REIT Group. "Acting as principal" includes a reference to:

- (a) dealing in or entering into a transaction on behalf of a person associated with the Manager;
- (b) acting on behalf of a corporation in which the Manager has a controlling interest; or
- (c) the Manager acting on behalf of a corporation in which the Manager's interest and the interests of its Directors together constitute a controlling interest.

In addition, the Manager must not, without the prior approval of the Trustee, invest any monies available for investment under the Deed in any securities, real estate or other assets in which the Manager or any officer of the Manager has a financial interest or from which the Manager or any officer of the Manager derives a benefit.

In dealing with any related party transactions that may arise, the Manager ensures that the provisions in the REIT Guidelines and the Listing Requirements pertaining to related party transactions are fully complied with in any applicable transactions.

The Board has in place a Conflict of Interest ("COI") Policy which is intended to ensure that any actual or potential COI that a Director and key senior management may have is appropriately dealt with or managed. The policy applies to the Directors and key senior management of the Manager and the YTL REIT Group and sets out guidance in identifying COI situations, disclosure and recusal requirements and the measures to be taken to resolve, eliminate or mitigate conflicts. The policy also expands the scope of the Audit Committee's review of COI situations and the measures taken to resolve, eliminate or mitigate any such conflicts.

To assist the Audit Committee in discharging its duties in this area, a 'COI Declaration Form' has been adopted together with the COI Policy for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintenance and management of COI situations.

Internal Audit

The Manager's internal audit function is undertaken by the Internal Audit department of YTL Corp ("YTLIA"). YTLIA reports directly to the Audit Committee of YTL Corp and to the Board on matters pertaining to the Manager and the Trust.

The Head of Internal Audit, Mr Choong Hon Chow, is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He is also a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experience covering many areas of diversified commercial businesses and activities. He has a total of 42 years of internal and external audit experience.

During the financial year ended 30 June 2025, YTLIA comprised 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

In July 2024, a Gap Assessment based on Global Internal Audit Standards which came into effect in January 2025, was conducted on YTLIA.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2025

The activities of the internal audit function during the year under review included:-

- Developing the annual internal audit plan and proposing this plan to the Audit Committee;
- Conducting scheduled internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary;
- Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in audit reports;
- Presenting significant audit findings to the Audit Committee for consideration;
- Conducting reviews of recurrent related party transactions;
- Conducting discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan; and
- Conducting discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.

Further details of the YTL REIT Group's internal audit function are contained in the *Statement on Risk Management and Internal Control* and the *Audit Committee Report* as set out in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Unitholders

The Manager values dialogue with Unitholders and investors as a means of effective communication that enables the Board to convey information about the YTL REIT Group's performance, corporate strategy and other matters affecting Unitholders' interests. The Board recognises the importance of timely dissemination of information to Unitholders and, accordingly, ensures that they are well informed of any major developments of YTL REIT. Such information is communicated through annual reports, the Trust's various disclosures and announcements to Bursa Securities, including quarterly and annual results, and the corporate website.

Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Trust's website, www.ytlhospitalityreit.com, in addition to prescribed information, including financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Executive Chairman, Chief Executive Officer and/or the Executive Directors meet with analysts, institutional Unitholders and investors throughout the year to provide updates on strategies and new developments. However, price-sensitive information and information that may be regarded as undisclosed material information about YTL REIT is not disclosed in these sessions until after the requisite announcements to Bursa Securities have been made.

Whilst efforts are made to provide as much information as possible to its Unitholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its Unitholders. Therefore, the information that is price-sensitive or that may be regarded as undisclosed material information about the YTL REIT Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

Conduct of General Meetings

The AGM is the principal forum for dialogue with Unitholders. The Board provides opportunities for Unitholders to raise questions pertaining to issues in the Annual Report and operational performance of YTL REIT for the financial year. The Notice of AGM is sent to Unitholders at least 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016 which require the Notice of AGM to be sent 21 days prior to the AGM, thus allowing Unitholders to make adequate preparation.

The Executive Chairman, Chief Executive Officer and Executive Directors provide appropriate answers in response to Unitholders' questions during the meeting thereby ensuring a high level of accountability, transparency and identification with YTL REIT's strategy and goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended YTL REIT's twelfth AGM held on 7 November 2024.

Extraordinary general meetings are held as and when required to seek Unitholders' approval. The Chief Executive Officer and Executive Directors take the opportunity to fully explain the rationale for proposals put forth for approval and the implications of such proposals for the Trust, and to reply to Unitholders' questions.

Where applicable, each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of the issues involved. All resolutions are put to the vote by electronic poll voting and an independent scrutineer is appointed to verify poll results. The results of the electronic poll voting are announced in a timely matter, usually within half an hour of the voting process to enable sufficient time for the results to be tabulated and verified by the independent scrutineer.

For general meetings conducted on a physical basis, the Board reserves centrally located venues in Kuala Lumpur to enhance accessibility. Voting in absentia is not permitted; instead, Unitholders may appoint up to two proxies to attend, speak and vote on their behalf, in compliance with statutory timelines under the REIT Guidelines. The Executive Chairman, Chief Executive Officer and Executive Directors attend in person to respond to the questions raised by Unitholders and facilitate meaningful engagement.

The Manager engages professional service providers to manage and administer the Trust's general meetings who have in place the necessary data privacy and protection and cybersecurity policies and procedures to safeguard the information of the Trust and its unitholders.

Minutes of general meetings are posted on the Trust's website under the "*Meetings*" page, which can be accessed at the link below, no later than 30 business days after the general meeting:

- <https://www.ytlhospitalityreit.com/meetings>

The forthcoming thirteenth AGM will be held on a physical basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement was approved by the Board on 31 July 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

for the financial year ended 30 June 2025

The Board of Directors ("Board") of Pintar Projek Sdn Bhd ("PPSB" or "Manager") is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2025, issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principle B of the Malaysian Code on Corporate Governance, the Guidelines on Listed Real Estate Investment Trusts and the Guidelines on Corporate Governance for Capital Market Intermediaries issued by the Securities Commission Malaysia, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control and endorsed by Bursa Securities.

YTL Hospitality REIT ("YTL REIT" or "Trust") was established on 18 November 2005 pursuant to a trust deed (as amended and restated) ("Trust Deed") entered into between PPSB and Maybank Trustees Berhad ("Trustee"), as the manager and trustee, respectively, of the Trust. The Manager and the Trustee administer the Trust in accordance with the provisions of the Trust Deed, which governs matters including the management of the Trust, issuance of units, investments in assets, distributions, related party transactions and conflicts of interest, powers of the Trustee and responsibilities and remuneration of the Manager and the Trustee.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to safeguard unitholders' investments and the assets of YTL REIT and its subsidiaries ("YTL REIT Group"). The Board reviews the adequacy and integrity of the system of internal control which covers not only financial controls but operational and compliance controls and risk management.

Due to inherent limitations in any system of internal control and risk management, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the YTL REIT Group from achieving its business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board believes that the YTL REIT Group's system of risk management and internal control, financial or otherwise, in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES & PROCESSES OF THE YTL REIT GROUP'S SYSTEM OF INTERNAL CONTROL

The principal features of the YTL REIT Group's system of internal control can be summarised as follows:

- **Authorisation Procedures:** The YTL REIT Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and senior management. Responsibility levels are communicated throughout the YTL REIT Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interests of unitholders.
- **Auditors' Appointment:** The appointment of the external auditors, who are nominated by the Manager, is approved by the Trustee. The remuneration of the external auditors is also approved by the Trustee based on the Manager's recommendation.
- **Authority Levels:** The YTL REIT Group has delegated authority levels for tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Chief Executive Officer. The approval of capital and revenue proposals including financing of corporate and investment funding requirements above certain limits is reserved for decision by the Board and the Trustee. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

for the financial year ended 30 June 2025

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon the recommendation of the Audit Committee before release to Bursa Securities. The full year audited financial statements and analyses of the YTL REIT Group's financial performance are released to unitholders.
- **Internal Compliance:** The YTL REIT Group monitors compliance with its internal financial controls through management reviews. Financial reports are reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to resolve operational deficiencies and to reflect changing risks, as well as changes to legal and regulatory compliance requirements relevant to the YTL REIT Group. Internal audit visits are systematically arranged to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.
- **Internal Audit Function and Audit Committee Oversight:** The Manager's internal audit function is undertaken by the Internal Audit department of its parent company, YTL Corporation Berhad, ("YTLIA") which evaluates the efficiency and effectiveness of the internal control systems implemented by management, and reports directly to the Audit Committee on matters pertaining to the Manager and the Trust.

A description of the work of the internal audit function can be found in the *Audit Committee Report*, whilst additional details about the personnel and resources of YTLIA are contained in the *Corporate Governance Overview Statement* set out in this Annual Report. This information is also available under the "Governance" section on the Trust's website at www.ytlhospitalityreit.com.

YTLIA operates independently of the business or service units it audits and reports to the Audit Committee on the results of the audits, highlighting the efficiency and effectiveness of the system of internal control and significant risks. The Audit Committee reviews and evaluates the key concerns and issues raised and ensures that appropriate and prompt remedial action is taken by management.

The Manager's system of internal control is constantly reviewed, enhanced and updated in line with changes in the operating environment. The Board is of the view that the current system of internal control in place throughout the YTL REIT Group is effective to safeguard its interests.

KEY FEATURES & PROCESSES OF THE YTL REIT GROUP'S RISK MANAGEMENT PRACTICES

The Board acknowledges that all areas of the YTL REIT Group's business activities involve some degree of risk. The YTL REIT Group is committed to ensuring that these risks are managed in order to protect unitholder value.

The Board assumes overall responsibility for the YTL REIT Group's risk management practices. Identifying, evaluating and managing significant risks faced by the YTL REIT Group is an ongoing process which is undertaken by senior management at each level of operations.

During the financial year under review, the Board's functions within the risk management practices were exercised primarily by the Chief Executive Officer through participation in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

The YTL REIT Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk, business/market risk, corruption risk and regulatory/compliance risk. The YTL REIT Group's overall financial risk management objective is to ensure that the YTL REIT Group creates value for its unitholders. The YTL REIT Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out through risk review analysis and internal control systems. The Board reviews these risks and approves the appropriate control environment practices. Further discussion and details on the YTL REIT Group's risk management is contained in the *Management Discussion & Analysis* in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

for the financial year ended 30 June 2025

Management is responsible for creating a risk-aware culture within the YTL REIT Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Changes in the business and the external environment which may give rise to significant risks are reported by management to the Chief Executive Officer/Executive Directors in developing appropriate risk mitigation measures.

The Executive Directors will pursue the ongoing process of (i) identifying, assessing and managing key business, operational and financial risks faced by its business units as well as (ii) regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL REIT Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and unitholder value.

REVIEW BY EXTERNAL AUDITORS

The external auditors, HLB Ler Lum Chew PLT, have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2025, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL REIT Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL REIT Group's operations and that risks are at an acceptable level throughout its businesses.

The Chief Executive Officer is primarily responsible for the financial management of YTL REIT and has provided assurance to the Board that the YTL REIT Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard unitholders' investments and the YTL REIT Group's assets.

This statement was approved by the Board on 28 August 2025.

AUDIT COMMITTEE REPORT

COMPOSITION

Datuk Mark Victor Rozario

(Chairman/Independent Non-Executive Director)

Dato' Ahmad Fuaad Bin Mohd Dahalan

(Member/Non-Independent Non-Executive Director)

Dato' Zainal Abidin Bin Ahmad

(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

The terms of reference of the Audit Committee can be found under the "Governance" section on YTL Hospitality REIT ("YTL REIT")'s website at www.ytlhospitalityreit.com.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

The Audit Committee shall meet at quarterly intervals or such other intervals as the Audit Committee shall decide. During the financial year, a total of 5 Audit Committee meetings were held and the details of attendance are as follows:

	Attendance
Datuk Mark Victor Rozario	5/5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5/5
Dato' Zainal Abidin Bin Ahmad	5/5

SUMMARY OF WORK CARRIED OUT FOR THE FINANCIAL YEAR

The Audit Committee carried out the following work for the financial year ended 30 June 2025 in the discharge of its functions and duties:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial reports and audited financial statements of YTL REIT ("Financial Reports") prior to its recommendation to the Board of Directors for approval.

- (b) In respect of the Financial Reports, the following matters were reviewed and discussed with management, with clarifications and/or additional information provided wherever required:

- Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
- YTL REIT has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;
- Significant judgements made by management in respect of matters such as valuation of investment properties, revaluation of freehold land and buildings, deferred tax liabilities, fraud risk including management override of controls, revenue recognition, hedge of net investments in Australia and Japan, Pillar Two assessment on Global Minimum Tax, critical accounting policies and financial statement disclosures and the underlying assumptions and/or estimates used were reasonable in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

2. External Audit

- (a) Reviewed with the external auditors, HLB Ler Lum Chew PLT ("HLB"):
 - the audit plan for the financial year ended 30 June 2025 outlining, amongst others, their scope of work, audit approach, areas of audit emphasis, and development in laws and regulations affecting financial reporting and the responsibilities of directors/audit committee members and auditors;

AUDIT COMMITTEE REPORT

- their status report and final report on the audit of the financial statements for financial year ended 30 June 2025 setting out their comments and conclusions on the significant audit and accounting matters highlighted, including management's judgements, estimates and/or assessments made, and adequateness of disclosures in the financial statements.
- (b) Reviewed the audit fees proposed by HLB together with management and recommended the fees agreed by HLB to the Board of Directors for approval.
- (c) Had discussions with HLB without the presence of management twice on 31 July 2025 and 28 August 2025, to apprise on matters in regard to the audit and financial statements. No major issues were raised by HLB.
- (d) Reviewed the profiles of the audit engagement team of HLB which enables the Audit Committee to assess their qualifications, expertise, resources, and independence, as well as the effectiveness of the audit process.
- (e) Reviewed on a regular basis, the nature and extent of the non-audit services provided by HLB and was satisfied with the suitability, performance, independence and objectivity of HLB.
- (f) Obtained written assurance from HLB that they have complied with the independence requirements and that their objectivity has not been compromised in accordance with regulatory and professional requirements.
- (g) Confirmed verbally by management, the internal auditors and all Audit Committee members that they had no knowledge of any actual, suspected or alleged fraud and non-compliance or suspected non-compliance with laws or regulations affecting the Group in response to an enquiry by the external auditors.
- (h) Assessed the performance of HLB for the financial year ended 30 June 2025 and recommended to the Board of Directors that HLB continue as the external auditors of YTL REIT.
- (i) Received the Condensed Transparency Report prepared by HLB, which contains the audit partner workload, auditors independence, professionals capacity and competency, investment in audit quality, and HLB's approach to quality.

3. Internal Audit

- (a) Reviewed with the internal auditors the internal audit reports, the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by management.
- (b) Reviewed and adopted the internal audit plan for financial year ending 30 June 2026 to ensure sufficient scope and coverage of activities of YTL REIT and the Group.
- (c) Reviewed internal audit resourcing, with focus on ensuring that the function has sufficient resources together with the right calibre of personnel to perform effectively, and that the head of internal audit has adequate authority to discharge his functions objectively and independently.

4. Related Party Transactions ("RPT")

Reviewed, on a quarterly basis, the recurrent related party transactions of a revenue and trading nature ("RRPTs") entered into by YTL REIT and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPTs are adhered to, and disclosure requirements of the Listing Requirements are observed.

5. Annual Report

Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2025 Annual Report.

6. Conflict of Interest ("COI")

Reviewed the disclosures of actual or potential COI, including interests in any competing business, submitted by the Directors and key senior management of the Company and YTL REIT's subsidiaries via the 'COI Declaration Form', either through the annual declaration process or as and when conflicts arose. All submissions were made to the Secretary, who subsequently escalated them to the Audit Committee on a quarterly basis for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintaining and managing COI situations. Based on the declaration forms received, no COI were disclosed, and this was subsequently reported to the Board.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the internal audit department within the YTL Corporation Berhad Group ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and reports functionally to the Audit Committee.

Every YTLIA team member has confirmed that they are free from conflict of interest or any relationship that could impair their objectivity and independence as internal auditors.

The Audit Committee reviews annually the adequacy of the scope, function, competency and resources of YTLIA to ensure that it is able to fully discharge its responsibilities. Details of the resources and the qualifications of the head of YTLIA are set out in the Corporate Governance Overview Statement.

During the financial year, the YTLIA evaluated the adequacy and effectiveness of key controls in responding to risks within YTL REIT's governance, operations and information systems regarding-

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with relevant laws, regulations and contractual obligations.

The work of the internal audit function for the year under review include the following:

1. Developed the annual internal audit plan and proposed the plan to the Audit Committee.
2. Conducted scheduled internal audit engagements, focusing primarily on the effectiveness of internal controls and recommended improvements where necessary.
3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Conducted RRPTs reviews to assess accuracy and completeness of reporting for presentation to the Audit Committee, and ensure compliance with the Listing Requirements.
5. Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.

Costs amounting to RM90,714 were incurred in relation to the internal audit function for the financial year ended 30 June 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Pintar Projek Sdn Bhd ("Directors"), the manager of YTL Hospitality REIT ("YTL REIT" or "Trust") are required to prepare financial statements for each financial year which give a true and fair view of the financial position of YTL REIT and its subsidiaries ("Group") as at the end of the financial year and of the financial performance and cash flows of the Group and of the Trust for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2025, the Directors have:

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Trust keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Trust which enable them to ensure that the financial statements comply with the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, the deed dated 18 November 2005 (as amended and restated), Malaysian Financial Reporting Standards, International Financial Reporting Standards and other applicable laws.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Trust, and to detect and prevent fraud and other irregularities.

ANALYSIS OF UNITHOLDINGS

as at 22 August 2025

Issued and fully paid units : 1,704,388,889 Units (voting right : 1 vote per unit)

DISTRIBUTION OF UNITHOLDINGS

Size of holding	No. of Unitholders	%	No. of Units	%
1 - 99	553	3.22	5,875	0.00
100 - 1,000	4,138	24.07	2,954,096	0.17
1,001 - 10,000	7,667	44.60	38,076,479	2.24
10,001 - 100,000	4,013	23.35	136,713,413	8.02
100,001 - to less than 5% of issued units	816	4.75	666,358,137	39.10
5% and above of issued units	1	0.01	860,280,889	50.47
Total	17,188	100.00	1,704,388,889	100.00

THIRTY LARGEST UNITHOLDERS

(as per Record of Depositors)

	Name	No. of Units	%
1	YTL Corporation Berhad	860,280,889	50.47
2	YTL Corporation Berhad	74,115,600	4.35
3	East-West Ventures Sdn Bhd	64,250,000	3.77
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AHAM AM)	31,261,100	1.83
5	Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	24,250,000	1.42
6	YTL Power International Berhad	20,496,900	1.20
7	Business & Budget Hotels (Kuantan) Sdn Bhd	18,750,000	1.10
8	YTL Power International Berhad	14,628,000	0.86
9	Megahub Development Sdn Bhd	13,250,000	0.78
10	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (NP-OTHER-REITS)	12,229,400	0.72
11	Amanah Raya Berhad - Kumpulan Wang Bersama	11,344,100	0.67
12	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prolink Equity Income Fund	10,270,500	0.60
13	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AM INV)	9,353,600	0.55

ANALYSIS OF UNITHOLDINGS

as at 22 August 2025

	Name	No. of Units	%
14	HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	8,400,000	0.49
15	YTL Power International Berhad	7,964,600	0.47
16	Steeloak International Limited	7,900,000	0.46
17	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (LIFE PAR)	7,404,300	0.43
18	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ARIM)	6,697,600	0.39
19	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AMUNDI)	5,772,300	0.34
20	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	5,510,700	0.32
21	Khoo Chai Ee	5,220,000	0.31
22	Dato' Yeoh Seok Kah	5,000,000	0.29
23	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Zurich General Insurance Malaysia Berhad (GI-REITS)	4,886,200	0.29
24	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Value Fund	4,774,100	0.28
25	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	4,243,600	0.25
26	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt An for Petrolia Nasional Berhad (PET-AMFUNDS-EQET)	4,020,000	0.24
27	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (AHAM AM EQ)	3,932,000	0.23
28	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Ha Tiing Tai (PWM00034) (933770)	3,237,700	0.19
29	Jamaican Gold Limited	3,000,000	0.18
30	Tan Sri (Sir) Yeoh Sock Ping	2,975,900	0.17
	Total	1,255,419,089	73.66

ANALYSIS OF UNITHOLDINGS

as at 22 August 2025

SUBSTANTIAL UNITHOLDERS

Name	No. of Units Held			
	Direct	%	Indirect	%
YTL Corporation Berhad	937,464,189	55.00	61,839,500 ⁽¹⁾	3.63
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	-	-	1,101,053,689 ⁽²⁾	64.60
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	1,101,053,689 ⁽³⁾	64.60
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	1,101,053,689 ⁽⁴⁾	64.60
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	-	-	1,101,053,689 ⁽⁵⁾	64.60

⁽¹⁾ Deemed interests by virtue of interests held by YTL Power International Berhad ("**YTL Power**") and Business & Budget Hotels (Kuantan) Sdn Bhd ("**BBHK**") pursuant to Section 8 of the Companies Act, 2016 ("Act").

⁽²⁾ Deemed interests by virtue of interests held by YTL Corporation Berhad, YTL Power, BBHK, Megahub Development Sdn Bhd, East-West Ventures Sdn Bhd and Syarikat Pelanchongan Pangkor Laut Sendirian Berhad pursuant to Section 8 of the Act.

⁽³⁾ Deemed interests pursuant to Section 8 of the Act arising from the ownership of 100% of Yeoh Tiong Lay & Sons Holdings Sdn Bhd.

⁽⁴⁾ Deemed interests pursuant to Section 8 of the Act arising from the ownership of 100% of Yeoh Tiong Lay & Sons Family Holdings Limited ("**YTLSF**") in its capacity as trustee.

⁽⁵⁾ Deemed interests by virtue of her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited in its capacity as trustee) in YTLSF pursuant to Section 8 of the Act.

STATEMENT OF INTERESTS OF DIRECTORS OF THE MANAGER

Pintar Projek Sdn Bhd in YTL Hospitality REIT as at 22 August 2025

Name	No. of Units Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE	2,975,900	0.17	916,000 ⁽¹⁾	0.05
Dato' Yeoh Seok Kah	5,000,000	0.29	2,000,000 ⁽¹⁾	0.12
Dato' Yeoh Soo Min	154,300	0.01	618,000 ⁽¹⁾⁽²⁾	0.04
Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)	100,000	0.01	64,250,000 ⁽³⁾	3.77
Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)	100,000	0.01	-	-

⁽¹⁾ Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Act.

⁽²⁾ Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 8 of the Act.

⁽³⁾ Deemed interests by virtue of interests held by East-West Ventures Sdn Bhd pursuant to Section 8 of the Act.

Other than as disclosed above, none of other Directors held any interest in units of YTL Hospitality REIT.



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MANAGER'S REPORT

The Directors of Pintar Projek Sdn. Bhd. ("Manager"), the manager of YTL Hospitality REIT ("YTL REIT" or "Trust"), is pleased to present the report to unitholders of YTL REIT together with the audited financial statements of YTL REIT and its subsidiaries ("Group") for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITY OF THE MANAGER

The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the financial year under review.

THE TRUST AND ITS INVESTMENT OBJECTIVE

YTL REIT was established on 18 November 2005 pursuant to a trust deed ("Principal Deed") entered into between the Manager and Maybank Trustees Berhad, the trustee of YTL REIT and is classified under the real estate investment trusts sector. The Principal Deed was registered with the Securities Commission Malaysia and had been amended and restated by a second restated deed dated 25 November 2019 ("Second Restated Deed").

YTL REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 December 2005 and is an income and growth type fund. The investment objective of YTL REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS

The Directors who served on the Board of the Manager during the financial year until the date of this report of the Trust are:-

Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE

Dato' Yeoh Seok Kah

Dato' Yeoh Soo Min

Dato' Yeoh Seok Kian

Datuk Mark Victor Rozario

Dato' Ahmad Fuaad Bin Mohd Dahalan

Dato' Zainal Abidin Bin Ahmad

Au Wei Lien

Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)

Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)

MANAGER'S REPORT

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Manager is a party, with the object or objects of enabling the Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of YTL REIT or any other body corporate.

For the financial year ended 30 June 2025, no Director has received or become entitled to receive any benefit by reason of a contract made by the Manager for YTL REIT or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest, except as disclosed in the notes to the financial statements.

DIRECTORS' INTERESTS

The following Directors of the Manager who held office at the end of the financial year had, according to the register of unitholdings in YTL REIT, interests in the units of YTL REIT as follows:-

	Balance at 1.7.2024	No. of units acquired	No. of units disposed	Balance at 30.6.2025
Direct interest				
Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE	2,975,900	-	-	2,975,900
Dato' Yeoh Seok Kah	5,000,000	-	-	5,000,000
Dato' Yeoh Soo Min	154,300	-	-	154,300
Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)	100,000	-	-	100,000
Yeoh Keong Shyan (Alternate Director to Dato' Yeoh Soo Min)	100,000	-	-	100,000
Indirect interest				
Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE	916,000 ⁽¹⁾	-	-	916,000 ⁽¹⁾
Dato' Yeoh Seok Kah	2,000,000 ⁽¹⁾	-	-	2,000,000 ⁽¹⁾
Dato' Yeoh Soo Min	618,000 ⁽¹⁾⁽²⁾	-	-	618,000 ⁽¹⁾⁽²⁾
Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (Alternate Director to Dato' Yeoh Seok Kah)	64,250,000 ⁽³⁾	-	-	64,250,000 ⁽³⁾

⁽¹⁾ Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act 2016.

⁽²⁾ Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽³⁾ Deemed interests by virtue of interests held by East-West Ventures Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Other than as disclosed above, Directors who held office at the end of the financial year did not have any interests in the units of YTL REIT.

MANAGER'S REPORT

BREAKDOWN OF UNITHOLDINGS

Set out below is the analysis of unitholdings of YTL REIT as at the reporting date:-

Unit class	No. of Unitholders	%	No. of Units held	%
Less than 100	553	3.24	5,796	0.00
100 to 1,000	4,073	23.85	2,930,468	0.17
1,001 to 10,000	7,632	44.69	37,936,598	2.23
10,001 to 100,000	4,004	23.45	137,320,814	8.06
100,001 to less than 5% of issued units	813	4.76	665,914,324	39.07
5% and above of issued units	1	0.01	860,280,889	50.47
	17,076	100.00	1,704,388,889	100.00

MATERIAL CONTRACTS

Set out below are the details of the material contracts involving the Manager and the major unitholders' interests, still subsisting at the reporting date:-

Name	Pintar Projek Sdn. Bhd.
Date of agreement	25 November 2019
General nature	Second Restated Deed
Consideration passing from the Trust	As disclosed in Notes 7 and 31 to the financial statements
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	70%-owned subsidiary company

Name	Star Hill Hotel Sdn. Bhd.
Date of agreement	18 October 2006, 18 October 2006, 5 May 2017, 30 July 2020 and 1 January 2024
Date of deed of novation	16 May 2007 and 15 November 2011
General nature	Agreement for lease of two properties, Supplemental Agreement and Second Supplemental Agreement for lease of a property
Consideration passing to the Trust	Annual lease rental of RM52,462,268
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

MANAGER'S REPORT

MATERIAL CONTRACTS (CONT'D.)

Name	Cameron Highlands Resort Sdn. Bhd.
Date of agreement	15 November 2011 and 30 July 2020
General nature	Agreement for lease and Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM5,049,888
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

Name	Business & Budget Hotels (Penang) Sdn. Bhd.
Date of agreement	15 November 2011, 30 July 2020 and 19 September 2023
General nature	Agreement for lease, Supplemental Agreement and Second Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM11,227,269
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	51%-owned subsidiary company

Name	Prisma Tulin Sdn. Bhd.
Date of agreement	15 November 2011, 30 July 2020, 19 September 2023 and 13 December 2024
General nature	Agreement for lease of two properties, Supplemental Agreement and Second Supplemental Agreement for lease of a property
Consideration passing to the Trust	Annual lease rental of RM13,362,269
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

Name	Business & Budget Hotels (Kuantan) Sdn. Bhd.
Date of agreement	15 November 2011, 30 July 2020 and 19 September 2023
General nature	Agreement for lease, Supplemental Agreement and Second Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM8,309,831
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	50%-owned associated company

Name	Niseko Village K.K.
Date of agreement	22 December 2011, 26 September 2018 and 30 July 2020
General nature	Agreement for lease of two properties and Supplemental Agreement for lease of a property
Consideration passing to the Group	Annual lease rental of RM28,771,458
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

MANAGER'S REPORT

MATERIAL CONTRACTS (CONT'D.)

Name	East-West Ventures Sdn. Bhd.
Date of agreement	15 November 2011, 5 May 2017 and 30 July 2020
General nature	Agreement for lease, Supplemental Agreement and Second Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM26,002,231
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	70%-owned subsidiary company of holding company of the major unitholder

Name	Syarikat Pelanchongan Pangkor Laut Sendirian Berhad
Date of agreement	15 November 2011 and 30 July 2020
General nature	Agreement for sub-lease and Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM10,604,764
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	57%-owned subsidiary company of holding company of the major unitholder

Name	Tanjong Jara Beach Hotel Sdn. Bhd.
Date of agreement	15 November 2011 and 30 July 2020
General nature	Agreement for lease and Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM8,837,303
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Company related to an alternate director

Name	YTL Land Sdn. Bhd.
Date of agreement	27 August 2020
General nature	Car park agreement
Consideration passing to the Trust	Annual fee of RM2,246,304
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

Name	YTL Majestic Hotel Sdn. Bhd.
Date of agreement	8 May 2018 and 30 July 2020
General nature	Agreement for sub-lease and Supplemental Agreement
Consideration passing to the Trust	Annual lease rental of RM31,920,000
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

MANAGER'S REPORT

MATERIAL CONTRACTS (CONT'D.)

Name	Hotel 25 Sdn. Bhd.
Date of agreement	31 October 2023
General nature	Agreement for lease
Consideration passing to the Trust	Annual lease rental of RM9,660,000
Mode of satisfaction of the consideration	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

Name	Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.
Date of agreement	27 June 2025
General nature	Agreement for refurbishment
Total contract sum	RM12,000,000
Mode of payment	By cash
Relationship with the major unitholder	Wholly-owned subsidiary company

MATERIAL LITIGATION

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

SOFT COMMISSION

During the financial year, the Manager did not receive any soft commission (ie. goods and services) from its broker, by virtue of transactions conducted by the Trust.

MANAGER'S REMUNERATION

Pursuant to the Second Restated Deed, the Manager is entitled to receive from the Trust:-

- (a) a base fee of up to 1.0% per annum of the gross asset value of the Group;
- (b) a performance fee of up to 5.0% of the Group's net property income, but before deduction of property management fees payable to any property manager appointed to manage any real estate;
- (c) an acquisition fee of 1.0% of the acquisition price of any real estate or single-purpose company purchased for the Group (pro rated if applicable to the proportion of the interest of the Group in the asset acquired); and
- (d) a divestment fee of 0.5% of the sale price of any asset being real estate or a single-purpose company sold or divested by the Group (pro rated if applicable to the proportion of the interest of the Group in the asset sold).

The remuneration received by the Manager during the financial year is disclosed in Notes 7 and 31 to the financial statements.

MANAGER'S REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Trust were made out, the Manager took reasonable steps:-

- (a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts is required; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Trust in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Manager is not aware of any circumstances:-

- (a) which would necessitate the writing off of bad debts and render the allowance for doubtful debts in the financial statements of the Group and of the Trust inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Trust misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Trust misleading or inappropriate.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Trust which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Trust which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors of the Manager, will or may affect the ability of the Group and of the Trust to meet its obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors of the Manager state that:-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Trust which would render any amount stated in the financial statements misleading.

In their opinion,

- (a) the results of the operations of the Group and of the Trust during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Trust for the financial year in which this report is made.

MANAGER'S REPORT

AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Pintar Projek Sdn. Bhd. in accordance with a resolution of the Directors,

Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE

Dato' Yeoh Seok Kah

Dated: 28 August 2025

STATEMENT BY MANAGER

In the opinion of the Directors of Pintar Projek Sdn. Bhd. ("Manager"), the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts and the deed dated 18 November 2005 (as amended and restated) so as to give a true and fair view of the financial position of YTL Hospitality REIT ("Trust") and its subsidiaries ("Group") as at 30 June 2025 and financial performance and cash flows of the Group and of the Trust for the financial year then ended.

Signed on behalf of the Board of Pintar Projek Sdn. Bhd. in accordance with a resolution of the Directors,

Tan Sri (Sir) Yeoh Sock Ping, PSM, KBE

Dato' Yeoh Seok Kah

Dated: 28 August 2025

STATUTORY DECLARATION

I, Dato' Yeoh Seok Kah, being the Director of Pintar Projek Sdn. Bhd. primarily responsible for the financial management of YTL Hospitality REIT, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Dato' Yeoh Seok Kah

Subscribed and solemnly declared by the
abovenamed Dato' Yeoh Seok Kah
at Kuala Lumpur on 28 August 2025

Before me:

Shahrizal Nasrul

Commissioner for Oaths

TRUSTEE'S REPORT

to the Unitholders of YTL Hospitality REIT

We have acted as trustee of YTL Hospitality REIT ("Trust") for the financial year ended 30 June 2025. To the best of our knowledge, Pintar Projek Sdn. Bhd., the manager of the Trust has managed the Trust in accordance with the roles and responsibilities and limitation imposed on the investment powers of the management company under the deed dated 18 November 2005 (as amended and restated) ("Deed"), the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year ended 30 June 2025.

We are of the opinion that:

- (i) the valuation/pricing of the Trust's units are adequate and such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements; and
- (ii) the income distributions declared and paid during the financial year ended 30 June 2025 are in line with and are reflective of the objectives of the Trust.

For **Maybank Trustees Berhad**

[Company No.: 196301000109 (5004-P)]

NORADILAH BINTI NORDIN

Head, Corporate Trust

Dated: 28 August 2025

Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT

to the Unitholders of YTL Hospitality REIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of YTL Hospitality REIT ("Trust") and its subsidiaries ("Group"), which comprise the statements of financial position as at 30 June 2025 of the Group and of the Trust, and the income statements, statements of other comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Trust for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 126 to 189.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Trust as at 30 June 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Trust in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Trust for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Trust as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Fair value of investment properties

The risk

We refer to Notes 2(e)(i), 3(a)(i) and 12 to the financial statements.

As at 30 June 2025, the Group's and the Trust's investment properties, carried at fair value, amounted to RM3,160.256 million and RM2,662.900 million, respectively.

The fair value of the Group's and Trust's investment properties are primarily determined based on independent professional valuations using the income capitalisation approach, which estimates the rental income stream, net projected operating costs, using capitalisation rates derived from market yields which were reflected accordingly in the key assumptions in determining the fair value of the investment properties. Valuation is carried out on the investment properties by independent professional valuers every year.

We focused on this area due to the magnitude of the balance and the complexities and judgement in determining the fair value of the investment properties, which involves significant estimation and judgement.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of YTL Hospitality REIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

1. Fair value of investment properties (cont'd.)

How our audit addressed the key audit matter

Our and component auditors' audit procedures included the following:

- evaluated the competence, capability and objectivity of the external valuers based on their professional qualifications and relevant experience in the segment of investment properties being valued.
- discussed the methodology and assumptions used in the valuation and assessed the reasonableness of the assumptions with the external valuers.
- tested a sample of the input data used in the valuation reports such as rental rates, rental periods and outgoings to the underlying lease agreements and other supporting documentation.
- evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive, that is, those that have the most significant effect on the determination of the fair value of the investment properties, by comparing them to the information disclosed in the valuation reports and assessed the reasonableness of the assumptions.

2. Revaluation of freehold land and buildings

The risk

We refer to Notes 2(e)(ii), 3(b) and 13 to the financial statements.

As at 30 June 2025, the Group's freehold land and buildings classified as property, plant and equipment measured based on the revaluation model amounted to RM1,846.763 million.

Freehold land is carried at the revalued amount less accumulated impairment losses and buildings are carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. Valuation is carried out on the freehold land and buildings by an independent professional valuer every year.

The valuation of freehold land and buildings is significant to our audit due to their magnitude and the complexities in determining the valuation of these land and buildings which has a high dependency on a range of estimates (amongst others, forecast income, discount rate and capitalisation rate) which are based on current and future market or economic conditions.

How our audit addressed the key audit matter

Our and component auditors' audit procedures included the following:

- evaluated the competence, capability and objectivity of the external valuers based on their professional qualifications and relevant experience in the segment of freehold land and buildings being valued.
- checked the accuracy and completeness of the input data used in the valuations.
- used component auditors' internal valuation specialist in assessing the appropriateness of methodologies used and the reasonableness of the key assumptions applied in the valuations.
- evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive, that is, those that have the most significant effect on the determination of the valuation of the land and buildings, by comparing them to the information disclosed in the valuation reports.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of YTL Hospitality REIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Manager are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Trust and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Trust, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Trust or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Manager for the Financial Statements

The Directors of the Manager of the Trust are responsible for the preparation of financial statements of the Group and of the Trust that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts. The Directors of the Manager are also responsible for such internal control as the Directors of the Manager determine is necessary to enable the preparation of financial statements of the Group and of the Trust that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Trust, the Directors of the Manager are responsible for assessing the Group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Manager either intend to liquidate the Group or the Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Trust as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of YTL Hospitality REIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.
- Conclude on the appropriateness of the Directors of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Trust, including the disclosures, and whether the financial statements of the Group and of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Trust for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the Unitholders of YTL Hospitality REIT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Other Matters

This report is made solely to the unitholders of the Trust, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

CHEW LOONG JIN
03279/03/2027 J
Chartered Accountant

Dated: 28 August 2025
Kuala Lumpur

INCOME STATEMENTS

for the financial year ended 30 June 2025

		Group		Trust	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Revenue					
- Hotel revenue	4	358,579	373,689	-	-
- Property revenue	4	189,745	181,219	163,117	154,024
Total revenue		548,324	554,908	163,117	154,024
Operating expenses					
- Hotel operating expenses	5	(242,475)	(254,018)	-	-
- Property operating expenses	5	(13,777)	(11,363)	(8,241)	(7,971)
Total operating expenses		(256,252)	(265,381)	(8,241)	(7,971)
Net property income		292,072	289,527	154,876	146,053
Finance and other income	6	8,180	7,480	97,191	94,821
Expenses					
- Manager's fees	7	(11,139)	(11,062)	(11,139)	(11,062)
- Trustee's fees	8	(1,589)	(1,581)	(1,589)	(1,581)
- Depreciation		(57,250)	(63,313)	(3)	(3)
- Finance costs	9	(121,775)	(121,318)	(121,678)	(121,224)
- Administration expenses		(5,073)	(6,173)	(806)	(609)
- Auditors' remuneration		(869)	(909)	(146)	(138)
- Tax agent's fees		(274)	(282)	(12)	(12)
- Valuation fees		(374)	(464)	(374)	(464)
- Unrealised gain/(loss) on foreign exchange		10,520	(210)	(14,198)	(8,184)
Changes in fair value					
- Fair value of investment properties:					
- As per valuation reports	12	25,604	50,240	17,383	27,914
- Unrealised lease income	12	18,709	24,091	16,565	21,808
- Reversal of revaluation decrement on property, plant and equipment		7,890	18,402	-	-
Profit before tax		164,632	184,428	136,070	147,319
Income tax expense	10	(16,080)	(6,421)	(1,259)	(1,293)
Profit after tax		148,552	178,007	134,811	146,026

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENTS

for the financial year ended 30 June 2025

	Note	Group		Trust	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit after tax		148,552	178,007	134,811	146,026
Distribution adjustments					
- Unrealised lease income		18,709	46,095	16,565	43,812
- Depreciation		57,250	63,313	3	3
- Fair value changes on properties		(52,203)	(92,733)	(33,948)	(49,722)
- Net income from foreign operations		(30,159)	(46,589)	-	-
- Unrealised foreign translation differences		(10,520)	210	14,198	8,184
Income available for distribution		131,629	148,303	131,629	148,303
Net income distribution					
- Interim income distribution paid on 27 March 2025 (2024: paid on 27 March 2024)		49,645	71,211	49,645	71,211
- Final income distribution to be paid on 29 August 2025 (2024: paid on 30 August 2024)		82,445	69,676	82,445	69,676
Total income distribution		132,090	140,887	132,090	140,887
Income distribution per unit					
Interim income distribution					
- Gross (sen)		2.9128	4.1781	2.9128	4.1781
Final income distribution					
- Gross (sen)		4.8372	4.0880	4.8372	4.0880
Total income distribution per unit (sen)		7.7500	8.2661	7.7500	8.2661
Earnings per unit					
- after manager's fees (sen)	11	8.72	10.44	7.91	8.57
- before manager's fees (sen)	11	9.37	11.09	8.56	9.22

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2025

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit after tax	148,552	178,007	134,811	146,026
Other comprehensive (loss)/income				
Item that may be reclassified subsequently to income statement				
- currency translation differences	(147,718)	(26,102)	-	-
Item that will not be reclassified subsequently to income statement				
- surplus on revaluation of properties	93,966	58,227	-	-
Total comprehensive income	94,800	210,132	134,811	146,026
Profit after tax is made up as follows:-				
Realised and distributable	161,788	194,892	131,629	148,303
Unrealised items	(13,236)	(16,885)	3,182	(2,277)
	148,552	178,007	134,811	146,026
Total comprehensive income is made up as follows:-				
Profit after tax	148,552	178,007	134,811	146,026
Surplus on revaluation of properties	93,966	58,227	-	-
Unrealised currency translation differences	(147,718)	(26,102)	-	-
	94,800	210,132	134,811	146,026

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

		Group		Trust	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Note					
ASSETS					
Non-current assets					
Investment properties	12	3,214,412	3,052,259	2,662,900	2,538,600
Property, plant and equipment	13	1,915,112	2,118,453	-	-
Right-of-use asset	14	192	195	192	195
Investment in subsidiaries	15	-	-	558,054	550,098
Amount due from subsidiaries	15	-	-	1,255,624	1,353,110
Deferred tax assets	16	3,067	3,389	-	-
		5,132,783	5,174,296	4,476,770	4,442,003
Current assets					
Inventories	17	632	686	-	-
Trade receivables	18	11,036	12,864	187	179
Other receivables and prepayments	19	30,533	24,930	11,868	1,061
Amount due from subsidiaries	15	-	-	111,935	117,134
Income tax assets		1,243	1	-	-
Deposits with licensed financial institutions	20	147,673	111,172	75,145	83,401
Cash at banks		121,533	122,529	2,299	8,927
		312,650	272,182	201,434	210,702
Total assets		5,445,433	5,446,478	4,678,204	4,652,705
UNITHOLDERS' FUNDS AND LIABILITIES					
Unitholders' funds					
Unitholders' capital	21	1,690,806	1,690,806	1,690,806	1,690,806
Undistributed realised income		297,487	267,789	207,349	207,810
Reserves	22	951,065	1,018,053	355,610	352,428
Total unitholders' funds/Net asset value ("NAV")		2,939,358	2,976,648	2,253,765	2,251,044

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

	Note	Group		Trust	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
LIABILITIES					
Non-current liabilities					
Borrowings	23	191,628	445,762	191,628	445,762
Medium Term Notes	24	1,155,000	675,000	-	-
Lease liability	14	202	202	202	202
Other payables	25	1,105	1,443	-	-
Amount due to a subsidiary	15	-	-	1,155,000	675,000
		1,347,935	1,122,407	1,346,830	1,120,964
Current liabilities					
Borrowings	23	976,479	811,939	976,479	811,939
Medium Term Notes	24	-	385,000	-	-
Trade payables	26	9,151	10,654	-	-
Other payables	25	79,252	66,872	18,685	14,112
Amount due to a subsidiary	15	-	-	-	384,970
Income tax liabilities		10,813	3,282	-	-
Provision for income distribution	27	82,445	69,676	82,445	69,676
		1,158,140	1,347,423	1,077,609	1,280,697
Total liabilities		2,506,075	2,469,830	2,424,439	2,401,661
Total unitholders' funds and liabilities		5,445,433	5,446,478	4,678,204	4,652,705
NAV before distribution					
		3,071,448	3,117,535	2,385,855	2,391,931
NAV after distribution					
		2,939,358	2,976,648	2,253,765	2,251,044
Number of units in circulation ('000)	21	1,704,389	1,704,389	1,704,389	1,704,389
NAV per unit (RM)					
- before income distribution		1.802	1.829	1.400	1.403
- after income distribution		1.725	1.746	1.322	1.321

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

for the financial year ended 30 June 2025

	Distributable		<----- Non-distributable ----->			
	Unitholders' Capital RM'000	Undistributed Realised Income RM'000	Unrealised Loss RM'000	Currency Translation Reserves RM'000	Revaluation Reserve RM'000	Total Unitholders' Funds RM'000
Group - 2025						
At 1 July 2024	1,690,806	267,789	(218,728)	(187,418)	1,424,199	2,976,648
Operations for the financial year ended 30 June 2025						
Profit/(Loss) for the year	-	161,788	(13,236)	-	-	148,552
Revaluation surplus	-	-	-	-	93,966	93,966
Currency translation differences	-	-	-	24,631	(172,349)	(147,718)
Total other comprehensive income/(loss)	-	-	-	24,631	(78,383)	(53,752)
Total comprehensive income/(loss) for the year	-	161,788	(13,236)	24,631	(78,383)	94,800
Unitholders transactions						
Distributions paid	-	(49,645)	-	-	-	(49,645)
Provision for income distribution (Note 27)	-	(82,445)	-	-	-	(82,445)
Decrease in net assets resulting from unitholders transactions	-	(132,090)	-	-	-	(132,090)
At 30 June 2025	1,690,806	297,487	(231,964)	(162,787)	1,345,816	2,939,358
Group - 2024						
At 1 July 2023	1,690,806	213,784	(201,843)	(148,806)	1,353,462	2,907,403
Operations for the financial year ended 30 June 2024						
Profit/(Loss) for the year	-	194,892	(16,885)	-	-	178,007
Revaluation surplus	-	-	-	-	58,227	58,227
Currency translation differences	-	-	-	(38,612)	12,510	(26,102)
Total other comprehensive (loss)/income	-	-	-	(38,612)	70,737	32,125
Total comprehensive income/(loss) for the year	-	194,892	(16,885)	(38,612)	70,737	210,132
Unitholders transactions						
Distributions paid	-	(71,211)	-	-	-	(71,211)
Provision for income distribution (Note 27)	-	(69,676)	-	-	-	(69,676)
Decrease in net assets resulting from unitholders transactions	-	(140,887)	-	-	-	(140,887)
At 30 June 2024	1,690,806	267,789	(218,728)	(187,418)	1,424,199	2,976,648

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

for the financial year ended 30 June 2025

	Distributable		<----- Non-distributable ----->			
	Unitholders' Capital	Undistributed Realised Income	Unrealised Income	Currency Translation Reserves	Revaluation Reserve	Total Unitholders' Funds
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trust - 2025						
At 1 July 2024	1,690,806	207,810	352,428	-	-	2,251,044
Operations for the financial year ended 30 June 2025						
Profit for the year	-	131,629	3,182	-	-	134,811
Total comprehensive income for the year	-	131,629	3,182	-	-	134,811
Unitholders transactions						
Distributions paid	-	(49,645)	-	-	-	(49,645)
Provision for income distribution (Note 27)	-	(82,445)	-	-	-	(82,445)
Decrease in net assets resulting from unitholders transactions	-	(132,090)	-	-	-	(132,090)
At 30 June 2025	1,690,806	207,349	355,610	-	-	2,253,765
Trust - 2024						
At 1 July 2023	1,690,806	200,394	354,705	-	-	2,245,905
Operations for the financial year ended 30 June 2024						
Profit/(Loss) for the year	-	148,303	(2,277)	-	-	146,026
Total comprehensive income/(loss) for the year	-	148,303	(2,277)	-	-	146,026
Unitholders transactions						
Distributions paid	-	(71,211)	-	-	-	(71,211)
Provision for income distribution (Note 27)	-	(69,676)	-	-	-	(69,676)
Decrease in net assets resulting from unitholders transactions	-	(140,887)	-	-	-	(140,887)
At 30 June 2024	1,690,806	207,810	352,428	-	-	2,251,044

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	164,632	184,428	136,070	147,319
Adjustments for:				
Amortisation of transaction costs	3,062	2,415	3,062	2,415
Depreciation	57,250	63,313	3	3
Fair value changes	(52,203)	(92,733)	(33,948)	(49,722)
Interest income	(6,216)	(5,423)	(86,580)	(94,695)
Interest expense	118,468	118,672	118,468	118,672
Dividend income	-	-	(10,600)	-
Loss on disposal of property, plant and equipment	216	39	-	-
Unrealised (gain)/loss on foreign exchange	(10,520)	210	14,198	8,184
Operating profit before changes in working capital	274,689	270,921	140,673	132,176
(Increase)/Decrease in inventories	(28)	31	-	-
Decrease in receivables	10,767	36,659	16,349	43,243
Increase/(Decrease) in payables	15,846	6,087	2,339	(6,306)
Inter-company balances	-	-	(11,498)	2,643
Cash generated from operations	301,274	313,698	147,863	171,756
Income tax paid	(9,448)	(7,459)	-	-
Income tax refunded	1	17	-	-
Net cash from operating activities	291,827	306,256	147,863	171,756
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	6,216	5,423	86,580	94,695
Acquisition of property, plant and equipment	(6,062)	(4,814)	-	-
Enhancements of investment properties	(60,689)	(37,773)	(60,689)	(37,773)
Advance to subsidiary	-	-	(35,654)	-
Capital expenditure on investment property under development	(31,147)	(13,303)	-	-
Acquisition of investment properties	(40,420)	(195,102)	(40,420)	(195,102)
Net cash used in investing activities	(132,102)	(245,569)	(50,183)	(138,180)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Distribution paid	(119,321)	(145,920)	(119,321)	(145,920)
Interest paid	(122,031)	(120,498)	(122,031)	(120,498)
Proceeds from borrowings	138,610	257,684	35,654	1,300
Advance from subsidiary	-	-	95,000	245,000
Transaction costs paid	(4,110)	(1,530)	(2,530)	(1,439)
Payment of lease liability	(10)	(11)	(10)	(11)
Net cash used in financing activities	(106,862)	(10,275)	(113,238)	(21,568)
Net changes in cash and cash equivalents	52,863	50,412	(15,558)	12,008
Effect on exchange rate changes	(17,358)	(310)	674	(589)
Cash and cash equivalents at beginning of the financial year	233,701	183,599	92,328	80,909
Cash and cash equivalents at end of the financial year	269,206	233,701	77,444	92,328
NOTES TO THE STATEMENTS OF CASH FLOWS				
Cash and cash equivalents comprise:-				
Deposits with licensed financial institutions	147,673	111,172	75,145	83,401
Cash at banks	121,533	122,529	2,299	8,927
	269,206	233,701	77,444	92,328
Analysis of enhancement of investment properties:-				
Cash drawdown from borrowings	60,689	37,773	-	-
Cash drawdown from advance from subsidiary	-	-	60,689	37,773
Accruals	2,175	974	2,175	974
	62,864	38,747	62,864	38,747
Analysis of capital expenditure on investment property under development:-				
Cash drawdown from borrowings	31,147	-	-	-
Cash	-	13,303	-	-
Prepayments	-	11,584	-	-
	31,147	24,887	-	-

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2025

Reconciliation of liabilities arising from financing activities

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Borrowings, Medium Term Notes, lease liability, and amount due to a subsidiary				
At beginning of the financial year	2,317,903	2,066,183	2,317,903	2,066,183
<u>Cash (outflow)/inflow</u>				
Interest paid	(122,031)	(120,498)	(122,031)	(120,498)
Advance from subsidiary	-	-	95,000	245,000
Proceeds from borrowings	138,610	257,684	35,654	1,300
Transaction costs paid	(4,110)	(1,530)	(2,530)	(1,439)
Payment of lease liability	(10)	(11)	(10)	(11)
<u>Non-cash changes</u>				
Additional investment in subsidiary (Note 15)*	-	-	7,956	11,384
Inter-company balance **	-	-	(1,580)	(91)
Finance costs	121,530	121,087	121,530	121,087
Finance costs capitalised	3,573	1,837	3,573	1,837
Currency translation differences	(132,156)	(6,849)	(132,156)	(6,849)
At end of the financial year	2,323,309	2,317,903	2,323,309	2,317,903

* The additional investment in subsidiary is settled via capitalisation of debt.

** Capitalised transaction costs on the refinancing of term loan paid by subsidiary.

The reconciliation of liabilities are made up of the following balances:-

		Group		Trust	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current liabilities					
Borrowings	23	191,628	445,762	191,628	445,762
Medium Term Notes	24	1,155,000	675,000	-	-
Lease liability	14	202	202	202	202
Amount due to a subsidiary	15	-	-	1,155,000	675,000
Current liabilities					
Borrowings	23	976,479	811,939	976,479	811,939
Medium Term Notes	24	-	385,000	-	-
Amount due to a subsidiary	15	-	-	-	385,000
		2,323,309	2,317,903	2,323,309	2,317,903

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of Pintar Projek Sdn. Bhd. ("Manager"), the manager of YTL Hospitality REIT ("YTL REIT" or "Trust"), is the management of real estate investment trusts.

YTL REIT was established on 18 November 2005 pursuant to a trust deed ("Principal Deed") entered into between the Manager and Maybank Trustees Berhad ("Trustee") and is classified under the real estate investment trusts sector. The Principal Deed was registered with the Securities Commission Malaysia ("SC") and had been amended and restated by a second restated deed dated 25 November 2019 ("Second Restated Deed").

The consolidated financial statements reported for the financial year ended 30 June 2025 relates to the Trust and its subsidiaries ("Group").

The address of the registered office of the Manager is as follows:-

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

The address of the principal place of business of the Manager is as follows:-

25th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

YTL REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 December 2005 and is an income and growth type fund. The investment objective of YTL REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate.

For financial reporting purpose, YTL REIT is regarded as a subsidiary of YTL Corporation Berhad, which is incorporated in Malaysia. Accordingly, the ultimate holding company is Yeoh Tiong Lay & Sons Family Holdings Limited, which is incorporated in Jersey.

2. BASIS OF PREPARATION

(a) Statement of compliance and basis of accounting

The financial statements of the Group and the Trust have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards, accounting principles generally acceptable in Malaysia, the SC's Guidelines on Listed Real Estate Investment Trusts ("Listed REIT Guidelines") and the Second Restated Deed.

These financial statements have been prepared on the historical cost convention (unless stated otherwise in the material accounting policy information).

As at 30 June 2025, the Group and the Trust have net current liabilities amounting to RM845.490 million and RM876.175 million, respectively. The net current liabilities position is mainly due to the maturity of a term loan amounting to RM979.055 million during the next financial year ending 30 June 2026. The term loan is secured by the property, plant and equipment as disclosed in Note 13 to the financial statements. The Directors of the Manager are confident that this borrowing will be refinanced by the existing debts programme based on past precedent and the Trust's historical track record, underpinned by the yield and stability of the underlying assets. Hence, the Directors of the Manager have determined the appropriateness of the going concern assumption in preparation of the financial statements of the Group and of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONT'D.)

(b) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Trust's functional currency. All financial information has been rounded to the nearest thousand ('000), unless otherwise stated.

(c) Changes in accounting policies and disclosures

The Group and the Trust adopted the following amendments to the standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") for annual financial year beginning on or after 1 July 2024.

MFRS and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16, Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 101, Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)

Amendments to MFRS 101, Presentation of Financial Statements (Non-current Liabilities with Covenants)

Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures (Supplier Finance Arrangements)

The adoption of the above amendments to the standards did not have any significant financial impact to the Group and the Trust.

(d) The new or revised financial reporting standards effective for financial year beginning on or after 1 July 2025

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the MASB but have not been adopted by the Group and the Trust.

MFRS and IC Interpretations (Including The Consequential Amendments)		Effective date
Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)		1 January 2025
Annual Improvement to MFRS Accounting Standards - Volume 11		1 January 2026
*Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	
*Amendments to MFRS 7	Financial Instruments: Disclosures	
*Amendments to MFRS 9	Financial Instruments	
*Amendments to MFRS 10	Consolidated Financial Statements	
*Amendments to MFRS 107	Statements of Cash Flows	

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONT'D.)

(d) The new or revised financial reporting standards effective for financial year beginning on or after 1 July 2025 (cont'd.)

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective date
Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)	1 January 2026
Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)	1 January 2026
MFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB Board

The Group and the Trust plan to apply the accounting standards and amendments when they become effective.

The initial applications of the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Trust.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS requires the Directors of the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed below:-

(i) Fair value estimates for investment properties

The Group and the Trust carry investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group and the Trust use different valuation methodologies. Any changes in fair value of these investment properties would affect the income statement.

(ii) Revaluation of properties

The Group's properties which are reported at valuation are based on valuation performed by independent professional valuers. Two primary valuation approaches are used: the Income Capitalisation approach and the Discounted Cash Flow approach from which a best estimate of fair value is derived at a point in time. The key assumptions and estimates used in these valuation approaches include:

- Forecast future hotel income, based on the location, type and quality of the property, which are supported by forecast occupancy and average daily rate information or external evidence such as current industry averages and trading benchmarks for similar properties.
- The capitalisation rates and discount rates derived from recent comparable market transactions, adjusted for prolonged economic uncertainty and which reflects the uncertainty in the amount and timing of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONT'D.)

(e) Use of estimates and judgements (cont'd.)

(iii) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolio and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the entity. They are shown separately in the consolidated statement of comprehensive income, statement of changes in net asset value and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Investment properties

(i) Investment properties carried at fair value

Investment properties consist of freehold and leasehold land & buildings which are held for long term rental yield or for capital appreciation or both.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in income statement for the period in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in income statement in the period in which the item is derecognised.

A property interest held under operating lease is classified and accounted for as investment property as the Group and the Trust holds it to earn rental income or for capital appreciation or both.

(ii) Investment properties carried at cost

Investment properties include properties that are being constructed or developed for future use. Upon completion, the investment properties are held for long term rental yield or for capital appreciation or both.

The cost comprises its acquisition cost and costs which is directly attributable to the acquisition of the investment properties. For self-developed investment property, the cost includes materials, direct labour, capitalised borrowing costs and any other costs directly attributable in bringing the investment property to a working condition for its intended use.

For investment property under development which the fair value is not reliably measurable on a continuing basis, it is measured at cost until either its fair value becomes reliably measurable or development is completed, whichever is earlier.

(iii) Determination of fair value

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio at least once a financial year, in compliance with the SC's Listed REIT Guidelines. The frequency of revaluation of the Group's real estate assets is at least once during each financial year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(a) Investment properties (cont'd.)

(iii) Determination of fair value (cont'd.)

Valuations reflect, where appropriate:-

- the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness;
- the allocation of property taxes, maintenance and insurance responsibilities between the Group and the lessee; and
- the remaining economic life of the property.

When lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in income statement in the period in which the item is derecognised.

Any increase or decrease arising from changes in the fair value is credited or charged directly to income statement as a net appreciation or depreciation in the value of the investment properties.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses while equipment and other assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation on property, plant and equipment is calculated on the straight-line basis at rates required to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates of depreciation used are as follows:-

Buildings	4%
Equipment	4% - 25%
Other assets *	12.5% - 18.8%

* Other assets include assets under construction with no depreciation. Upon completion, assets under construction are transferred to categories of property, plant and equipment depending on nature of assets and depreciation commences when they are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(b) Property, plant and equipment (cont'd.)

After the revaluation of the hotel assets, management has reassessed the useful life of the building and determined it to be 25 years.

Residual values, useful life and depreciation method of assets are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in the income statement.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in income statement. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in income statement.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to undistributed income.

(c) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(d) Investment in subsidiaries

In the Trust's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Trust become a party to the contractual provisions of the financial instrument.

When financial assets (unless they are trade receivables without significant financing component) are recognised initially, they are measured at fair value, plus or minus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Trade receivables without a financing component are initially measured at the transaction price.

The Group and the Trust determine the classification of their financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Trust change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model. The categories of financial assets include amortised cost.

Amortised cost

The Group's and the Trust's financial assets include trade and other receivables, amount due from subsidiaries and cash and cash equivalents.

Financial assets that are held for collection of contractual cash flows are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income statement.

All financial assets are subject to review for impairment as disclosed in Note 3(f) below.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(f) Impairment of financial assets

The Group and the Trust assess on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. ECL represents a probability-weighted estimate of the credit losses.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group and the Trust consider reasonable and supportable information that is relevant and available when estimating ECL without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment and including forward looking information, where available.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. An impairment loss is recognised in income statement and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Trust assess whether financial assets are credit-impaired.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

The recognition and measurement of impairment loss on financial assets are as disclosed in Note 33(a) to the financial statements.

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Trust become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as amortised cost.

Amortised cost

The Group's and the Trust's financial liabilities include trade and other payables, amount due to a subsidiary, lease liability and borrowings.

Trade and other payables, lease liability and amount due to a subsidiary are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised, and through amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(h) Hedges of net investment in foreign operations

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operations, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the income statement. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the income statement as part of the gain or loss on disposal.

The Group uses loans as hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, whether the hedging relationships are highly effective in offsetting changes in fair values of the hedged items.

Movements of the hedge in other comprehensive income are shown in Note 22(a).

(i) Income tax and deferred tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Where investment properties and property, plant and equipment are carried at their fair value or revaluation in accordance with the accounting policies set out in Note 3(a) and 3(b), respectively, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

The Group intends to consume substantially all economic benefit through generation of rental income and these income will be subjected to income tax at prevailing rate. For freehold land, for the best interest of the unitholders, it would be sold to other real estate investment trusts and property trust funds approved by the SC, which the gain accruing from the sale will be exempted from real property gains tax.

The Group is subject to the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules and have applied the temporary mandatory exception from recognising and disclosing information relating to deferred taxes arising from the global minimum top-up tax and accounts for it as current tax as it is incurred.

(j) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers introduces a single revenue recognition model applicable to all types of customer contracts, regardless of the entity's business. This model, which follows five key steps, is based on the principle that revenue is recognised when control of goods or services is transferred to a customer, which may be overtime or at a point in time.

Hotel revenue

The Group generates revenue mainly from providing the service of room rentals to tenants within the hotel and rental of spaces for functions and banquets. The Group also generates revenue from the sale of goods such as food and beverage, as well as minor services such as telecommunication, garage, commissions and services.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(j) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

Hotel revenue (cont'd.)

Revenue is recognised when the terms of a contract have been satisfied, which occurs when control has been transferred to customers and performance obligations are satisfied. For room revenue, this occurs evenly throughout the duration of the tenant's use on a straight line basis. For functions and banquets, revenue is recognised at a point in time when the performance obligation is satisfied, generally at the provision of the space. Revenue is measured as the amount of consideration the Group expects to receive, which is known at the commencement of the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Amounts collected in advance for future services are recorded as contract liability and are recognised as revenue when the services are provided.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:-

(a) Rental income from operating leases and other related charges

Property revenue

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the lease.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method in income statement.

(k) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency using exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income statement.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at average exchange rates. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in foreign currency translation reserve relating to that particular foreign operation is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Revenue from contracts with customers</u>				
Hotel revenue				
- Rooms	294,256	304,131	-	-
- Food and beverage income	50,031	56,885	-	-
- Other hotel operating income	14,292	12,673	-	-
	358,579	373,689	-	-
<u>Rental income from operating leases</u>				
Property revenue (Note 12)				
- Rental income	206,208	225,174	177,436	195,696
- Unrealised lease income	(18,709)	(46,095)	(16,565)	(43,812)
- Car park income	2,246	2,140	2,246	2,140
	189,745	181,219	163,117	154,024
Total revenue	548,324	554,908	163,117	154,024

The hotel revenue is recognised at a point of time and denominated in one segment and one country (refer Note 36 of the financial statements).

The unrealised lease income is recognised pursuant to the requirements of MFRS 16, Leases to recognise revenue on a straight-line basis over the tenure of the lease in accordance to the respective agreements for lease and supplemental agreements executed, as disclosed in Note 32(b) of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING EXPENSES

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Hotel operating expenses				
- Operating expenses	139,279	145,257	-	-
- Repair and maintenance expenses	13,142	14,380	-	-
- Utilities	7,905	7,601	-	-
- Property taxes	12,154	12,351	-	-
- Insurance	1,130	1,156	-	-
- General and administration expenses	54,555	58,549	-	-
- Other direct expenses	14,310	14,724	-	-
	242,475	254,018	-	-
Property operating expenses (Note 12)				
- Property taxes	7,673	7,760	5,730	5,643
- Insurance	3,400	3,233	2,499	2,328
- Property maintenance	2,704	370	12	-
	13,777	11,363	8,241	7,971
Total operating expenses	256,252	265,381	8,241	7,971

The staff benefit expense recognised in hotel operating expenses is in respect of the following:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages and bonus	62,330	66,363	-	-
Defined contribution plan	22,319	23,824	-	-
	84,649	90,187	-	-

NOTES TO THE FINANCIAL STATEMENTS

6. FINANCE AND OTHER INCOME

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Finance income from financial assets measured at amortised cost				
- Financial institution deposits interests	6,216	5,423	852	1,380
- Subsidiary loan interests	-	-	85,728	93,315
Finance income	6,216	5,423	86,580	94,695
Other income - others include the following items:				
- Currency exchange gains - realised	11	-	11	-
- Management fee income	-	-	-	126
- Dividend income	-	-	10,600	-

7. MANAGER'S FEES

	Note	Group/Trust	
		2025 RM'000	2024 RM'000
Base fee	7(a)	5,298	5,271
Performance fee	7(b)	5,841	5,791
		11,139	11,062

(a) Pursuant to the Second Restated Deed, the base fee, accrued and payable monthly, represents 0.1% per annum of the gross asset value of the Group.

(b) Pursuant to the Second Restated Deed, the performance fee, accrued and payable monthly, represents 2% of the net property income of the Group recorded during the financial year.

8. TRUSTEE'S FEES

Pursuant to the Second Restated Deed, the Trustee's fees, accrued monthly and payable every half year to the Trustee, represents 0.03% per annum of the gross asset value of the Group.

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCE COSTS

		Group		Trust	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Interest expense					
- Term loans	23	65,394	71,517	65,394	71,517
- Medium Term Notes	24	53,064	47,144	-	-
- Subsidiary	15	-	-	53,064	47,144
- Lease liability	14	10	11	10	11
Incidental costs incurred to administer the borrowing facilities					
- Amortisation of transaction costs		3,062	2,415	3,062	2,415
- Facility fee		215	215	125	125
- Transaction costs		30	16	23	12
		121,775	121,318	121,678	121,224

10. INCOME TAX EXPENSE

		Group		Trust	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Current income tax					
- Malaysian income tax					
- current year		602	331	-	-
- Foreign income tax					
- current year*		7,560	6,284	1,259	1,293
- under provision in prior years		166	68	-	-
- Top-up tax		7,836	-	-	-
Deferred tax					
- Origination and reversal of temporary differences	16	(84)	(262)	-	-
		16,080	6,421	1,259	1,293

The Trust has declared approximately 100% (2024: 95%) of the distributable income to unitholders, which is more than 90% of the taxable income, which income at the Trust level is exempted from tax in accordance with the amended Section 61A of Income Tax Act 1967.

* Included withholding taxes from the foreign interest income received from shareholder loan interest.

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX EXPENSE (CONT'D.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Trust is as follows:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	164,632	184,428	136,070	147,319
Income tax using Malaysian statutory tax rate of 24% (2024: 24%)	39,512	44,263	32,657	35,357
Expenses not deductible for tax purposes	18,910	17,213	13,166	13,502
Utilisation of capital allowances	(10,631)	(9,661)	(10,631)	(9,661)
Income exempted from tax	(205)	(331)	(205)	(331)
Income not subject to tax	(39,870)	(45,565)	(33,728)	(37,574)
Different tax rates in other countries	362	434	-	-
Top-up tax	7,836	-	-	-
Under provision in prior years	166	68	-	-
Income tax expense	16,080	6,421	1,259	1,293

The Group is within the scope of the OECD Pillar Two model rules whereby top-up tax is required in any jurisdiction in which it operates, calculated at the jurisdictional level, when the effective tax rate is lower than the minimum effective tax rate of 15%.

Pillar Two legislation has been enacted or substantively enacted in the jurisdictions in which the Group operates (i.e. Malaysia, Australia and Japan). For jurisdictions where the Pillar Two rules are effective in the current financial year, the Group has assessed that it has met the Transitional Safe Harbour rules tests and no top-up tax is required, except for the Australian Trusts that will be subject to a potential top-up tax amounting to RM7.836 million which have been recognised as current tax expense.

The Group applied the temporary mandatory exception from recognising and disclosing information relating to deferred taxes arising from the Pillar Two rules.

11. EARNINGS PER UNIT

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year after manager's fees	148,552	178,007	134,811	146,026
Profit for the year before manager's fees	159,691	189,069	145,950	157,088
Weighted average number of units ('000)	1,704,389	1,704,389	1,704,389	1,704,389
Earnings per unit after manager's fees (sen)	8.72	10.44	7.91	8.57
Earnings per unit before manager's fees (sen)	9.37	11.09	8.56	9.22

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Completed properties at fair value</u>				
At beginning of the financial year	3,029,057	2,792,750	2,538,600	2,275,000
Acquisitions	40,420	195,102	40,420	195,102
Enhancements	62,864	38,747	62,864	38,747
Changes in fair value:				
- Per valuation reports	25,604	50,240	17,383	27,914
- Unrealised lease income	18,709	24,091	16,565	21,808
Unrealised lease income	(18,709)	(24,091)	(16,565)	(21,808)
Finance costs capitalised	3,349	1,837	3,349	1,837
Property costs capitalised	284	-	284	-
Currency translation differences	(1,322)	(49,619)	-	-
At end of the financial year	3,160,256	3,029,057	2,662,900	2,538,600
<u>Building under development, at cost</u>				
At beginning of the financial year	23,202	-	-	-
Addition	31,147	24,887	-	-
Currency translation differences	(193)	(1,685)	-	-
At end of the financial year	54,156	23,202	-	-
Total investment properties	3,214,412	3,052,259	2,662,900	2,538,600
Analysis of investment properties at fair value:-				
Freehold land & building	2,095,356	2,027,457	1,598,000	1,537,000
Leasehold land & building	537,300	475,000	537,300	475,000
Registered lease & building	527,600	526,600	527,600	526,600
	3,160,256	3,029,057	2,662,900	2,538,600

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES (CONT'D.)

The fair value of the investment properties as at 30 June 2025 are as follows:-

Description of property	Tenure	Remaining lease period (years)	Initial acquisition cost RM'000	Fair value as at 30.6.2025 RM'000	% of fair value to Net Asset Value as at 30.6.2025 %	Fair value as at 30.6.2024 RM'000	% of fair value to Net Asset Value as at 30.6.2024 %
Real Estate - Commercial							
JW Marriott Hotel Kuala Lumpur	Freehold		331,024	543,000	18.47	538,000	18.07
The Ritz-Carlton, Kuala Lumpur - Suite Wing	Freehold		198,881	329,000	11.19	326,000	10.95
The Ritz-Carlton, Kuala Lumpur - Hotel Wing	Freehold		253,017	373,000	12.69	368,000	12.36
Pangkor Laut Resort	Registered lease	70	98,365	124,000	4.22	124,000	4.17
Tanjong Jara Resort	Leasehold	42	88,050	108,300	3.69	108,000	3.63
AC Hotel Kuala Lumpur Titiwangsa	Freehold		101,207	166,000	5.65	165,000	5.54
AC Hotel Penang Bukit Jambul	Leasehold	69	101,778	142,000	4.83	139,500	4.69
AC Hotel Kuantan City Centre	Leasehold	67	75,980	107,000	3.64	106,500	3.58
Cameron Highlands Resort	Leasehold	83	50,649	63,000	2.14	63,000	2.12
The Majestic Hotel Kuala Lumpur	Registered lease	66	384,221	403,600	13.73	402,600	13.53
Hotel Stripes Kuala Lumpur	Freehold		139,415	144,000	4.90	140,000	4.70
AC Hotel Ipoh	Leasehold	869	55,687	117,000**	3.98	58,000	1.95
Puchong Hotel	Freehold		40,420	43,000	1.46	-	-
Hilton Niseko Village	Freehold		187,209*	307,010	10.45	301,955	10.14
The Green Leaf Niseko Village	Freehold		175,593*	190,346	6.48	188,502	6.33
			2,281,496	3,160,256	107.52	3,029,057	101.76
Net Asset Value				2,939,358		2,976,648	

* Initial acquisition cost translated at the exchange rate as at 30 June 2025.

** Included renovation works amounting to RM55 million, completed during the year.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES (CONT'D.)

The following are recognised in income statement in respect of investment properties:-

	Note	Group		Trust	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental income	4	189,745	181,219	163,117	154,024
Direct operating expenses:-					
- income generating investment properties	5	(13,777)	(11,315)	(8,241)	(7,923)
- non-income generating investment property	5	-	(48)	-	(48)
Changes in fair value of investment properties*		44,313	74,331	33,948	49,722

* The changes in fair value of investment properties of the Group and of the Trust include unrealised lease income amounting to RM18.709 million and RM16.565 million (2024: RM24.091 million and RM21.808 million), respectively.

Investment properties of the Group and of the Trust with carrying amounts of RM2,481.955 million and RM1,984.600 million (2024: RM2,459.557 million and RM1,969.100 million), respectively, are charged as security for financings granted to the Group and the Trust as disclosed in Notes 23 and 24 to the financial statements.

Included in the initial acquisition cost was an amount of RM0.400 million (2024: RM1.930 million) being acquisition fee paid to the Manager and capitalised as part of the incidental costs to the addition of the investment property acquired during the year.

Fair value information

The fair value of investment properties of the Group and the Trust are categorised as Level 3. The different levels of the fair value hierarchy are defined in Note 34(b) to the financial statements. A valuation is carried out on each property at least once each financial year. The properties are valued by independent professional valuers, Knight Frank Malaysia Sdn Bhd, Azmi & Co Sdn Bhd, Savills (Malaysia) Sdn Bhd and Colliers International Japan KK on 31 May 2025 using the income capitalisation approach (also known as the investment approach) and comparison approach. In the income capitalisation approach, capitalisation rates are applied to the income of the investment properties to determine the value of the investment properties.

The building under development is measured at cost until the earlier of the date of completion of construction or the date at which the fair value becomes reliably determinable.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENT PROPERTIES (CONT'D.)

Fair value information (cont'd.)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach which capitalises the estimate rental income stream, net projected operating costs, using a discount rate derived from market yield.	Malaysian Properties	
	- Capitalisation rate of 4.00% to 14.50% (2024: 4.25% to 14.50%)	The higher the capitalisation rate, the lower the fair value.
	- Reversion capitalisation rate of 4.75% to 7.50% (2024: 4.75% to 7.50%)	
	Japanese Properties	
	- Discount rate of 4.50% (2024: 4.60%)	The higher the discount rate, the lower the fair value.
	- Capitalisation rate of 4.70% to 4.80% (2024: 4.80% to 4.90%)	The higher the capitalisation rate, the lower the fair value.

The investment properties are valued primarily using the income capitalisation method, where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate based on current market-derived yield rates which reflect the expected return on investments commensurate with the risk exposure associated to the asset and its current usage.

The significant unobservable input is the adjustment for factors specific to the hotel properties. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

During the current financial year, a hotel property was acquired. The property has remained vacant and is currently undergoing major refurbishment. The hotel property is valued using comparison approach due to the absence of a reliable measurement of the income approach as the hotel is under refurbishment. Comparison approach entails comparing the subject property with comparable hotel buildings which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, building condition, number of rooms, expected star rating, tenure of land, restrictions and other relevant characteristics.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT

Group - 2025	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Other assets RM'000	Total RM'000
Cost/Valuation					
At 1.7.2024	761,522	1,276,169	246,849	48,279	2,332,819
Additions	-	844	1,981	3,237	6,062
Adjustments	-	-	-	(55)	(55)
Transfers	-	798	5,253	(6,051)	-
Disposals	-	-	(1,587)	-	(1,587)
Revaluation surplus	63,864	59,607	-	-	123,471
Revaluation loss	-	(29,505)	-	-	(29,505)
Revaluation adjustments	-	(46,377)	-	-	(46,377)
Reversal of revaluation decrement	-	7,890	-	-	7,890
Currency translation differences	(92,556)	(151,765)	(29,560)	(5,665)	(279,546)
At 30.6.2025	732,830	1,117,661	222,936	39,745	2,113,172
Representing:					
At cost	-	-	222,936	39,745	262,681
At valuation	732,830	1,117,661	-	-	1,850,491
At 30.6.2025	732,830	1,117,661	222,936	39,745	2,113,172
Accumulated depreciation					
At 1.7.2024	-	4,254	166,665	43,447	214,366
Depreciation charge	-	46,357	10,652	238	57,247
Disposals	-	-	(1,371)	-	(1,371)
Revaluation adjustments	-	(46,377)	-	-	(46,377)
Currency translation differences	-	(506)	(20,119)	(5,180)	(25,805)
At 30.6.2025	-	3,728	155,827	38,505	198,060
Net book value					
At cost	-	-	67,109	1,240	68,349
At valuation	732,830	1,113,933	-	-	1,846,763
At 30.6.2025	732,830	1,113,933	67,109	1,240	1,915,112

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group - 2024	Freehold land RM'000	Buildings RM'000	Equipment RM'000	Other assets RM'000	Total RM'000
Cost/Valuation					
At 1.7.2023	689,928	1,303,788	246,498	47,276	2,287,490
Additions	-	1,208	1,873	1,733	4,814
Adjustments	-	-	(3,338)	-	(3,338)
Transfers	-	471	615	(1,086)	-
Disposals	-	-	(887)	(58)	(945)
Revaluation surplus	64,676	3,587	-	-	68,263
Revaluation loss	-	(10,036)	-	-	(10,036)
Revaluation adjustments	-	(51,845)	-	-	(51,845)
Reversal of revaluation decrement	-	18,402	-	-	18,402
Currency translation differences	6,918	10,594	2,088	414	20,014
At 30.6.2024	761,522	1,276,169	246,849	48,279	2,332,819
Representing:					
At cost	-	-	246,849	48,279	295,128
At valuation	761,522	1,276,169	-	-	2,037,691
At 30.6.2024	761,522	1,276,169	246,849	48,279	2,332,819
Accumulated depreciation					
At 1.7.2023	-	4,346	154,725	42,841	201,912
Depreciation charge	-	51,718	11,308	284	63,310
Disposals	-	-	(857)	(49)	(906)
Revaluation adjustments	-	(51,845)	-	-	(51,845)
Currency translation differences	-	35	1,489	371	1,895
At 30.6.2024	-	4,254	166,665	43,447	214,366
Net book value					
At cost	-	-	80,184	4,832	85,016
At valuation	761,522	1,271,915	-	-	2,033,437
At 30.6.2024	761,522	1,271,915	80,184	4,832	2,118,453

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The fair value of the property, plant and equipment are as follows:-

Description of property	Tenure	Initial	Fair value	% of		% of
		acquisition	as at	Fair value	Fair value	Fair value
		cost*	as at	Asset Value	as at	Asset Value
		RM'000	30.6.2025	as at	30.6.2024	as at
			RM'000	30.6.2025		30.6.2024
				%	RM'000	%
Real Estate - Commercial						
Sydney Harbour Marriott	Freehold	729,023	1,429,960	48.65	1,578,787	53.04
Brisbane Marriott	Freehold	331,457	285,839	9.72	289,994	9.74
Melbourne Marriott	Freehold	155,393	199,313	6.78	249,672	8.39
		1,215,873	1,915,112	65.15	2,118,453	71.17
Net Asset Value			2,939,358		2,976,648	

* Translated at the exchange rate as at 30 June 2025.

Property, plant and equipment at fair value amounting to RM1,915.112 million (2024: RM2,118.453 million) are charged as security for a term loan facility granted to the Trust as disclosed in Note 23 to the financial statements.

A valuation is carried out on the freehold land and buildings at least once during each financial year. The latest annual valuation exercise was conducted by independent professional valuers, Savills Valuations Pty Ltd on 31 May 2025, using income capitalisation approach and comparison approach.

Had the revalued properties been carried at cost less accumulated depreciation, the net book values of the properties that would have been included in the financial statements are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Freehold land	143,394	162,777
Buildings	475,829	579,877
	619,223	742,654

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)**Fair value information**

The Group's freehold land and buildings are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 34(b) to the financial statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method is the total of discounted income stream and present value of the properties' anticipated sale value in arriving at the total present market value.	Discount rate of 7.00% to 7.50% (2024: 7.50% to 7.75%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 5.25% to 5.50% (2024: 5.25% to 5.50%)	The higher the capitalisation rate, the lower the fair value.

A discounted cash flow analysis has been prepared taking into account the ability of the property to generate income over a 10-year period based on certain assumptions. Provision is made for room rate and occupancy growth throughout the time horizon and also capital expenditure through a furniture, fittings and equipment reserve. Each year's net operating income during the period is discounted to arrive at the present value of expected future cash flows. The property's anticipated sale value at the end of the period (i.e. its terminal or reversionary value) is also discounted to its present value and added to the discounted income stream to arrive at the total present market value of the property.

The significant unobservable input is the adjustment for factors specific to the hotel properties. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Trust holds a registered lease for a parcel of land, with a remaining lease term of 70 years (2024: 71 years) as at the end of the financial year.

Set out below are the carrying amount of the right-of-use asset recognised and the movements during the current financial year:-

	Group/Trust	
	2025 RM'000	2024 RM'000
At beginning of the financial year	195	198
Depreciation of right-of-use asset	(3)	(3)
At end of the financial year	192	195

Set out below are the carrying amount of lease liability and the movements during the current financial year:-

	Group/Trust	
	2025 RM'000	2024 RM'000
At beginning of the financial year	202	202
Accretion of interest	10	11
Lease rental payments	(10)	(11)
At end of the financial year	202	202

The following are the amounts recognised in income statements:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of right-of-use asset	3	3	3	3
Interest expense on lease liability	10	11	10	11
Lease expense – short-term and low value leases	184	211	-	-

Total cash outflow for leases which included the low value leases of the Group was RM0.194 million (2024: RM0.222 million).

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES

	Trust	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost		
At beginning of the financial year	550,098	538,714
Additional investment via capitalisation of debt	7,956	11,384
At end of the financial year	558,054	550,098

Details of the subsidiaries are as follows:-

Name of subsidiary	Place of incorporation	Principal activities	Effective equity interest	
			2025 %	2024 %
Held by the Trust				
* Starhill REIT Niseko G.K.	Japan	Purchase, possession, disposal, lease and management of real properties	100	100
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	100	100
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	100	100
Held through Starhill Hospitality REIT (Australia) Sdn. Bhd.				
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	100	100
* Starhill REIT (Australia) Pty. Ltd.	Australia	Trustee company	100	100
* Starhill Hospitality (Australia) Pty. Ltd.	Australia	Trustee company	100	100
* Starhill Hospitality REIT (Australia) Trust	Australia	Real estate investment	100	100
Held through Starhill Hotel (Australia) Sdn. Bhd.				
* Starhill Hotel (Brisbane) Pty. Ltd.	Australia	Hotel operator	100	100
* Starhill Hotel (Sydney) Pty. Ltd.	Australia	Hotel operator	100	100
* Starhill Hotel (Melbourne) Pty. Ltd.	Australia	Hotel operator	100	100
Held through Starhill Hospitality REIT (Australia) Trust				
* Starhill Hospitality REIT (Brisbane) Trust	Australia	Real estate investment	100	100
* Starhill Hospitality REIT (Sydney) Trust	Australia	Real estate investment	100	100
* Starhill Hospitality REIT (Melbourne) Trust	Australia	Real estate investment	100	100

* Subsidiaries not audited by HLB Ler Lum Chew PLT

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The amounts due from subsidiaries pertain mainly to loans, loan interest and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand save for loans.

Details of the foreign currency loans are as follows:-

- (a) The loan in Australian Dollar equivalent to RM978.025 million (2024: RM1,110.227 million) with tenure of ten years bears interest payable quarterly at a weighted average interest rate of 7.29% (2024: 7.32%) per annum. The loan shall be repaid by way of a bullet repayment on 31 October 2032.
- (b) Two loans in Japanese Yen equivalent to RM242.245 million (2024: RM242.883 million) with tenure of fifteen and thirty years bear interest payable monthly at the fixed rate of 5% (2024: 5%) per annum. The loans shall be repaid by way of bullet repayments on 21 December 2026 and 25 September 2048, respectively. Upon maturity, the Trust allows the loans to be renewed for another fifteen years, where the interest rate is to be mutually agreed upon at a later stage.

During the financial year, a third loan in Japanese Yen equivalent to RM35.354 million is raised to finance the development of new hotel property by a subsidiary. The loan with tenure of fifteen years bear interest payable monthly at the fixed rate of 5% per annum and shall be repaid by way of a bullet repayment on a date being fifteen years from the date of the last drawdown of the loan.

The amount due to a subsidiary relates to advances totalling RM1,155.000 million (2024: RM1,060.000 million) from the proceeds of issuance of medium term notes as disclosed in Note 24 to the financial statements at the same repayment terms.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly or indirectly by the parent company do not differ from the proportion of ordinary shares held.

There were no changes during the year (2024: Nil) in the Group's ownership interest in its significant subsidiaries.

The loans and advances are receivable/repayable by the Trust:-

	Amount due from subsidiaries RM'000	Amount due to a subsidiary RM'000
2025		
Within 1 year	111,935	-
Later than 1 year and not later than 5 years	139,909	1,155,000
Later than 5 years	1,115,715	-
	1,367,559	1,155,000
2024		
Within 1 year	117,134	384,970
Later than 1 year and not later than 5 years	140,277	675,000
Later than 5 years	1,212,833	-
	1,470,244	1,059,970

NOTES TO THE FINANCIAL STATEMENTS

16. DEFERRED TAX ASSETS

	Note	Group	
		2025 RM'000	2024 RM'000
At beginning of the financial year		3,389	3,096
Charged/(Credited) to income statement:	10	84	262
- Accrued expenses		(56)	118
- Provision for employee benefits		163	137
- Others		(23)	7
Currency translation differences		(406)	31
At end of the financial year		3,067	3,389

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:-

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets provided are in respect of:-		
Deferred tax assets		
Accrued expenses	82	154
Provision for employee benefits	2,984	3,208
Others	1	27
	3,067	3,389

17. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Beverage inventories	632	686

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

The Group's cost of inventories recognised as expenses and included in "hotel operating expenses" amounted to approximately RM10.506 million (2024: RM11.639 million).

NOTES TO THE FINANCIAL STATEMENTS

18. TRADE RECEIVABLES

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables	11,036	12,864	187	179

There was no allowance for impairment losses on trade receivables during the financial year (2024: Nil).

The Group's and the Trust's amount due from a company related to the Manager of approximately RM0.187 million (2024: RM0.179 million) relates to rental due in respect of an agreement and is generally subject to normal trade terms.

The trade credit terms of trade receivables range from 30 to 90 (2024: 30 to 90) days.

Credit risks relating to trade receivables are disclosed in Note 33(a) to the financial statements.

19. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	21,541	19,847	10,608	31
Prepayments	8,967	5,063	1,235	1,010
Deposit	25	20	25	20
	30,533	24,930	11,868	1,061

Included in the other receivables of the Group is RM21.031 million (2024: RM19.525 million) recoverable from Australian tax authorities for withholding tax on foreign source distribution received by a subsidiary.

Included in other receivables of the Trust is an amount of RM10.600 million (2024: Nil), representing a dividend receivable from a subsidiary.

20. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The weighted average effective interest rate of deposits placed with licensed banks of the Group and of the Trust were 3.9% and 3.2% (2024: 3.5% and 3.5%) per annum, respectively.

The average maturities of deposits of the Group and of the Trust ranged from 1 to 92 days and 1 to 58 days (2024: 1 to 41 days and 1 to 41 days), respectively.

NOTES TO THE FINANCIAL STATEMENTS

21. UNITHOLDERS' CAPITAL

	Group/Trust Number of units	
	2025 '000	2024 '000
Issued and fully paid		
At beginning and end of the financial year	1,704,389	1,704,389

	Group/Trust	
	2025 RM'000	2024 RM'000
Issued and fully paid		
At beginning and end of the financial year	1,690,806	1,690,806

22. RESERVES

	Note	Group		Trust	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Currency translation reserves	22(a)	(162,787)	(187,418)	-	-
Revaluation reserve	22(b)	1,345,816	1,424,199	-	-
Non-distributable unrealised (loss)/income	22(c)	(231,964)	(218,728)	355,610	352,428
		951,065	1,018,053	355,610	352,428

(a) Currency translation reserves

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	(187,418)	(148,806)
Net effects of currency translation differences from foreign operations and net investment hedge	24,631	(38,612)
At end of the financial year	(162,787)	(187,418)

NOTES TO THE FINANCIAL STATEMENTS

22. RESERVES (CONT'D.)

(b) Revaluation reserve

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	1,424,199	1,353,462
Surplus on revaluation of properties	93,966	58,227
Currency translation differences	(172,349)	12,510
At end of the financial year	1,345,816	1,424,199

The revaluation reserve represents revaluation surplus from freehold land and buildings.

(c) Non-distributable unrealised (loss)/income

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	(218,728)	(201,843)	352,428	354,705
Unrealised (loss)/income for the year	(13,236)	(16,885)	3,182	(2,277)
At end of the financial year	(231,964)	(218,728)	355,610	352,428

23. BORROWINGS - SECURED

	Group/Trust	
	2025 RM'000	2024 RM'000
Non-current		
Term loans	194,486	448,965
Capitalised transaction costs	(2,858)	(3,203)
	191,628	445,762
Current		
Term loans	979,055	813,124
Capitalised transaction costs	(2,576)	(1,185)
	976,479	811,939
Total borrowings	1,168,107	1,257,701

NOTES TO THE FINANCIAL STATEMENTS

23. BORROWINGS - SECURED (CONT'D.)

- (i) The term loan denominated in Australian Dollar of AUD355.374 million (2024: AUD352.541 million) is equivalent to RM979.055 million (2024: RM1,102.537 million). Part of the term loan totalling AUD260.000 million was refinanced on 20 June 2025. The combined term loan is repayable by bullet payment of AUD355.374 million on 28 June 2026. It bears a weighted average interest rate of 6.14% (2024: 6.29%) per annum and is secured by:-
- (a) a first legal charge over properties as disclosed in Note 13 to the financial statements; and
 - (b) an assignment of fire insurance policies in relation to the secured properties.
- (ii) The term loan denominated in Japanese Yen of JPY6,651.620 million (2024: JPY5,442.500 million) is equivalent to RM194.486 million (2024: RM159.552 million). The increase in the term loan is attributable to the funding of the development of new hotel property undertaken by a subsidiary. The term loan is repayable by bullet payment on 26 September 2028. It bears a weighted average interest rate of 1.74% (2024: 1.25%) per annum and is secured by:-
- (a) a first legal charge over certain properties as disclosed in Note 12 to the financial statements; and
 - (b) an assignment of fire insurance policies in relation to the secured properties.

24. MEDIUM TERM NOTES ("MTNs")

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Medium Term Notes	1,155,000	675,000
Current		
Medium Term Notes	-	385,000
Total MTNs	1,155,000	1,060,000

NOTES TO THE FINANCIAL STATEMENTS

24. MEDIUM TERM NOTES ("MTNs") (CONT'D.)

The MTNs of the Group were issued pursuant to a MTNs issuance programme of up to RM1,650 million constituted by a Trust Deed and Programme Agreement, both dated 11 May 2016. As at end of the reporting period, RM1,155.000 million (2024: RM1,060.000 million) were issued at nominal value by the Group as follows:-

Issue date	Maturity date	Nominal value	Utilisation
		RM'000	
23 May 2022	21 May 2027	80,000	Renovation costs carried out at The Ritz Carlton, Kuala Lumpur - Hotel and Suite Wing.
23 November 2022	23 November 2027	265,000	Refinance previous borrowings for the acquisition of certain Malaysian Properties.
28 June 2023	28 June 2028	85,000	Renovation costs carried out at JW Marriott Hotel Kuala Lumpur.
31 October 2023	31 October 2028	140,000	Acquisition of Hotel Stripes Kuala Lumpur.
3 November 2023	3 November 2026	25,000	Renovation costs carried out at AC Hotels.
4 December 2023	4 December 2028	25,000	Renovation costs carried out at AC Hotels and capital expenditure for certain Malaysian Properties.
8 April 2024	6 April 2029	55,000	Acquisition of AC Hotel Ipoh.
7 August 2024	6 April 2029	35,000	Renovation costs carried out at AC Hotel Ipoh.
1 November 2024	1 November 2027	150,000	Refinance MTNs relating to the acquisition of The Majestic Kuala Lumpur.
1 November 2024	1 November 2029	235,000	Refinance MTNs relating to the acquisition of The Majestic Kuala Lumpur.
21 January 2025	6 April 2029	10,000	Renovation costs carried out at AC Hotel Ipoh.
15 April 2025	6 April 2029	10,000	Renovation costs carried out at AC Hotel Ipoh.
23 April 2025	23 April 2030	40,000	Acquisition of Puchong Hotel.
		1,155,000	

The MTNs upon maturity are redeemable at nominal value and expected to be refinanced by the same MTN programme at the same nominal value.

The MTNs bear coupon rates ranging from 4.78% to 5.67% (2024: 4.78% to 5.64%) per annum, payable semi-annually in arrears and are secured by certain properties as disclosed in Note 12 to the financial statements.

The fair value of the MTNs is RM1,156.819 million (2024: RM1,061.818 million) and is categorised as Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 34(b) to the financial statements.

The above fair value, which is determined for disclosure purpose, is calculated based on the present value of future cash flows discounted at the market rate of interest at the end of the financial year. The interest rates used to determine fair value range from 4.60% to 5.56% (2024: 4.81% to 5.64%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

25. OTHER PAYABLES

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Other payables	1,105	1,443	-	-

Non-current other payables of the Group is recognised in relation to long service leave of employees from its Australian operations.

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Other payables	37,150	36,201	3,819	2,782
Accruals	29,654	23,585	14,866	11,330
Contract liabilities	12,448	7,086	-	-
	79,252	66,872	18,685	14,112

Included in other payables of the Group and the Trust are amounts due to the Manager amounting to RM3.763 million (2024: RM2.782 million) which are unsecured, interest free and payable on demand.

Contract liabilities represent revenues collected but not earned as at the end of the financial year. This primarily compose of advance deposits from customers who prepay for hotel accommodation.

The significant changes to contract liabilities balances during the year are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Contract liabilities as at the beginning of the year recognised as revenue during the year	(6,431)	(11,809)
Advance deposits received during the year	154,753	126,519

NOTES TO THE FINANCIAL STATEMENTS

26. TRADE PAYABLES

The credit terms of trade payables granted to the Group is 30 days (2024: 30 days).

27. PROVISION FOR INCOME DISTRIBUTION

	Group/Trust	
	2025 RM'000	2024 RM'000
At beginning of the financial year	69,676	74,709
Provision made during the financial year	132,090	140,887
Distribution paid during the financial year	(119,321)	(145,920)
At end of the financial year	82,445	69,676

Pursuant to the Second Restated Deed, it is the policy of the Manager to distribute at least 90% of the distributable income for each financial year.

For the six months from 1 January 2025 to 30 June 2025, the Manager declared a final income distribution of 4.8372 sen per unit of which 4.1882 sen is taxable and 0.6490 sen is non-taxable in the hands of unitholders (2024: 4.0880 sen per unit all taxable in the hands of unitholders), totalling RM82,444,699 (2024: RM69,675,418) which will be paid on 29 August 2025. Total distribution declared and paid for the financial year ended 30 June 2025 is 7.7500 sen per unit, totalling RM132,090,139, representing approximately 100% of the total distributable income for the financial year ended 30 June 2025 (2024: 8.2661 sen per unit, totalling RM140,886,490, representing approximately 95% of the total distributable income).

NOTES TO THE FINANCIAL STATEMENTS

27. PROVISION FOR INCOME DISTRIBUTION (CONT'D.)

Distribution to unitholders is from the following sources:-

	Group	
	2025 RM'000	2024 RM'000
Net property income	292,072	289,527
Finance and other income	18,700	7,480
Changes in fair value	52,203	92,733
Less: Expenses	(198,343)	(205,312)
Less: Income tax expense	(16,080)	(6,421)
Profit after tax	148,552	178,007
Distribution adjustments:-		
Depreciation	57,250	63,313
Fair value changes	(52,203)	(92,733)
Unrealised lease income	18,709	46,095
Net income from foreign operations	(30,159)	(46,589)
Unrealised foreign translation differences	(10,520)	210
Income available for distribution/Total distributable income/Total realised income	131,629	148,303
Add: Utilisation of undistributed realised income brought forward from previous year	461	-
Less: Income distribution	(132,090)	(140,887)
Undistributed realised income	-	7,416
Distributable income per unit (sen)	7.7229	8.7012
Gross distribution per unit (sen)	7.7500	8.2661
Net distribution per unit (sen)	7.7500	8.2661

28. TRANSACTIONS WITH STOCKBROKING COMPANIES

No transactions with stockbroking companies were made during the financial year.

29. UNITHOLDING BY THE MANAGER

As at 30 June 2025, the Manager did not hold any unit in the Trust.

NOTES TO THE FINANCIAL STATEMENTS

30. UNITHOLDERS RELATED TO THE MANAGER

	<-----2025----->		
	No. of units held '000	Percentage of total units %	Market value RM'000
YTL Corporation Berhad	937,464	55.00	1,003,087
YTL Power International Berhad	43,090	2.53	46,106
Business & Budget Hotels (Kuantan) Sdn. Bhd.	18,750	1.10	20,062
Megahub Development Sdn. Bhd.	13,250	0.78	14,177
East-West Ventures Sdn. Bhd.	64,250	3.77	68,748
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	24,250	1.42	25,948
	1,101,054	64.60	1,178,128

	<-----2024----->		
	No. of units held '000	Percentage of total units %	Market value RM'000
YTL Corporation Berhad	937,464	55.00	1,134,331
YTL Power International Berhad	43,090	2.53	52,139
Business & Budget Hotels (Kuantan) Sdn. Bhd.	18,750	1.10	22,687
Megahub Development Sdn. Bhd.	13,250	0.78	16,032
East-West Ventures Sdn. Bhd.	64,250	3.77	77,743
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	24,250	1.42	29,343
	1,101,054	64.60	1,332,275

The market value of the units held by the companies related to the Manager is determined by using the closing market value of the Trust as at 30 June 2025 of RM1.07 per unit (2024: RM1.21 per unit).

Pintar Projek Sdn. Bhd., the manager of the Trust is also a subsidiary of YTL Corporation Berhad, a public listed company. YTL Corporation Berhad is therefore deemed to have control over the Trust as Pintar Projek Sdn. Bhd. governs the financial and operating policies of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following significant transactions which have been transacted with companies related to the Manager and the major unitholder are as follows:-

Entity	Relationship	Nature of transaction	Group/Trust	
			2025 RM'000	2024 RM'000
Business & Budget Hotels (Penang) Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment property	9,823	8,987
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company of the major unitholder	Lease rental of investment property	7,282	6,580
Cameron Highlands Resort Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment property	4,365	4,365
YTL Majestic Hotel Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment property	28,244	28,244
Prisma Tulin Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment properties	11,958	8,996
Star Hill Hotel Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment properties	50,261	48,968
YTL Land Sdn. Bhd.	Subsidiary company of the major unitholder	Rental of car park space	2,246	2,140
Tanjong Jara Beach Hotel Sdn. Bhd.	Company related to an alternate director of the manager	Lease rental of investment property	7,638	7,638
East-West Ventures Sdn. Bhd.	Subsidiary company of the holding company of major unitholder	Lease rental of investment property	22,474	22,474
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	Subsidiary company of the holding company of major unitholder	Lease rental of investment property	9,166	9,166
Hotel 25 Sdn. Bhd.	Subsidiary company of the major unitholder	Lease rental of investment property	9,660	6,466
		Acquisition of investment property	-	138,000
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	Subsidiary company of the major unitholder	Refurbishment works of investment properties	53,625	37,538

NOTES TO THE FINANCIAL STATEMENTS

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Entity	Relationship	Nature of transaction	Group/Trust	
			2025 RM'000	2024 RM'000
Pintar Projek Sdn. Bhd.	Manager of the Trust	Acquisition fee	400	1,930
		Performance fee	5,841	5,791
		Base fee	5,298	5,271

Entity	Relationship	Nature of transaction	Group	
			2025 RM'000	2024 RM'000
Niseko Village K.K.	Subsidiary company of the major unitholder	Lease rental of investment properties	26,628	27,195

Entity	Relationship	Nature of transaction	Trust	
			2025 RM'000	2024 RM'000
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Subsidiary company	Shareholder loan interests	73,098	80,304
		Dividend income	10,600	-
		Management fee	-	90
Starhill Hotel (Australia) Sdn. Bhd.	Subsidiary company	Management fee	-	36
Starhill REIT Niseko G.K.	Subsidiary company	Shareholder loan interests	12,630	13,011
		Shareholder loan advances	35,654	-
YTL REIT MTN Sdn. Bhd.	Subsidiary company	Interest charges	56,637	48,981
		Administrative charges	143	133
		Advances received	95,000	245,000

The above lease rental of investment properties included the lease income accrued and billed pursuant to the supplemental agreements executed in relation to the rental variation programme.

The Manager is of the opinion that these transactions are conducted in the normal course of business and have been established on terms and conditions negotiated by the related parties.

NOTES TO THE FINANCIAL STATEMENTS

32. CAPITAL COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

(a) Capital commitments

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contracted but not provided for	142,637	223,906	16,780	62,171

The commitment of the Group in the current financial year relates to property development of a Japanese hotel property, a major refurbishment work for a Malaysian hotel property which was contracted with a subsidiary company of the major unitholder and minor asset enhancement maintenance works for Malaysian hotel properties.

(b) Operating lease arrangements

The Group and the Trust lease out their investment properties for monthly lease payments. These lease arrangements are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Pursuant to the supplemental agreements in relation to the rental variation programme which were executed for all the Malaysian and Japanese properties (except The Green Leaf Niseko Village) on 30 July 2020 to (i) reduce the lease rentals by fifty percent (50%) for twenty-four months which commenced 1 July 2020 until 30 June 2022 ("Rental Adjustment Period") and (ii) pay the difference between the original rentals and reduced rentals ("Rental Differences") on a staggered basis within seven years after the Rental Adjustment Period or over the remaining tenures of the existing leases whichever is earlier. Accordingly, the first rental difference was collected at the end of June 2023, whereas the last rental difference will be collected at the end of June 2029.

Undiscounted lease payments including the Rental Differences from the operating leases to be received after the reporting date are as follows:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Not later than 1 year	212,494	204,820	183,211	175,511
Between 1 to 2 years	184,372	204,820	159,156	175,511
Between 2 to 3 years	113,196	176,697	103,525	151,456
Between 3 to 4 years	115,173	105,522	105,139	95,825
Between 4 to 5 years	109,862	107,499	99,708	97,439
Later than 5 years	756,502	778,274	555,440	566,501
	1,491,599	1,577,632	1,206,179	1,262,243

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT

The Group's and the Trust's operations are subject to the following risks:-

- (a) Credit risk;
- (b) Liquidity risk;
- (c) Interest rate risk; and
- (d) Foreign currency exchange risk

The Group and the Trust seek to ensure that adequate resources are available to manage the above risks and to create value for its unitholders. It is not the Group's and the Trust's policy to engage in speculative transactions.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Trust if a lessee or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Trust's exposure to credit risk arise principally from its receivables from lessees, trade receivables or other financial assets (including cash & bank balances), the Group and the Trust minimise credit risk by dealing with high credit rating counterparties.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally security deposits are obtained and credit evaluations are performed on customers requiring credit over a certain amount.

The gross carrying amounts of credit impaired trade receivables are written off when there is no realistic prospect of recovery. This is generally when there is indication that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There is no impairment of trade receivables balances as the rate of default and expected loss rate is low.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group and the Trust use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due from the contractual obligations, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Trade receivables (cont'd.)*Exposure to credit risk, credit quality and collateral (cont'd.)*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Domestic	187	179	187	179
Australia	10,849	12,685	-	-
	11,036	12,864	187	179

Recognition and measurement of impairment losses

The Group and the Trust use individual assessment to measure expected credit losses ("ECLs") of trade receivables for respective business segments, taking into account of all relevant credit information and forward-looking macroeconomic information.

Hotel Operations

The trade receivables are primarily from corporate engagement and are provided with credit terms of 30 to 90 days. The past due above 90 days if significant are assessed to measure ECLs. In addition, advance deposits from customers who prepay for hotel accommodation will be taking into assessment consideration.

Property Rental

The trade receivables are lessees which are paying rental pursuant to the agreement and rental is due in 30 days.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period:-

Group	Note	2025 RM'000	2024 RM'000
Current assets			
- Current (not past due)		4,746	8,034
- Past due 1 - 90 days		6,219	4,818
- Past due 91 - 180 days		58	12
- Past due > 180 days		13	-
Trade receivables	18	11,036	12,864

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Trade receivables (cont'd.)*Recognition and measurement of impairment losses (cont'd.)*

Trust	Note	2025 RM'000	2024 RM'000
Current assets			
Trade receivables – Current (not past due)	18	187	179

There was no allowance for impairment losses during the financial year (2024: Nil).

Other receivables

Credit risk on other receivables are mainly arising from the withholding tax on foreign sourced distribution income received by a subsidiary and recoverable from Australian tax authorities.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

There is no impairment of other receivables balances as the rate of default and expected loss rate is low.

Inter-company balances

The Trust provides unsecured advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Trust monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that inter-company receivables are stated at the realisable values. As at the end of the reporting period, there was no indication that the advances extended to the subsidiaries are not recoverable after considering the value of underlying properties held by subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Cash and cash equivalents

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

In view of the low credit risk of the financial institutions, the loss allowance is not material and hence, is not provided for.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Trust will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Trust's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Trust maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:-

	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Group - 2025					
<i>Financial liabilities</i>					
Borrowings	1,229,956	1,026,984	3,786	199,186	-
MTNs	1,337,905	59,139	162,746	1,116,020	-
Lease liability	745	11	11	32	691
Trade payables	9,151	9,151	-	-	-
Other payables	67,909	66,804	1,105	-	-
	2,645,666	1,162,089	167,648	1,315,238	691
Group - 2024					
<i>Financial liabilities</i>					
Borrowings	1,362,953	887,787	310,242	164,924	-
MTNs	1,198,364	426,989	35,814	735,561	-
Lease liability	755	11	11	32	701
Trade payables	10,654	10,654	-	-	-
Other payables	61,229	59,786	1,443	-	-
	2,633,955	1,385,227	347,510	900,517	701

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Liquidity risk (cont'd.)

	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Trust - 2025					
<i>Financial liabilities</i>					
Borrowings	1,229,956	1,026,984	3,786	199,186	-
Lease liability	745	11	11	32	691
Other payables	18,685	18,685	-	-	-
Subsidiary	1,337,905	59,139	162,746	1,116,020	-
	2,587,291	1,104,819	166,543	1,315,238	691
Trust - 2024					
<i>Financial liabilities</i>					
Borrowings	1,362,953	887,787	310,242	164,924	-
Lease liability	755	11	11	32	701
Other payables	14,112	14,112	-	-	-
Subsidiary	1,198,364	426,989	35,814	735,561	-
	2,576,184	1,328,899	346,067	900,517	701

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Trust's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Trust's exposure to interest rate risk arise primarily from their floating rate borrowings, which is partially offset by the deposits held at variable rates. The Group and the Trust manage their cash flow interest rate risk by using a mix of fixed and variable rate debts.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Interest rate risk (cont'd.)

The Group's and the Trust's floating rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk. The interest rate profile of the Group's and the Trust's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	Group		Trust	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
<i>Financial assets</i>				
Shareholders loan	-	-	277,599	242,883
<i>Financial liabilities</i>				
MTNs	85,000	85,000	-	-
Subsidiary	-	-	85,000	85,000
Floating rate instruments				
<i>Financial assets</i>				
Shareholders loan	-	-	978,025	1,110,227
Deposits with licensed financial institutions	147,673	111,172	75,145	83,401
<i>Financial liabilities</i>				
Borrowings	1,173,541	1,262,089	1,173,541	1,262,089
MTNs	1,070,000	975,000	-	-
Subsidiary	-	-	1,070,000	975,000

The Group and the Trust do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect income statement.

Shareholders loan

At the reporting date, If interest rates increased/decreased by 50 basis points, shareholders loan interest income of the Trust for the financial year would increase/decrease by RM5.038 million (2024: RM5.467 million).

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Interest rate risk (cont'd.)**Deposits with licensed financial institutions**

The excess funds of the Group and of the Trust are invested in bank deposits and other short term instruments. The Group and the Trust manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 50 basis points, interest income of the Group and of the Trust for the financial year would increase/decrease by RM0.749 million and RM0.376 million (2024: RM0.556 million and RM0.417 million), respectively.

Borrowings and MTNs/advances from a subsidiary

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Trust's profit after tax would be higher/lower by approximately RM11.218 million (2024: RM11.185 million) as a result of lower/higher interest expense on borrowings.

In order to protect the Group's earnings from the volatility in interest rates and provide stability to unitholders' returns, the Group may hedge a portion of its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives.

(d) Foreign currency exchange risk

The Group and the Trust is exposed to foreign currency risk arising from Australian Dollar ("AUD") and Japanese Yen ("JPY"). The Group has investment in foreign operations whose net assets are exposed to foreign currency translation risk.

The table illustrates the impact on the other comprehensive income and profit after tax resulting from currency sensitivities (on the basis all other variables remain constant).

	Group		Trust	
	Increase in other comprehensive income RM'000	Decrease in profit after tax RM'000	Increase in other comprehensive income RM'000	Increase in profit after tax RM'000
2025				
5% increase on AUD exchange rate	58,075	(4,711)	-	5,498
5% increase on JPY exchange rate	20,415	(1,798)	-	4,264
2024				
5% increase on AUD exchange rate	61,990	(5,654)	-	6,196
5% increase on JPY exchange rate	19,098	(839)	-	4,606

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT (CONT'D.)**(d) Foreign currency exchange risk (cont'd.)****Hedges of net investment in Australia and Japan**

At the reporting date, the Group's investment in its Australian and Japanese subsidiaries are hedged by the AUD term loan with a total carrying amount of AUD355.374 million (RM979.055 million) (2024: AUD352.541 million (RM1,102.537 million)) and the JPY term loan with a carrying amount of JPY5,442.500 million as part of the JPY term loan (RM159.133 million) (2024: JPY5,442.500 million (RM159.552 million)), respectively with the purpose to mitigate the currency risk arising from the subsidiaries' net assets. The foreign currency loans are designated as net investment hedges.

The Group determines the existence of an economic relationship between the above hedging instruments and hedged items based on the currencies and amounts. The Group has established hedge ratios of 1 : 1.02 (2024: 1 : 1.10) for Australia and 1 : 1.02 (2024: 1 : 1.09) for Japan as the underlying risk of the hedging instruments are identical to the hedged risk components and has no significant changes to the ratios. The Group has assessed the effectiveness of the above hedging relationships at the reporting date by comparing changes in the carrying amount of the loans that are attributable to changes in the exchange rates with the changes in the net investment in the foreign operations due to movements in the exchange rates.

The hedge ineffectiveness recognised in income statement is RM9.909 million (2024: RM0.389 million) in relation to the net investment hedges.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"):-

		Group		Trust	
Carrying amount	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets					
Non-current					
Amount due from subsidiaries	15	-	-	1,255,624	1,353,110
Current					
Trade receivables	18	11,036	12,864	187	179
Other receivables & deposits	19	21,566	19,867	10,633	51
Amount due from subsidiaries	15	-	-	111,935	117,134
Cash and cash equivalents		269,206	233,701	77,444	92,328
		301,808	266,432	1,455,823	1,562,802
Financial liabilities					
Non-current					
Borrowings	23	191,628	445,762	191,628	445,762
MTNs	24	1,155,000	675,000	-	-
Lease liability	14	202	202	202	202
Other payables	25	1,105	1,443	-	-
Amount due to a subsidiary	15	-	-	1,155,000	675,000
Current					
Borrowings	23	976,479	811,939	976,479	811,939
MTNs	24	-	385,000	-	-
Trade payables	26	9,151	10,654	-	-
Other payables	25	66,804	59,786	18,685	14,112
Amount due to a subsidiary	15	-	-	-	384,970
		2,400,369	2,389,786	2,341,994	2,331,985

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of other financial liabilities approximate the fair value as there is no change in the market interest rate for similar financing facilities. The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

When measuring the fair value of an asset or a liability, the Group and the Trust use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Trust can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

Refer Note 12 for disclosure of the investment properties that are measured at fair value. Refer Note 13 for disclosure of the property, plant and equipment that are measured at fair value. Refer Note 24 for disclosure of the MTNs that are measured at fair value.

There were no transfer between Level 1, Level 2 and Level 3 fair value measurements.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise debt investments.

35. MANAGEMENT EXPENSE RATIO ("MER")

	Group		Trust	
	2025 %	2024 %	2025 %	2024 %
MER	0.59	0.61	0.62	0.61

MER is calculated based on the ratio of the sum of fees (all ongoing fees deducted or deductible directly during the financial year, including manager's base and performance fees, trustee's fee, auditors' remuneration, other professional fees and any other fees deducted or deductible directly from the Group) and the recovered expenses (all expenses recovered from or charged to the Group as a result of the expenses incurred by the operation of the Group) to the average value of the Group calculated on a quarterly basis.

Since the basis of calculating MER can vary among real estate investment trusts, there is no sound basis for providing an accurate comparison of the Group's and the Trust's MER against other real estate investment trusts.

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENTAL REPORTING

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

The Group comprises the following reportable segments:-

- (a) Property rental - leasing of hotel properties
- (b) Hotel - operating hotel business

The two operating segments operate in three main geographical areas:-

- (a) Malaysia
- (b) Japan
- (c) Australia

The Manager monitors the operating results of its business units separately to make strategic decision.

The Group's segmental result for the financial year ended 30 June 2025 is as follows:-

	<-----Property rental----->		<-----Hotel----->	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
External revenue	163,117	26,628	358,579	548,324
Operating expenses	(8,241)	(5,536)	(242,475)	(256,252)
Net property income	154,876	21,092	116,104	292,072
Finance and other income				8,180
Changes in fair value				52,203
Unrealised gain on foreign exchange				10,520
Total income				362,975
Trust and administration expenses				(19,318)
Depreciation				(57,250)
Finance costs				(121,775)
Profit before tax				164,632
Non-current assets	2,662,623	551,981	1,918,179	5,132,783
Current assets	79,027	17,401	216,222	312,650
Total assets	2,741,650	569,382	2,134,401	5,445,433
Non-current liabilities	1,346,830	-	1,105	1,347,935
Current liabilities	1,077,619	3,775	76,746	1,158,140
Total liabilities	2,424,449	3,775	77,851	2,506,075
Additions to capital expenditure	103,284	31,147	6,062	140,493

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENTAL REPORTING (CONT'D.)

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

	<-----Property rental----->		<-----Hotel----->	
	Malaysia RM'000	Japan RM'000	Australia RM'000	Total RM'000
External revenue	154,024	27,195	373,689	554,908
Operating expenses	(7,971)	(3,392)	(254,018)	(265,381)
Net property income	146,053	23,803	119,671	289,527
Finance and other income				7,480
Changes in fair value				92,733
Total income				389,740
Trust and administration expenses				(20,471)
Depreciation				(63,313)
Finance costs				(121,318)
Unrealised loss on foreign exchange				(210)
Profit before tax				184,428
Non-current assets	2,538,795	513,659	2,121,842	5,174,296
Current assets	93,689	6,034	172,459	272,182
Total assets	2,632,484	519,693	2,294,301	5,446,478
Non-current liabilities	1,120,964	-	1,443	1,122,407
Current liabilities	1,280,736	2,908	63,779	1,347,423
Total liabilities	2,401,700	2,908	65,222	2,469,830
Additions to capital expenditure	233,849	23,202	4,814	261,865

The following are major customers with revenues equal or more than 10 percent of the Group's total revenue:-

	Group Revenue	
	2025 RM'000	2024 RM'000
Common control companies:-		
under major unitholder	150,466	141,941
under the holding company of major unitholder	31,640	31,640
	182,106	173,581

NOTES TO THE FINANCIAL STATEMENTS

37. CAPITAL MANAGEMENT

The Manager optimises YTL REIT's capital structure and cost of capital within the borrowing limits prescribed by the Listed REIT Guidelines via a combination of debt and equity funding for future acquisitions and improvement works at the real estate properties.

The capital management strategy for the Group and the Trust involves:-

- (a) adopting and maintaining an optimal gearing level; and
- (b) adopting an active interest rate management strategy to manage risks associated with changes in interest rates while maintaining flexibility in YTL Hospitality REIT's capital structure to meet future investment and/or capital expenditure requirements.

The Listed REIT Guidelines require that the total borrowings of a real estate investment trust (including borrowings through issuance of debt securities) should not exceed 50% of its total asset value at the time the borrowings are incurred, pursuant to Clause 8.32 of the Listed REIT Guidelines.

The Manager reviews the capital structure of the Group on a regular basis and monitors capital using a gearing ratio, which is total borrowings divided by total assets.

		Group	
		2025 RM'000	2024 RM'000
Borrowings	23	1,173,541	1,262,089
MTNs	24	1,155,000	1,060,000
Total borrowings		2,328,541	2,322,089
Total assets		5,445,433	5,446,478
Gearing ratio (%)		42.76	42.63

The Trust is not subject to externally imposed capital requirements for the financial years ended 30 June 2025 and 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 17 March 2025, the refurbishment of AC Hotel Ipoh was completed and the lease agreement commenced on 1 April 2025.
- (b) During the current financial year, the Trust entered into a sale and purchase agreement for the acquisition of Puchong Hotel from JPS Holdings Sdn. Bhd. for a cash consideration of RM40.000 million.

The acquisition was completed on 28 April 2025. Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd. was appointed to undertake the proposed renovation works at the Puchong Hotel at a cost of RM12.000 million.

The Property is proposed to re-open under the AC Hotels by Marriott brand and will be leased to the YTL Corporation group.

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors of Pintar Projek Sdn. Bhd. in accordance with a resolution of the Directors on 28 August 2025.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("**13th AGM**") of YTL Hospitality REIT ("**YTL REIT**") will be held at The Banquet Hall, Level 3, The Ritz-Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 30 October 2025 at 3.00 p.m. or at any adjournment thereof, to transact the following business:

AS ORDINARY BUSINESS

To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports attached thereon.

**Please refer
Explanatory Note A**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION 1

PROPOSED AUTHORITY TO ALLOT AND ISSUE NEW UNITS OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED UNITS OF YTL REIT

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, and subject to requisite approvals being obtained, authority be and is hereby given to the Directors of Pintar Projek Sdn Bhd ("**Manager**") to allot and issue new units in YTL REIT ("**New Units**"), at any time at such price to any such persons and upon such terms and conditions as the Directors of the Manager ("**Board**") may in their absolute discretion, deem fit and expedient in the best interest of YTL REIT, provided that the aggregate number of New Units to be issued, when aggregated with the total number of units issued during the preceding 12 months, does not exceed 20% of the total number of issued units of YTL REIT for the time being comprising 1,704,388,889 units ("**Proposed Authority**");

THAT such authority shall continue to be in force until:

- (i) the conclusion of the next annual general meeting ("**AGM**") of YTL REIT at which time this Proposed Authority will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of YTL REIT is required by law to be held; or
- (iii) the Proposed Authority is revoked or varied by a resolution passed by the unitholders in a general meeting of YTL REIT,

whichever is earlier;

THAT such New Units to be issued pursuant to the Proposed Authority shall, upon allotment and issuance, rank pari passu in all respects with the existing units of YTL REIT, except that the New Units will not be entitled to any income distributions, rights, benefits, entitlements and/or any other distributions that may be declared prior to the date of allotment and issue of such New Units;

THAT authority be and is hereby given to the Board and Maybank Trustees Berhad ("**Trustee**"), acting for and on behalf of YTL REIT, to give effect to the Proposed Authority including but not limited to the creation of the requisite New Units and with full powers to assent to any conditions, modifications, variations, arrangements and/or amendments as they may deem fit in the best interest of YTL REIT and/or as may be imposed by the relevant authorities;

AND THAT the Board and the Trustee, acting for and on behalf of YTL REIT, be and are hereby authorised to implement, finalise, complete and do all acts, deeds and things (including executing such documents as may be required) in relation to the Proposed Authority."

By Order of the Board
of Pintar Projek Sdn Bhd [199401028328 (314009-W)]
(Manager for YTL Hospitality REIT)

Ho Say Keng
Company Secretary

Kuala Lumpur
1 October 2025

NOTICE OF ANNUAL GENERAL MEETING

Notes:

PROXY

1. A unitholder (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of YTL REIT may appoint not more than two (2) proxies to participate instead of the unitholder at the 13th AGM.
2. Where a unitholder is an Exempt Authorised Nominee as defined under the SICDA, which holds units in YTL REIT for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. A proxy may but need not be a unitholder of YTL REIT. Where a unitholder appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his unitholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Boardroom Share Registrars Sdn Bhd ("Boardroom") not less than 48 hours before the time appointed for holding the 13th AGM i.e. no later than **28 October 2025 at 3.00 p.m.:**
 - (i) In hardcopy form
The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - (ii) Electronically via Boardroom Smart Investor Portal ("BSIP")
The Form of Proxy can be electronically lodged with Boardroom via BSIP at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for the 13th AGM.
6. For the purpose of determining a unitholder who shall be entitled to attend the 13th AGM, the Manager shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 23 October 2025. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 October 2025 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.

REPRESENTATIVE FROM CORPORATE MEMBER

7. For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Boardroom at its office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, before the time appointed for holding the 13th AGM or adjourned meeting.

Explanatory Note A

There shall be no voting on the aforesaid Ordinary Business given that the laying of the Audited Financial Statements for the financial year ended 30 June 2025 of YTL REIT together with the Reports attached thereon before the unitholders at the Annual General Meeting is meant for discussion only in accordance with Paragraph 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia.

Explanatory Notes on Special Business

Resolution on Proposed Authority

Resolution 1 is a renewal of the general authority given to the Board to allot and issue units as approved by the unitholders at the Twelfth Annual General Meeting held on 7 November 2024 ("Previous Mandate").

As at the date of this Notice, YTL REIT has not issued any new units pursuant to the Previous Mandate which will lapse at the conclusion of this AGM.

Resolution 1, if passed, will give a mandate to the Board to allot and issue New Units in YTL REIT from time to time provided that the aggregate number of the New Units to be issued, when aggregated with the total number of units issued during the preceding 12 months, does not exceed 20% of the total number of issued units of YTL REIT for the time being comprising 1,704,388,889 units. The Proposed Authority, unless revoked or varied by a resolution passed by the unitholders in a general meeting of YTL REIT, will expire at the conclusion of the next AGM of YTL REIT.

With this Proposed Authority, YTL REIT will have the flexibility to allot and issue New Units to raise funds to finance future investments, acquisitions and capital expenditure project(s) to enhance the value of YTL REIT and/or to refinance existing debt as well as for working capital purposes without convening a general meeting, which may delay the capital raising initiatives and incur relevant costs in organising the required general meeting.

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FORM OF PROXY

CDS Account No.

(only for nominee companies)

Number of units held

I/We (full name in block letters) _____

_____ Telephone No. _____

NRIC (new & old)/Passport/Company No. _____

of (full address) _____

being a unitholder of **YTL Hospitality REIT** hereby appoint

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of unitholdings to be represented	
		No. of units	%

* and/or (delete as appropriate)

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of unitholdings to be represented	
		No. of units	%

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of YTL Hospitality REIT to be held at The Banquet Hall, Level 3, The Ritz-Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 30 October 2025 at 3.00 p.m. or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Proposed authority to allot and issue new units of up to 20% of the total number of issued units of YTL Hospitality REIT		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2025.

Signature(s)/Common Seal of Unitholder

Notes:

1. A unitholder (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of YTL Hospitality REIT may appoint not more than two (2) proxies to participate instead of the unitholder at the Thirteenth Annual General Meeting ("13th AGM").
2. Where a unitholder is an Exempt Authorised Nominee as defined under the SICDA, which holds units in YTL Hospitality REIT for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. A proxy may but need not be a unitholder of YTL Hospitality REIT. Where a unitholder appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his unitholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Boardroom Share Registrars Sdn Bhd ("Boardroom") not less than 48 hours before the time appointed for holding the 13th AGM i.e. no later than Tuesday, **28 October 2025 at 3.00 p.m.:**
 - (i) In hardcopy form
The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
 - (ii) Electronically via Boardroom Smart Investor Portal ("BSIP")
The Form of Proxy can be electronically lodged with Boardroom via BSIP at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for the 13th AGM.
6. Only unitholders whose names appear on the General Meeting Record of Depositors as at 23 October 2025 shall be entitled to attend the 13th AGM or appoint proxy(ies) to attend and/or vote in his stead.
7. For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Boardroom at its office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, before the time appointed for holding the 13th AGM or adjourned meeting.

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AFFIX
STAMP

Boardroom Share Registrars Sdn Bhd

Share Registrar for the 13th Annual General Meeting of
YTL Hospitality REIT
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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Fold this flap for sealing