

YTL HOSPITALITY REIT



Fourth Quarter FY2018 Financial Results

31 July 2018

FINANCIAL

HIGHLIGHTS

- Income available for distribution of RM33.5 million, +9.2% q-o-q
- 1.9651 sen distribution per unit (“DPU”) declared for 4Q FY2018

CAPITAL

MANAGEMENT

- Average interest rates for the quarter
 - Borrowings in Ringgit Malaysia : 5.0%
 - Borrowings in Australian Dollar : 4.5%
- Debt headroom of ~RM1,119 million for acquisitions (Leverage limit reduced to 50% under new regulatory guidelines)

PORTFOLIO

MANAGEMENT

- Properties in Malaysia and Japan under master leases
- 4Q FY2018 and FY2018 average occupancy rate for properties in Australia: 85.8% and 87.8% respectively
- 4Q FY2018 RevPAR for properties in Australia at AUD 214, 4.2% higher as compared to 4Q FY2017
- FY2018 RevPAR for properties in Australia at AUD 234, 7.1% higher as compared to FY2017
- Planned renovation capex
 - Brisbane Marriott: AUD20 million
 - Melbourne Marriott: AUD1 million



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Financial performances 4Q FY2018

FINANCIAL PERFORMANCE: 4Q FY2018

YTL HOSPITALITY REIT

1 April - 30 June	4Q FY2018	4Q FY2017	Change
Total Revenue	116.6	111.1	+ 4.9%
- Hotel Revenue (Management Contracts)	79.0	81.1	(2.6%)
- Lease Rental (Master Leases)	37.6	30.1	+ 25.2% ⁽¹⁾
Net Property Income (NPI)	58.1	47.8	+ 21.5%
- Management Contracts	23.0	20.1	+ 14.1% ⁽²⁾
- Master Leases	35.1	27.7	+ 26.9% ⁽¹⁾
Income available for distribution	33.5	30.7	+ 9.2%
Income distribution	33.5	32.9	+ 1.8%
- from current quarter	33.5	30.7	+ 9.2%
- from others	0.0	2.2	(100.0%)
Distribution per unit (DPU) (sen)	1.9651	1.9306	+ 1.8%
Payout ratio (%)	100.0	100.0	0.0 pp*

* pp = change in percentage points

Notes:

(1) The increase was mainly due to (i) the acquisition of The Majestic Hotel Kuala Lumpur in November 2017; (ii) the 5% step-up lease rental income for one property; and (iii) additional rentals from The Ritz-Carlton, Kuala Lumpur-Suite Wing and The Ritz Carlton, Kuala Lumpur-Hotel Wing effective June 2017 after completion of the refurbishment works.

(2) Increase due to cost saving initiatives.

All figures in RM million unless indicated otherwise.

STATEMENT OF FINANCIAL POSITION

YTL HOSPITALITY REIT

RM ('000)	As at 30 June 2018 (Unaudited)	As at 30 June 2017 (Audited)	Change
Investment properties	2,371,618	1,937,647	+ 22.4% ⁽¹⁾
Property, plant and equipment	1,947,753	1,921,844	+ 1.3%
Cash & cash equivalents	155,457	142,462	+ 9.1%
Other assets	36,827	37,253	(1.1%)
Total Assets	4,511,655	4,039,206	+ 11.7%
Borrowings	1,687,694	1,404,590	+ 20.2% ⁽²⁾
Other liabilities	105,450	103,625	+ 1.8%
Total Liabilities	1,793,144	1,508,215	+ 18.9%
Net Asset Value (NAV)	2,718,511	2,530,991	+ 7.4%
Number of units in circulation ('000)	1,704,389	1,704,389	0.0%
NAV per unit (RM)	1.595 ⁽³⁾	1.485	+ 7.4%

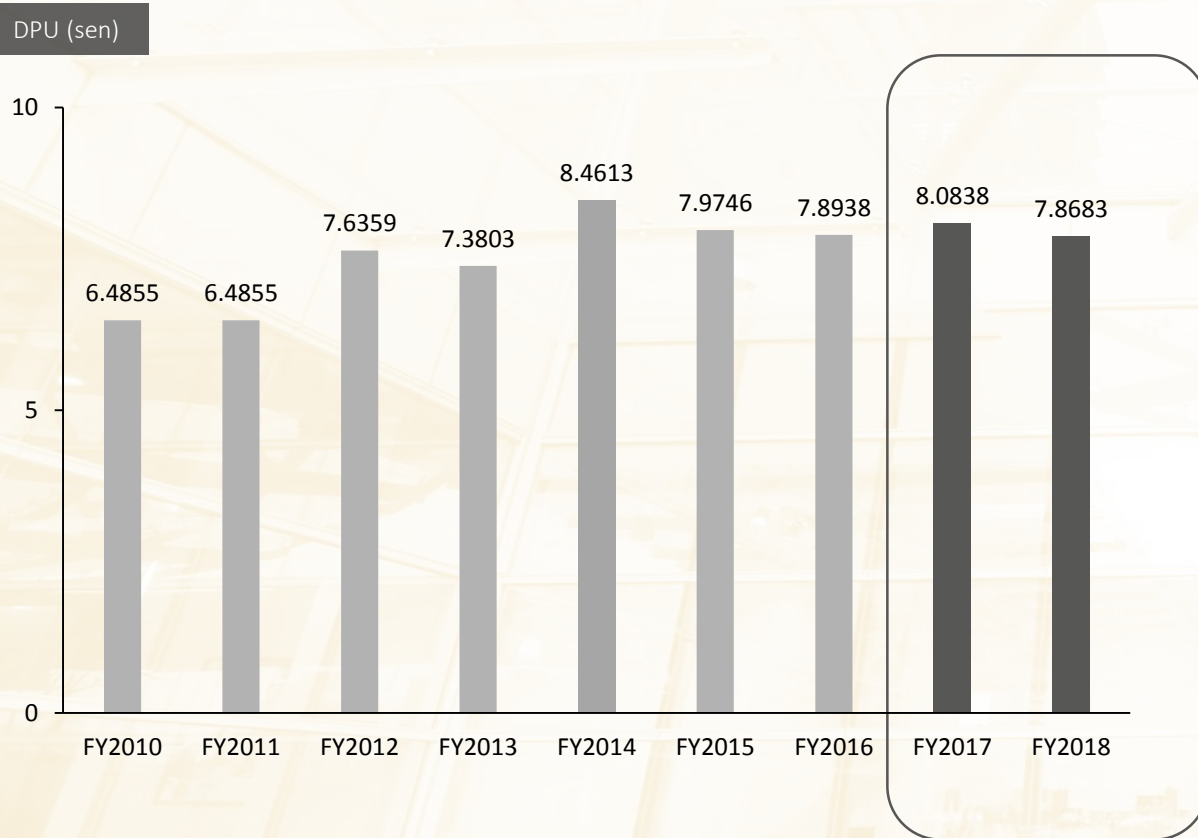
Notes:

(1) Increased due to the acquisition of The Majestic Hotel Kuala Lumpur on 3 November 2017.

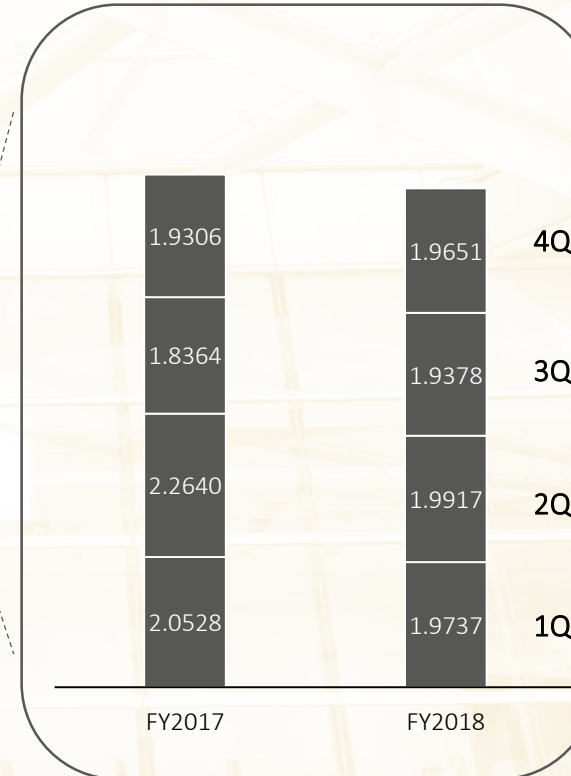
(2) Increased due to the acquisition of The Majestic Hotel Kuala Lumpur on 3 November 2017, after netting off the effect of foreign currency translation on borrowings denominated in Australian Dollar.

(3) After total income distribution of RM134.1 million in respect of FY2018.

Total DPU



Quarterly Breakdown



	Total Distributions*	
	FY2017	FY2018
Cumulative	122.7	134.1
4Q	32.9	33.5
3Q	31.3	33.0
2Q	31.3	33.9
1Q	27.2	33.6

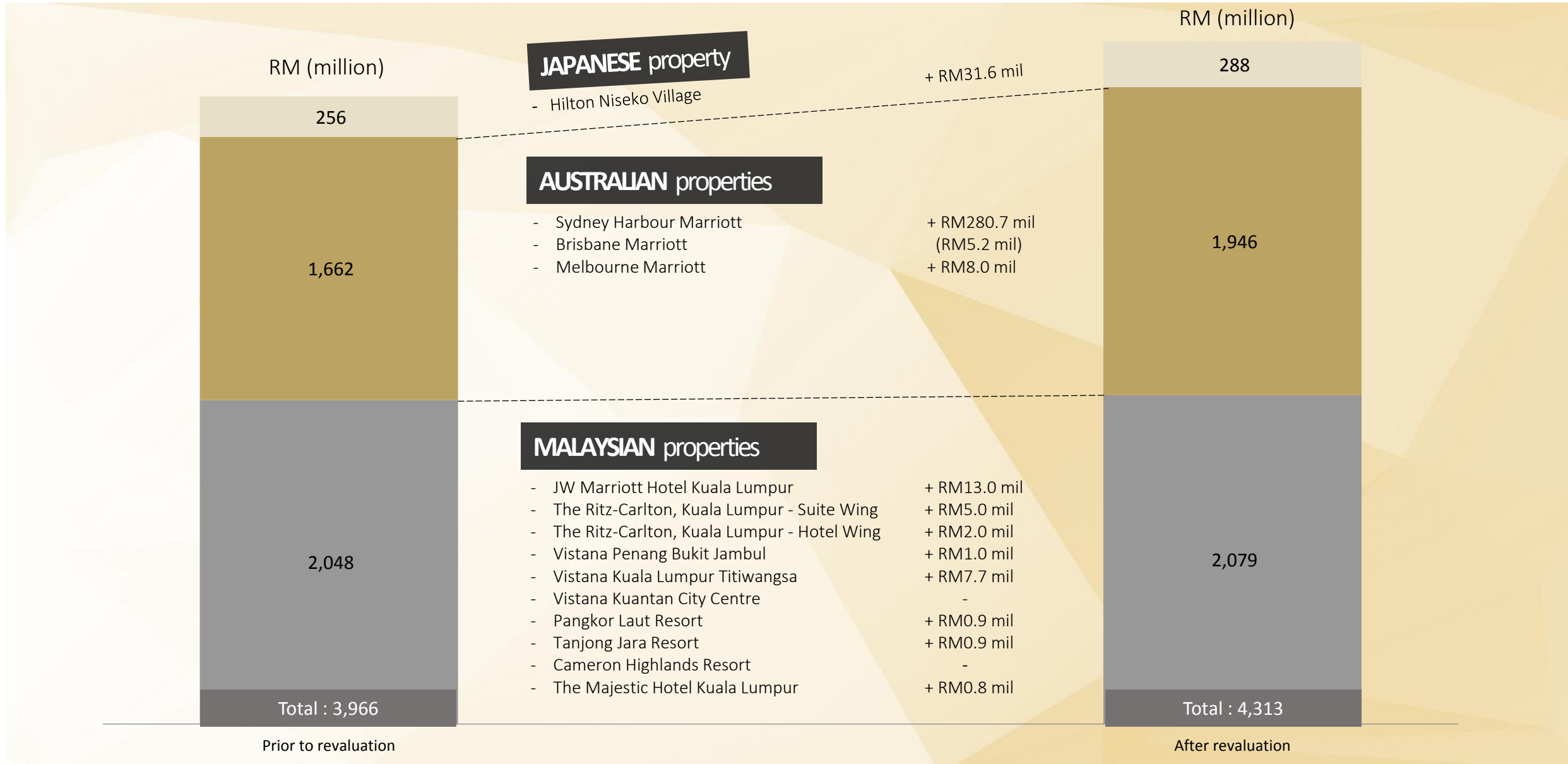
* In RM million

Notes:

1. YTL Hospitality REIT started paying quarterly distributions commencing the financial year ended 30 June 2014.
2. DPUs subsequent to the issuance of 380,000,000 new placement units on 16 December 2016 are based on the increased number of units in issue.

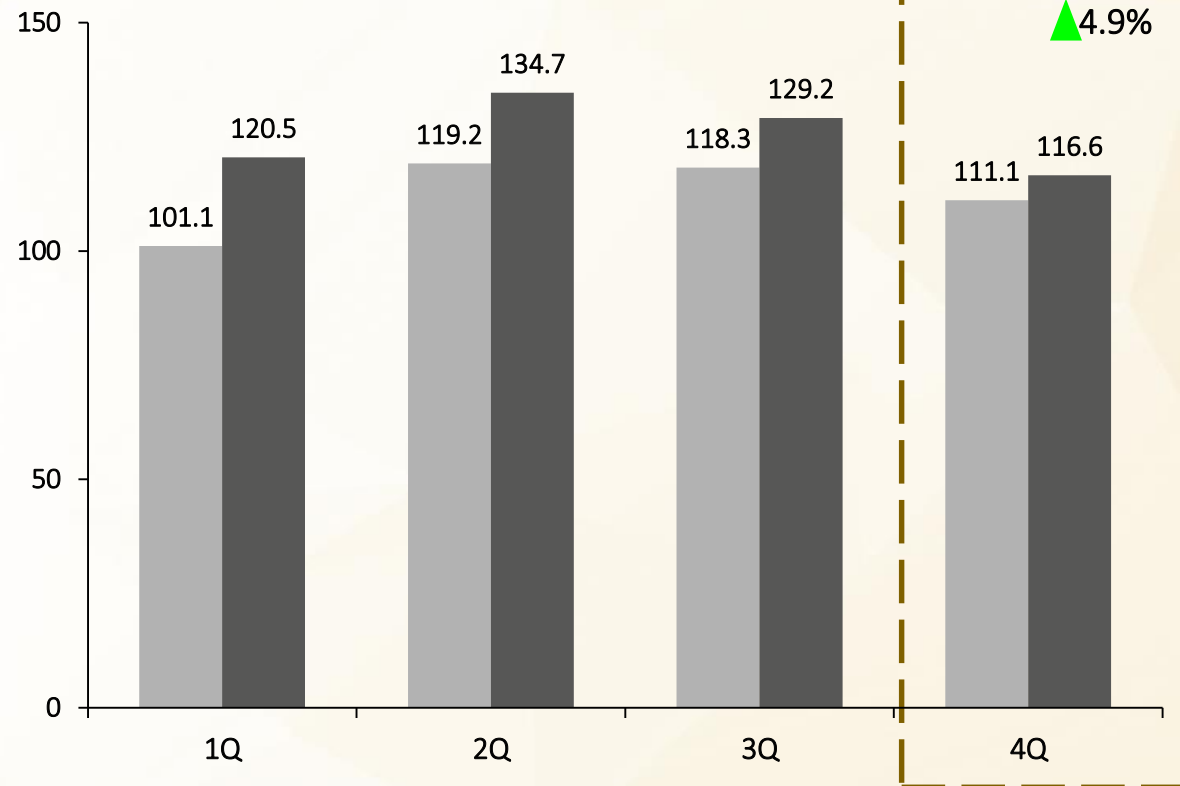
REVALUATION SURPLUS OF RM347 million IN APR 2018

YTL HOSPITALITY REIT



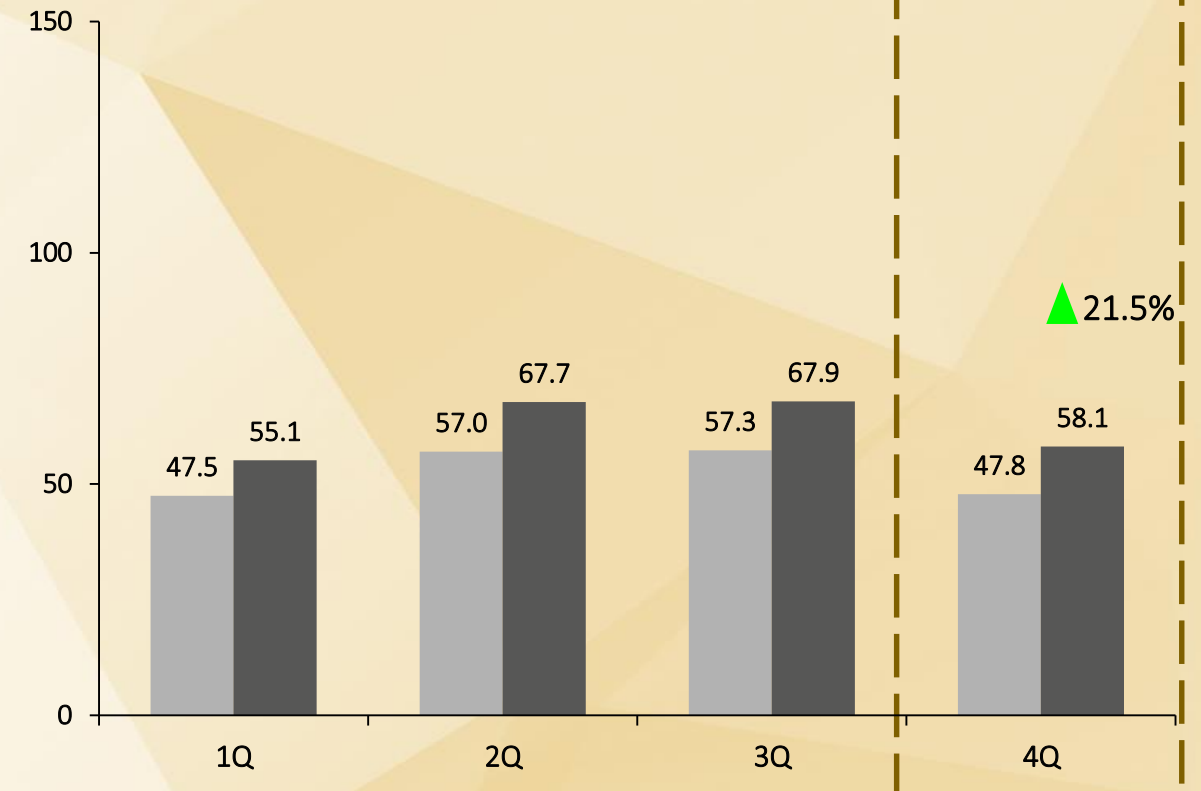
TOTAL revenue

RM (million)



NET property income

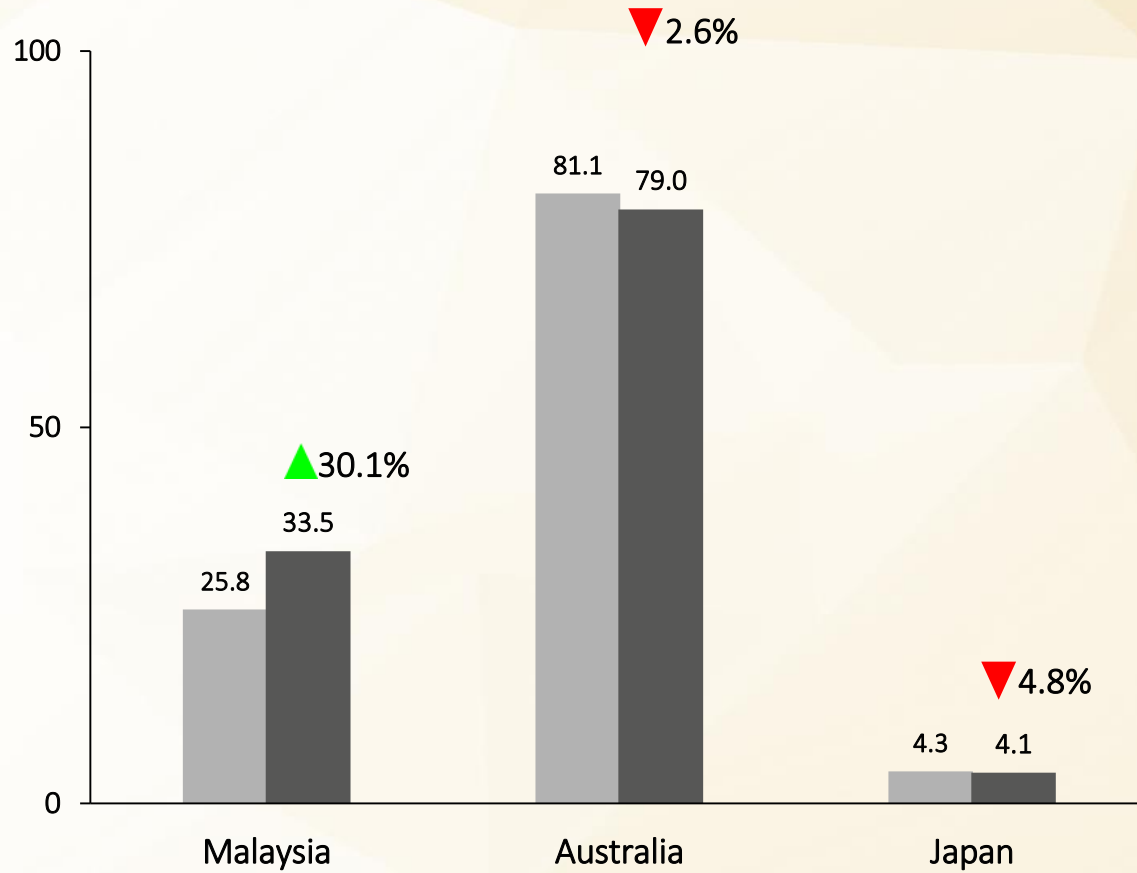
RM (million)



FY2017 FY2018

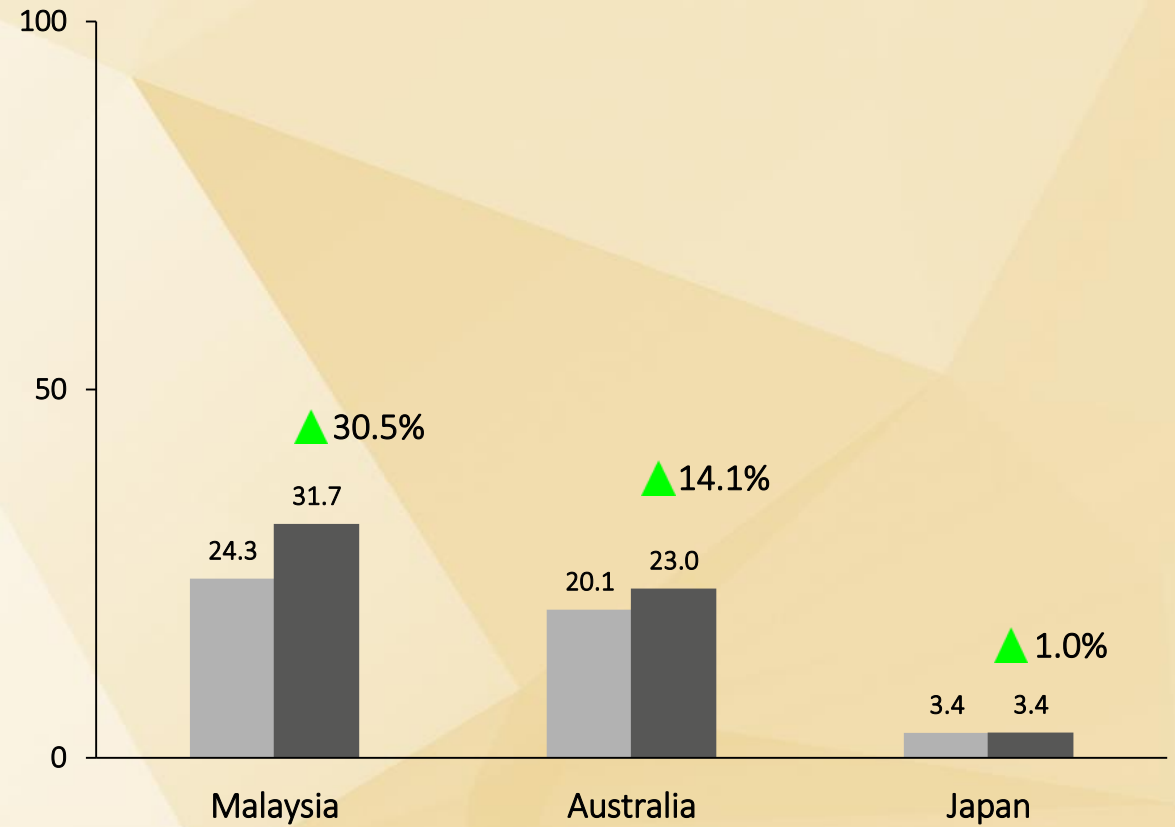
TOTAL revenue

RM (million)



NET property income

RM (million)

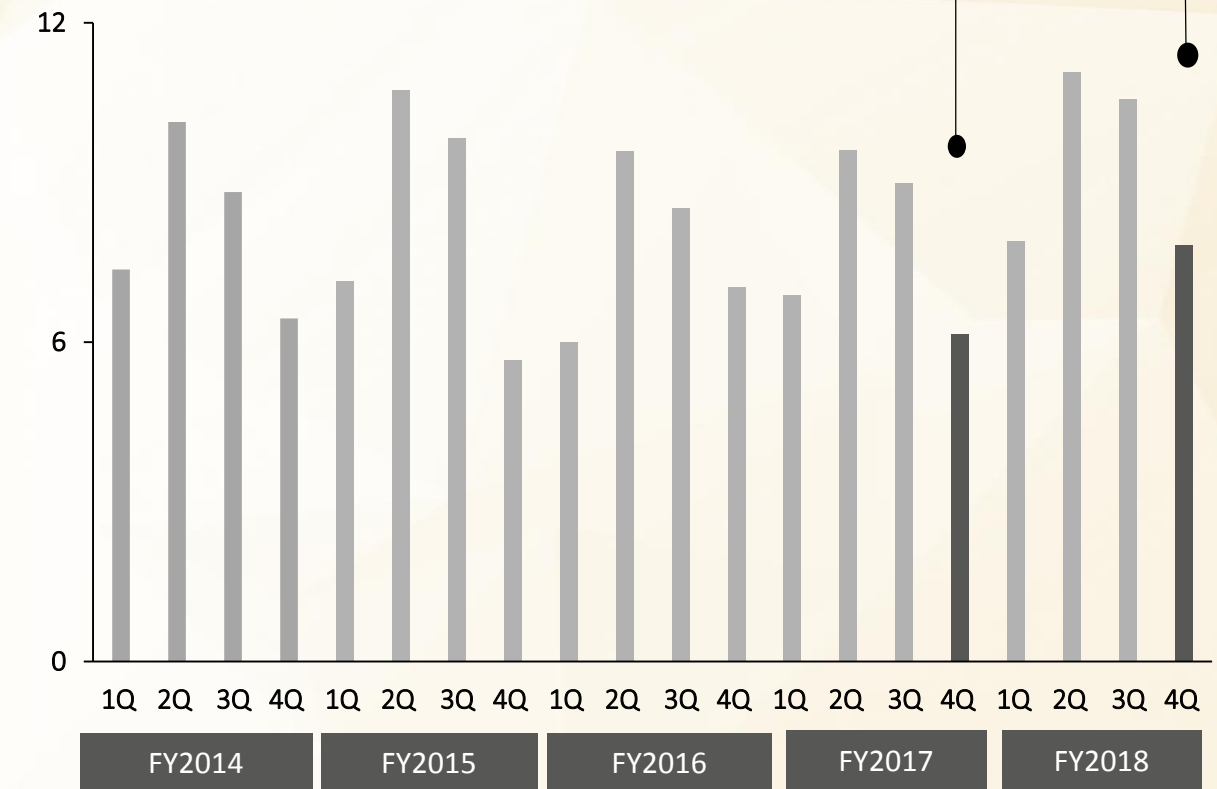


4Q FY2017 4Q FY2018

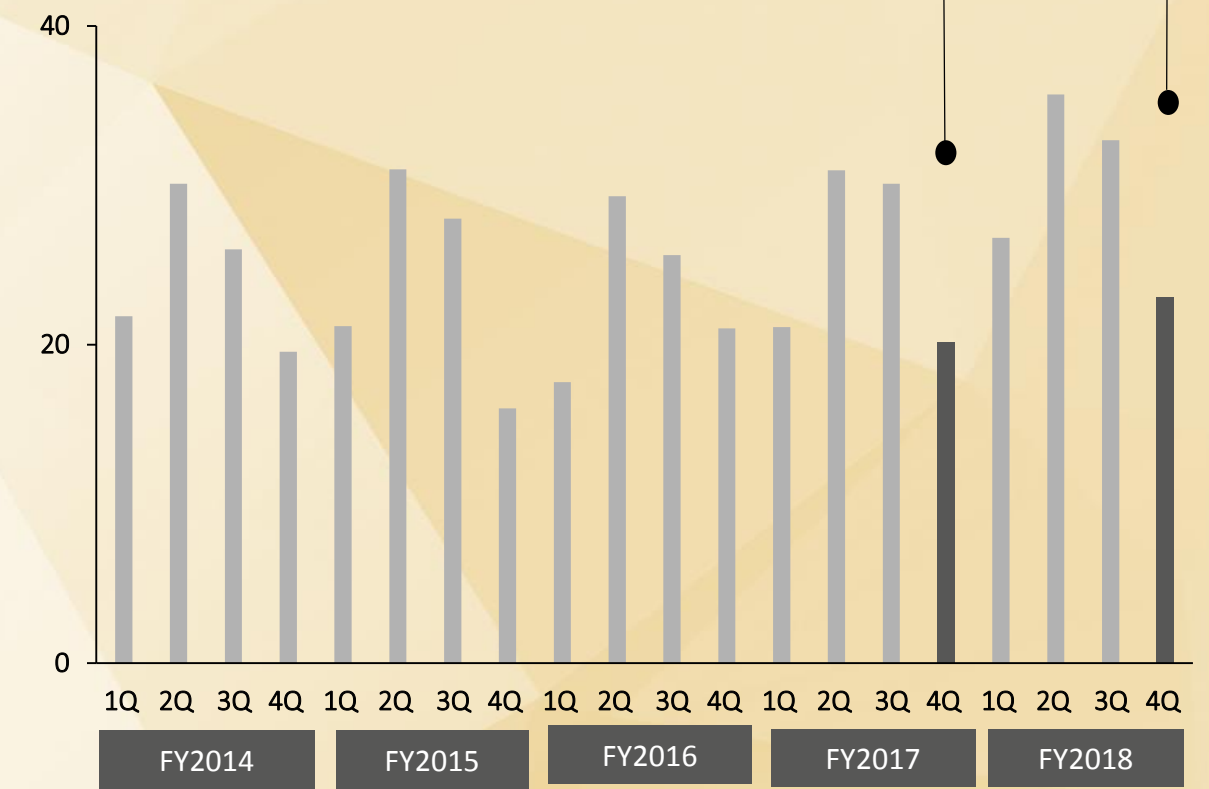
NPI FOR AUSTRALIA IN AUD AND RM

NPI in RM impacted by the foreign exchange effects of the weaker AUD relative to RM

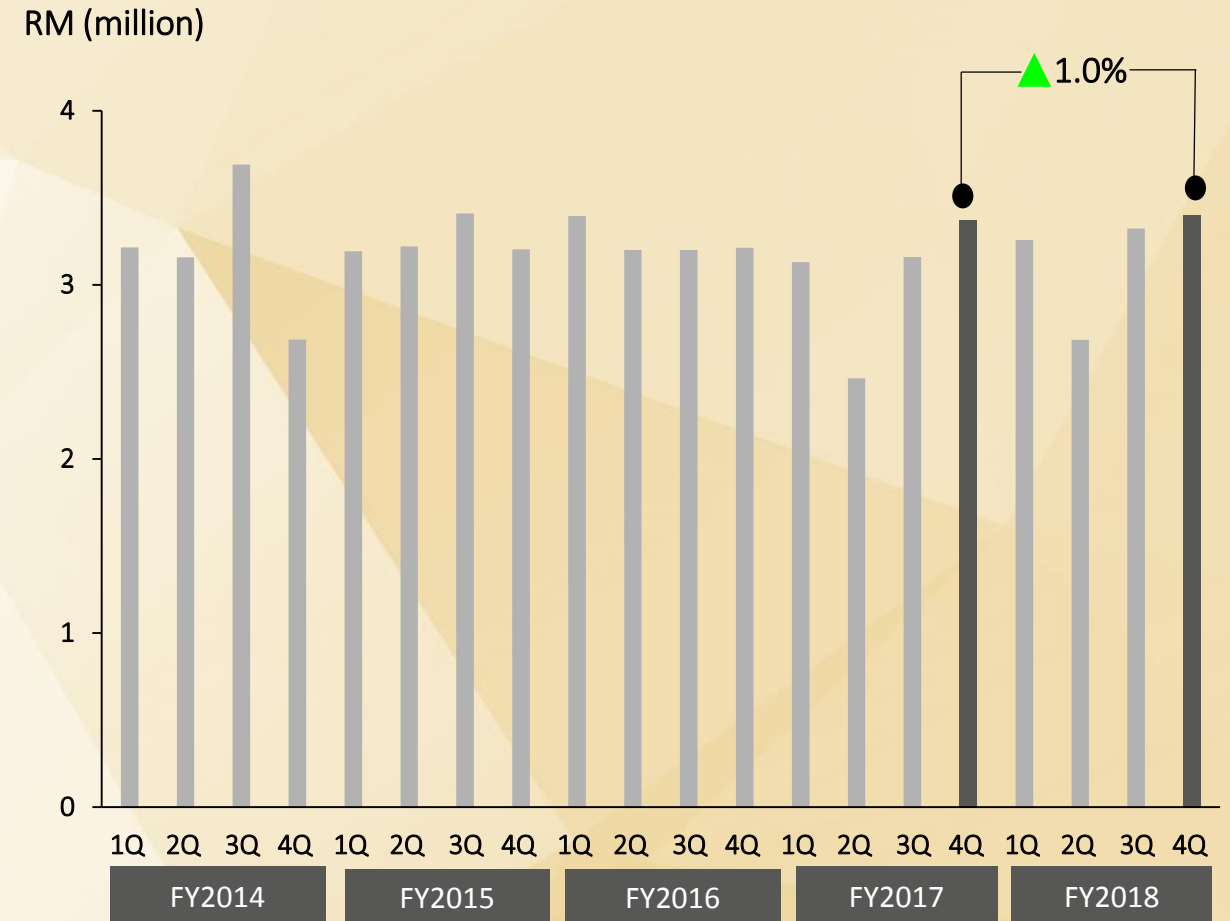
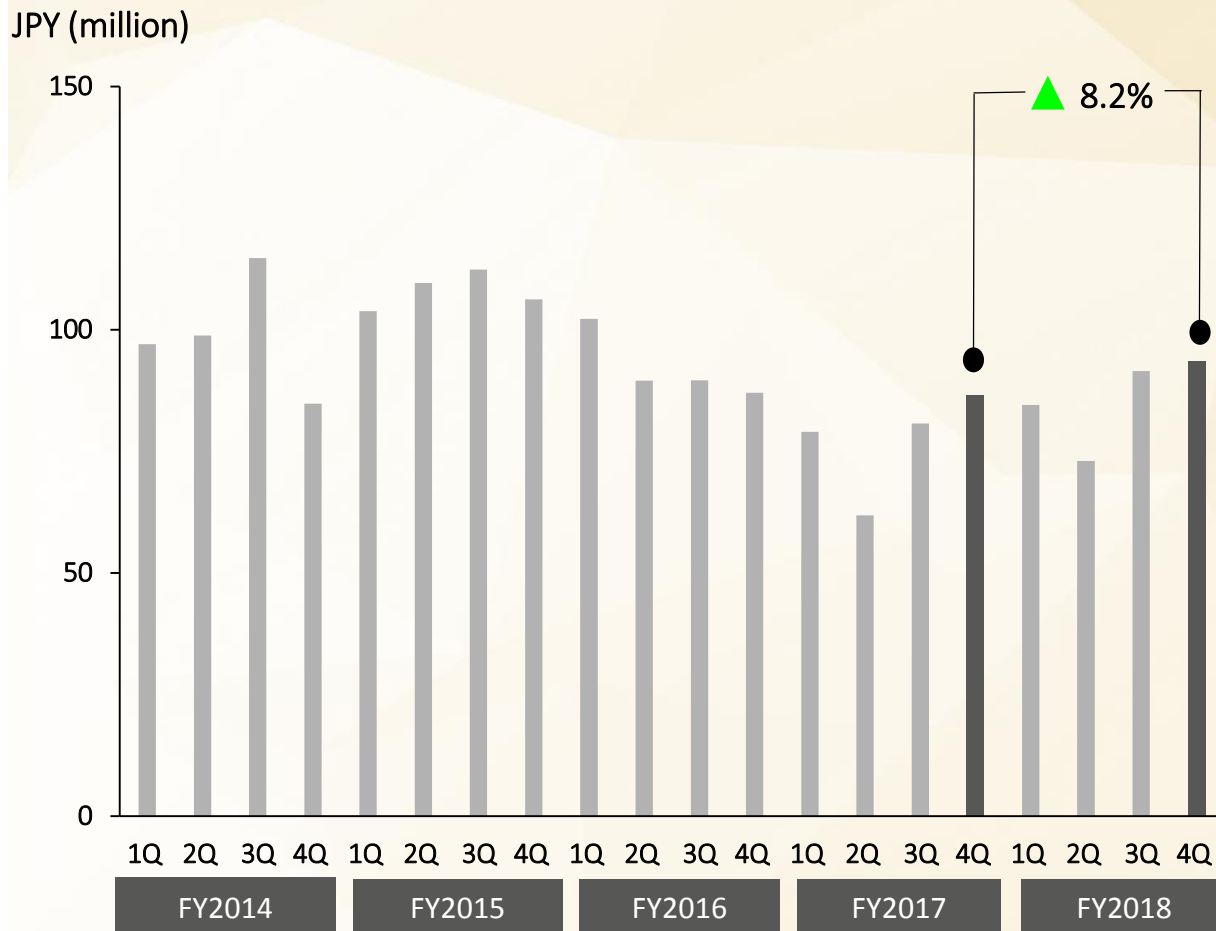
AUD (million)

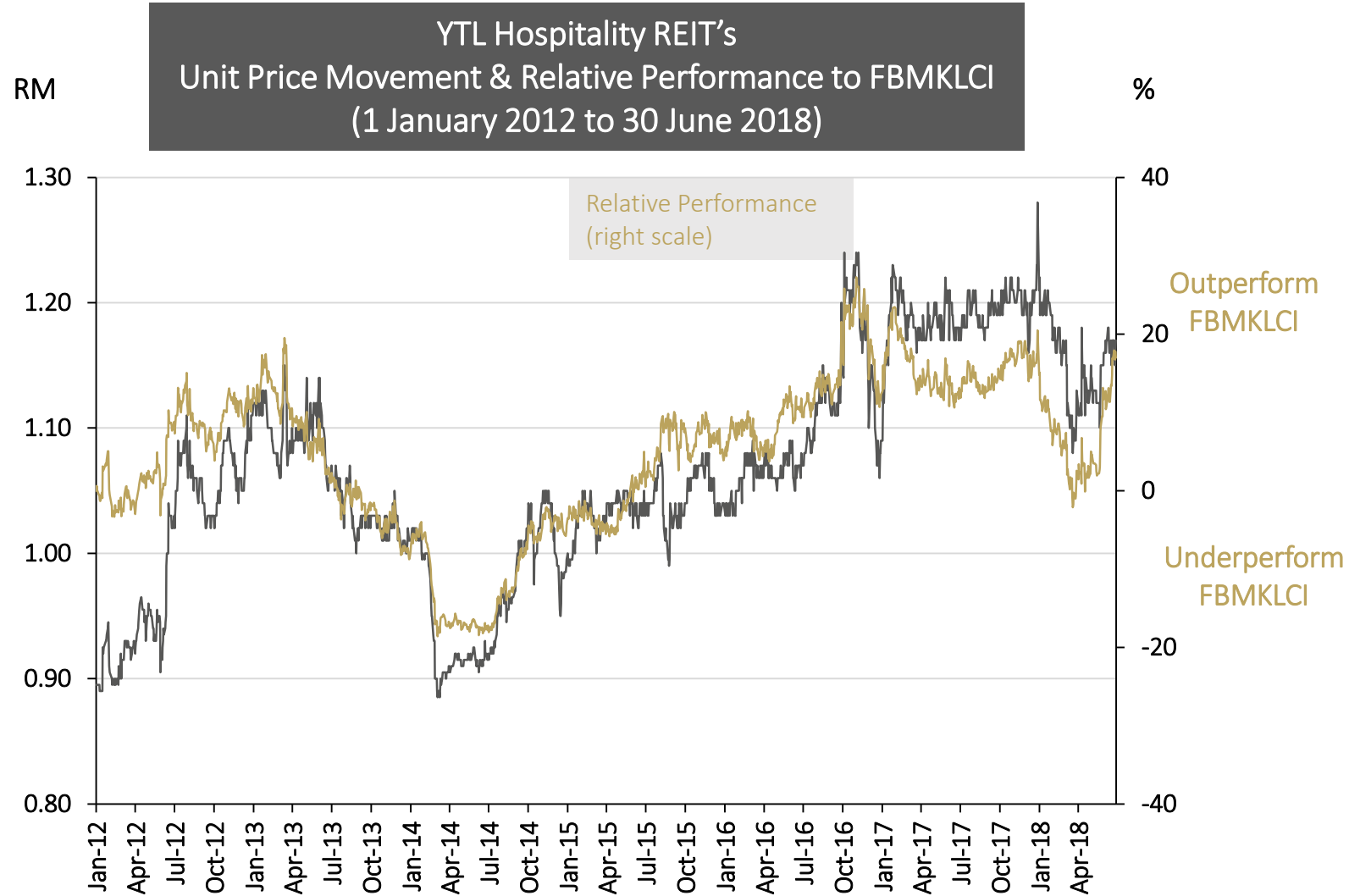


RM (million)



NPI in RM impacted by the foreign exchange effects of the weaker JPY relative to RM





TRADING STATISTIC

Closing price ⁽¹⁾	RM1.17
Market Cap (RM) ⁽¹⁾	RM1,994 mil
Units issued ⁽¹⁾	1,704,388,889
Average daily traded volume for 4Q FY2018 ('000 units) ⁽²⁾	757.5

Source: Bloomberg

Notes:

(1) As at 29 June 2018.

(2) For the quarter ended 30 June 2018.



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Financial performances: FY2018

1 July - 30 June	FY2018	FY2017	Change
Total Revenue	501.0	449.7	+ 11.4%
- Hotel Revenue (Management Contracts)	359.9	332.7	+ 8.2%
- Lease Rental (Master Leases)	141.0	116.9	+ 20.6%
Net Property Income (NPI)	248.8	209.6	+ 18.7%
- Management Contracts	118.2	102.3	+ 15.6%
- Master Leases	130.6	107.4	+ 21.7%
Income available for distribution	134.1	122.7	+ 9.3%
Income distribution	134.1	122.7	+ 9.3%
- from current year	134.1	122.7	+ 9.3%
Distribution per unit (DPU) (sen)	7.8683	8.0838 ⁽¹⁾	(2.7%) ⁽²⁾
Payout ratio (%)	100.0	100.0	0.00

Notes:

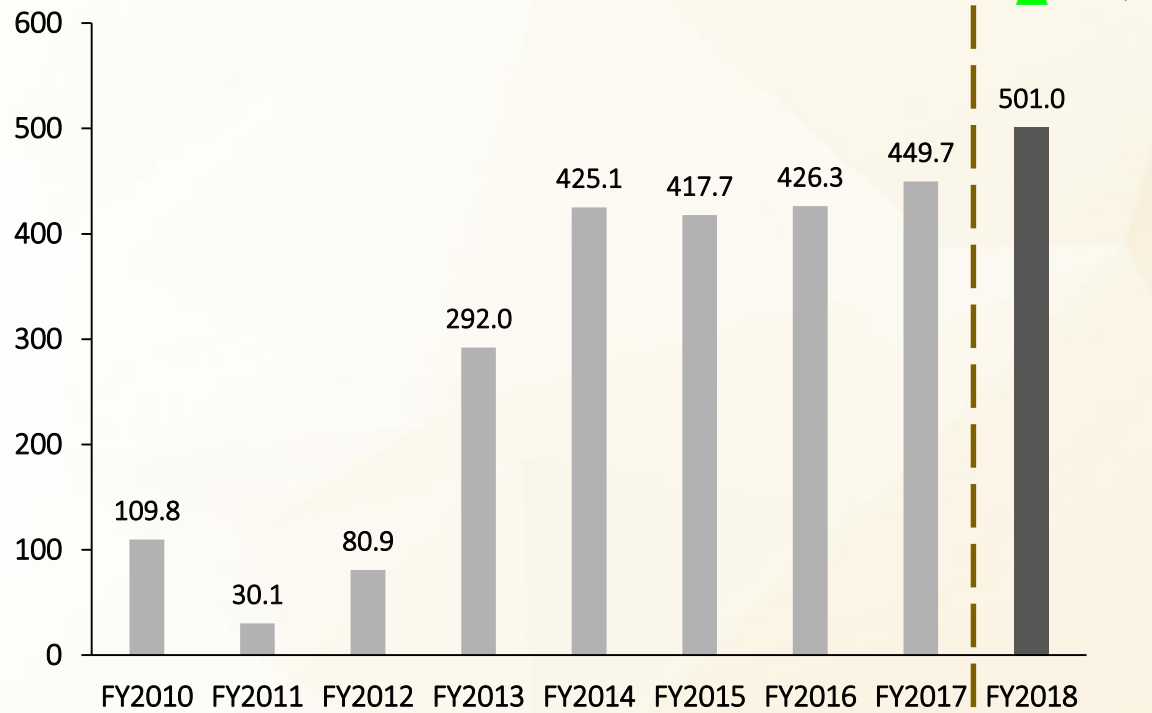
(1) Consists of interim and advance income distribution of 3.9709 sen per unit based on the number of units in issue of 1,324,388,889 units and 4.1129 sen per unit based on the number of units in issue of 1,704,388,889 units, subsequent to the issuance of 380,000,000 new placement units in December 2016 ("Private Placement").

(2) However, total income distributed increased by 9.3%.

All figures in RM million unless indicated otherwise.

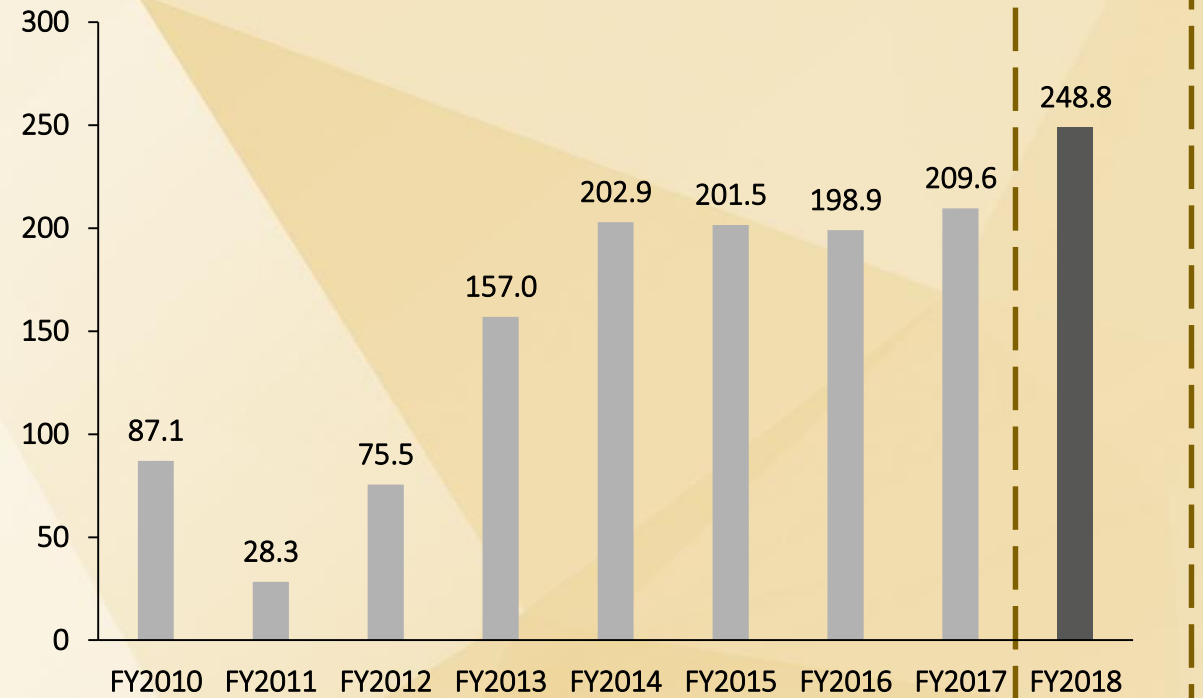
TOTAL revenue

RM (million)



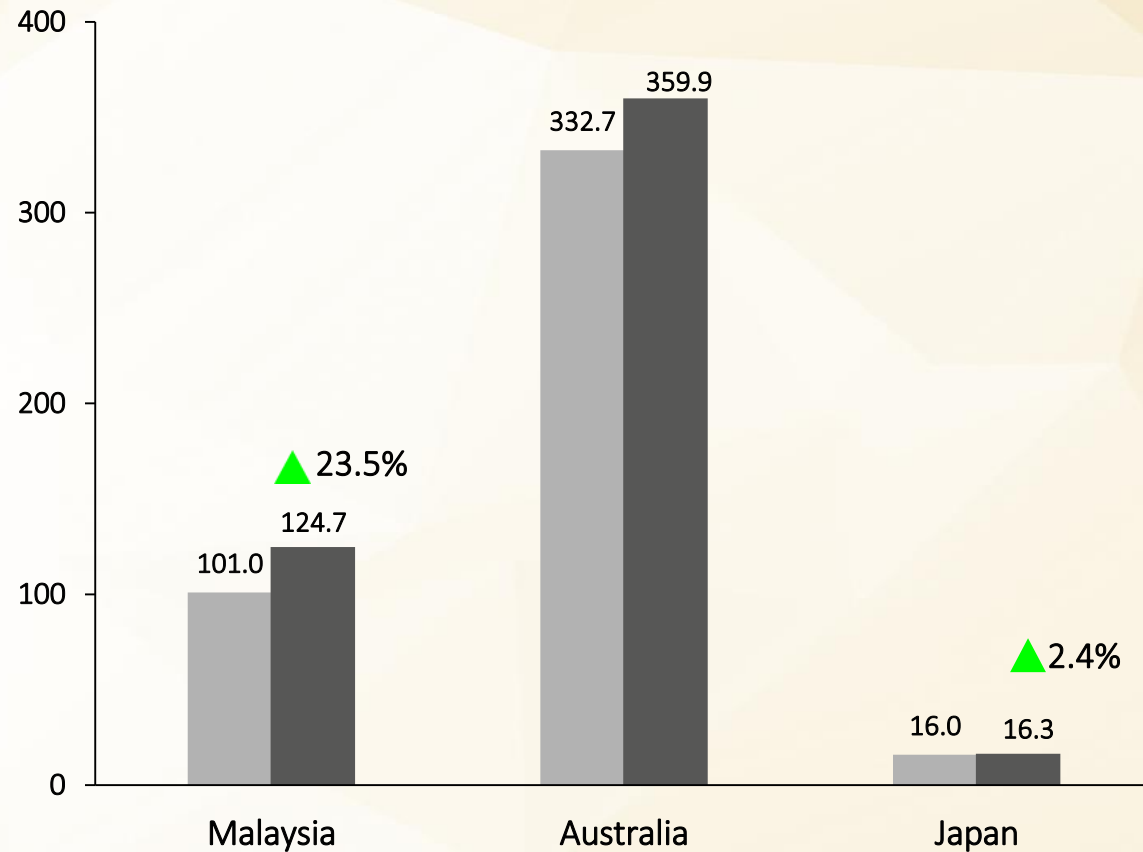
NET property income

RM (million)



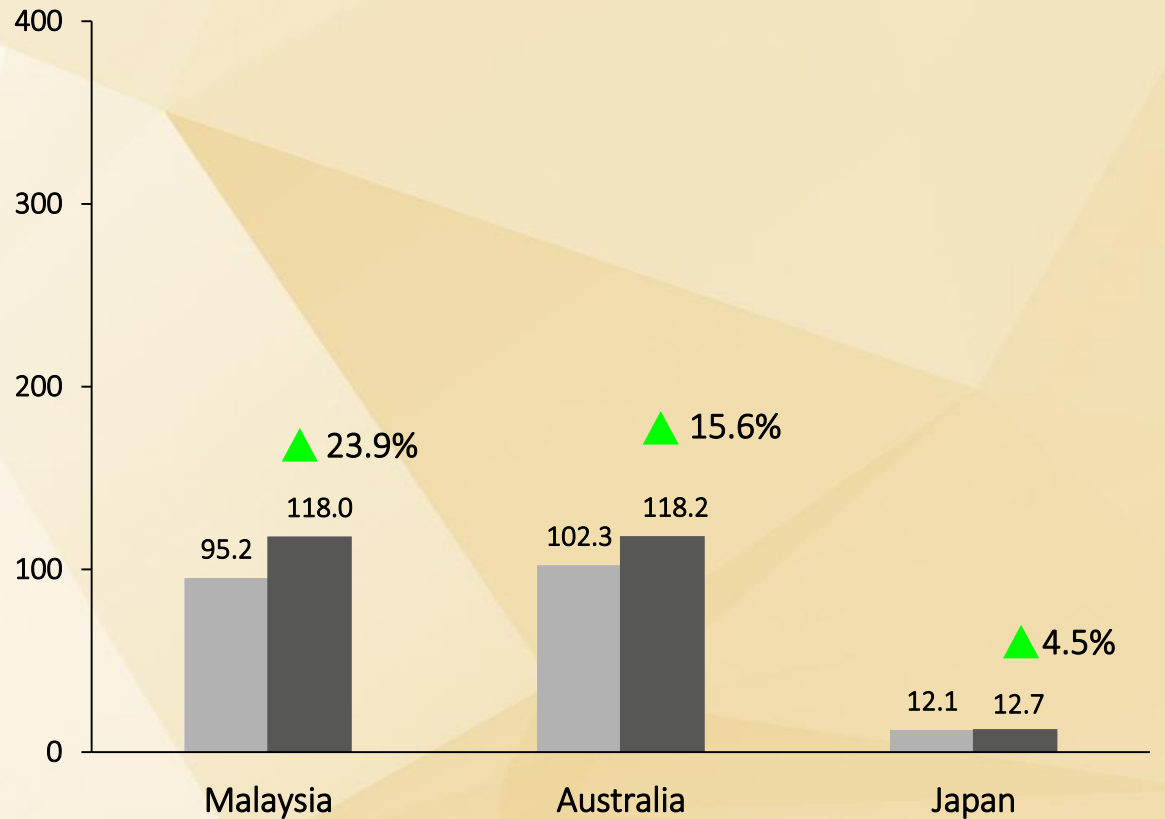
TOTAL revenue

RM (million)



NET property income

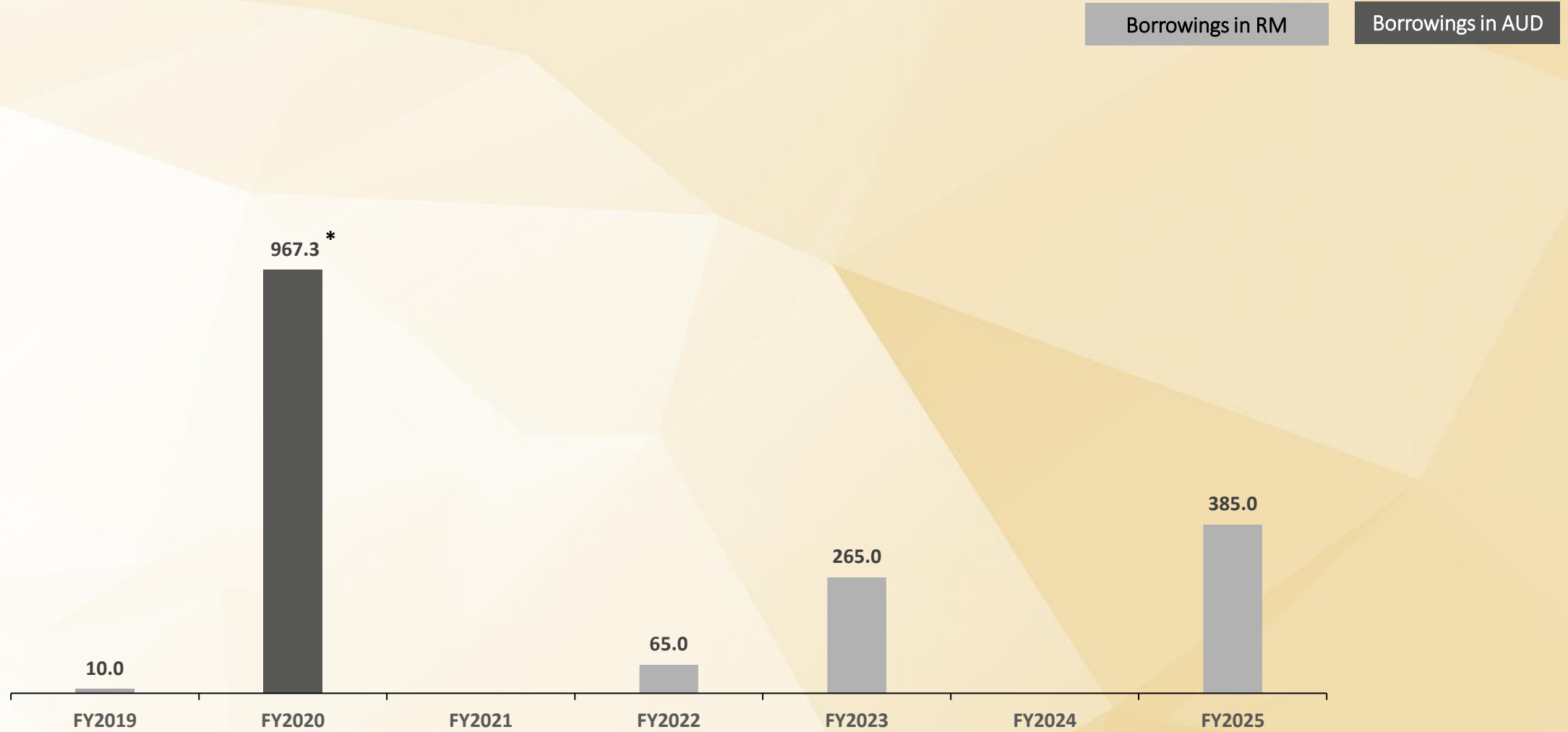
RM (million)



FY2017 FY2018

3

Capital management

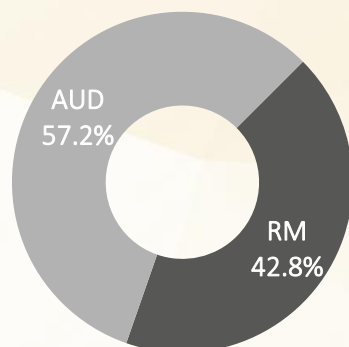


Notes:

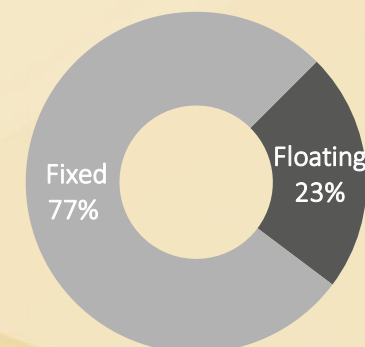
[^] Excluding the effects of capitalised transaction costs.

* RM equivalent based on the exchange rate of A\$1.00: RM2.9810 as at 29 June 2018.

CURRENCY



INTEREST RATE



	30 June 2018	31 March 2018	Change
Borrowings (RM'000)	1,692,300	1,683,262	+ 0.5%
Total Asset Value (RM'000)	4,511,655	4,175,267	+ 8.1%
Gearing (%)	37.5%	40.3%	(2.8 pp)
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	5.0%	4.9%	+ 0.1 pp
- Borrowings in Australian Dollar@	4.5%	4.6%	(0.1 pp)
Interest Cover **	2.8 x	3.2 x	-0.4 x

Notes:

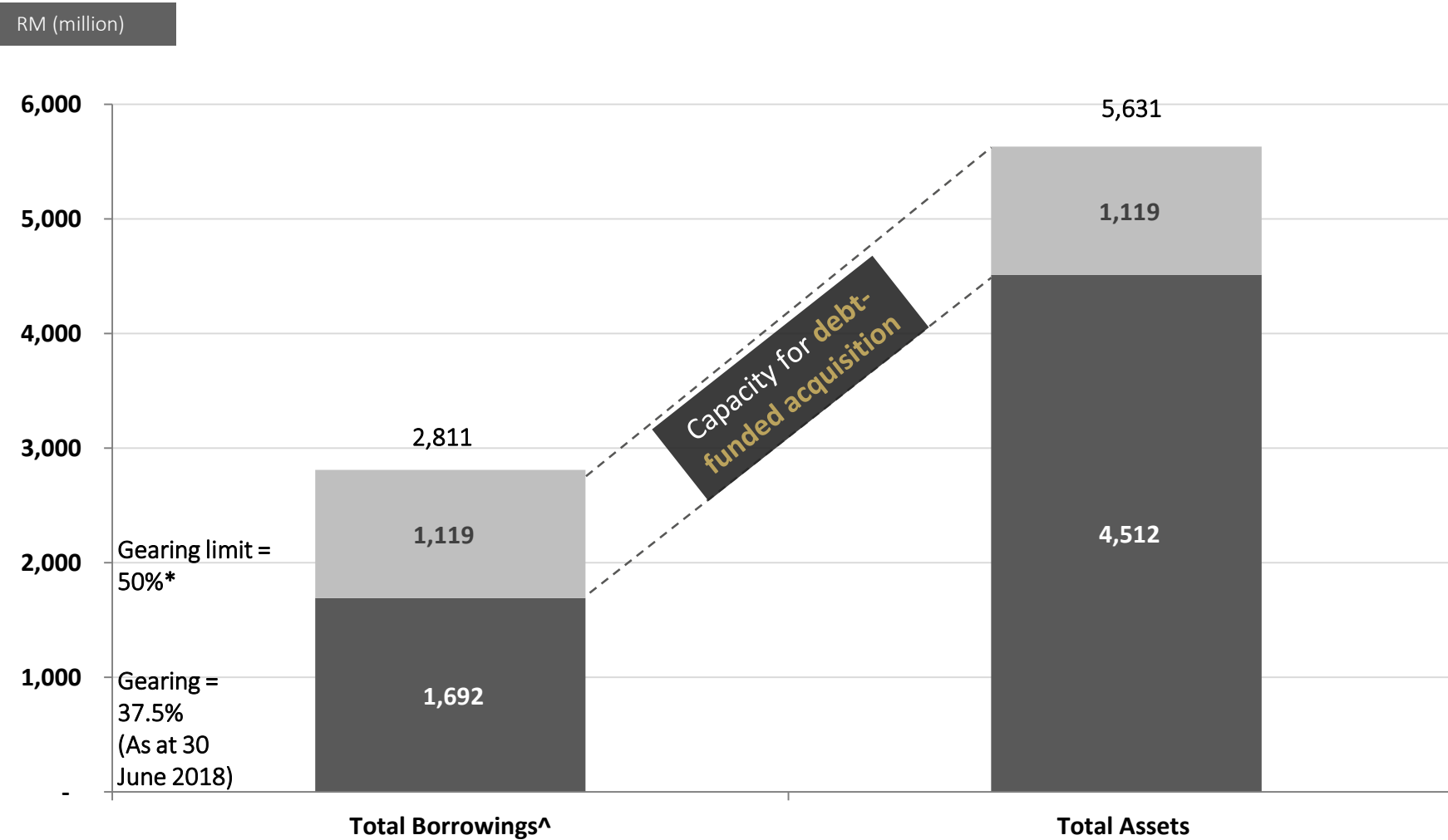
* For the respective Quarter.

[^] Excluding the effects of capitalised transaction costs.

Computed as NPI / Finance Cost

@ The interest rate is hedged and fixed at the effective rate of 4.68% with effect from 29 December 2017.

DEBT HEADROOM OF ~RM1,119 million FOR ACQUISITIONS



Notes:

[^] Excluding the effects of capitalised transaction costs.

* Leverage limit reduced to 50% under new regulatory guidelines, previous limit of 60% no longer applicable

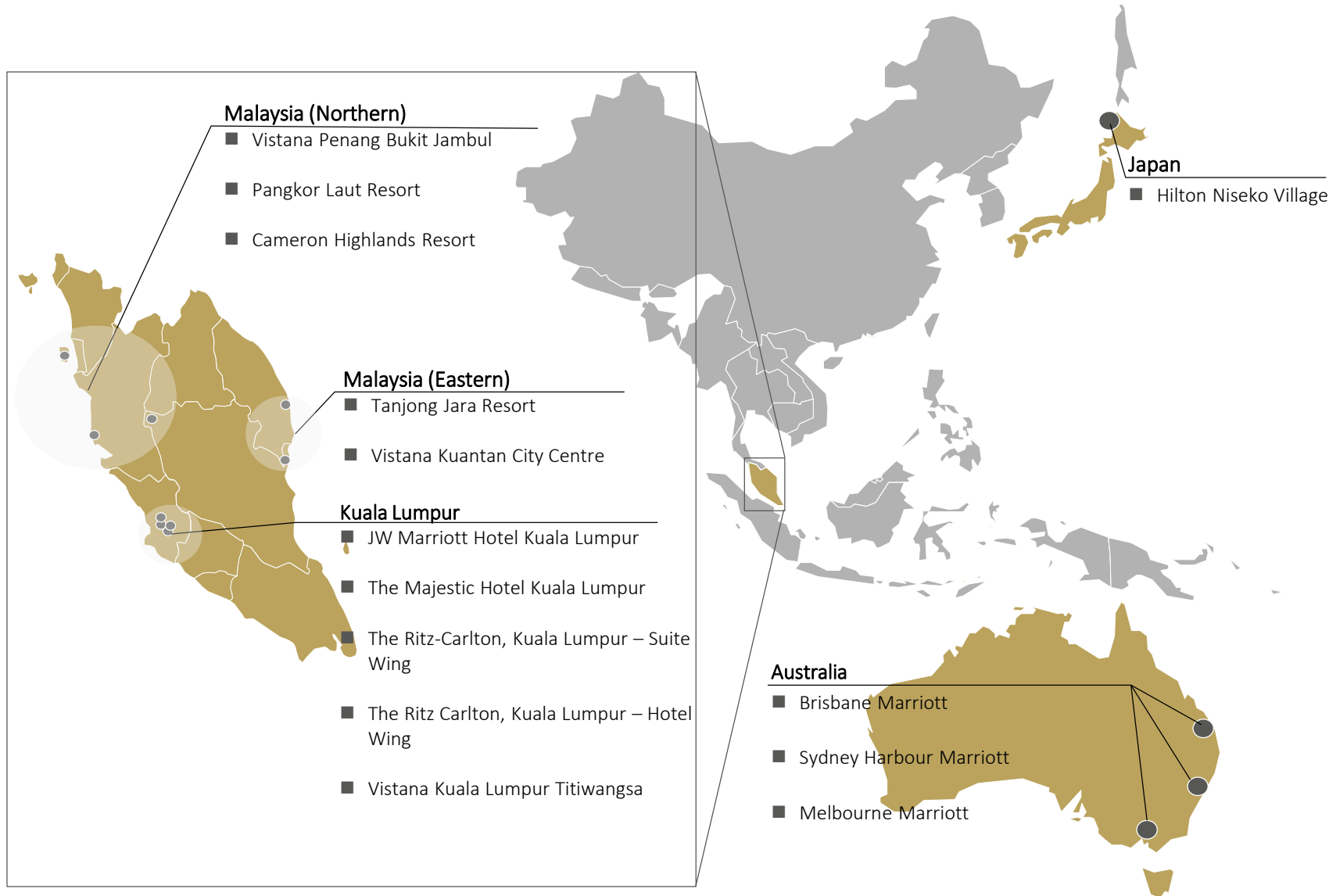


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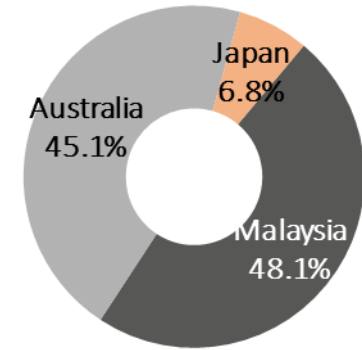
Asset management

LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

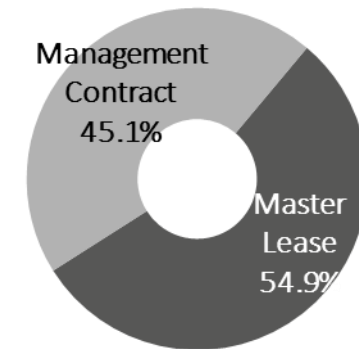
YTL HOSPITALITY REIT



ASSET breakdown (by Country)⁽¹⁾



ASSET breakdown (by Contract Type)⁽¹⁾



Note:
 (1) Based on investment properties and property, plant & equipment as at 30 June 2018.

Property	No. of Rooms	Year Acquired	Purchase Price (million)	Annual Lease Rental ⁽¹⁾ (RM million)	Valuation (million)		Changes since acquisition
					FY2017	FY2018 ⁽²⁾	
Malaysia			RM		RM	RM	
JW Marriott Hotel Kuala Lumpur	578	2005	331.0	25.69	411.0	424.0	+28.1%
The Ritz-Carlton, Kuala Lumpur - Suite Wing	114	2007 & 2011	198.0	16.38	301.0	306.0	+54.5%
The Ritz-Carlton, Kuala Lumpur - Hotel Wing	251	2011	250.0	21.63	341.0	343.0	+37.2%
Vistana Penang Bukit Jambul	427	2011	100.0	8.61	117.0	118.0	+18.0%
Vistana Kuala Lumpur Titiwangsa	364	2011	100.0	8.61	128.3	136.0	+36.0%
Vistana Kuantan City Centre	215	2011	75.0	6.30	88.0	88.0	+17.3%
Pangkor Laut Resort	97	2011	97.0	8.82	116.1	117.0	+20.6%
Tanjong Jara Resort	100	2011	87.0	7.35	101.1	102.0	+17.2%
Cameron Highlands Resort	56	2011	50.0	4.20	60.0	60.0	+20.0%
The Majestic Hotel Kuala Lumpur	300	2017	380.0	26.60	380.0	385.0	+1.3%
Total Malaysia	2,502		1,668.0	134.19	2,043.5	2,079.0	+24.6%
Japan			JPY		JPY	JPY	
Hilton Niseko Village	506	2011	6,000.0	16.32	7,140.0	8,020.0	+33.7%
Australia			AUD		AUD	AUD	
Sydney Harbour Marriott	595	2012	249.0	n.a.	420.0	498.0	+100.0%
Brisbane Marriott	267	2012	113.0	n.a.	85.0	80.0	(29.2%)
Melbourne Marriott	186	2012	53.0	n.a.	78.4	78.4	+47.9%
Total Australia	1,048		415.0		583.4	656.4	+58.2%
TOTAL	4,056						

Notes:

(1) Derived by annualising the applicable monthly rental as at 30 June 2018.

(2) As at 30 April 2018.

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Malaysia	Under Master Leases							
Japan	Under Master Lease							
Australia	—	—	83.1% ⁽¹⁾	84.2%	84.4%	86.4%	86.9%	87.8%

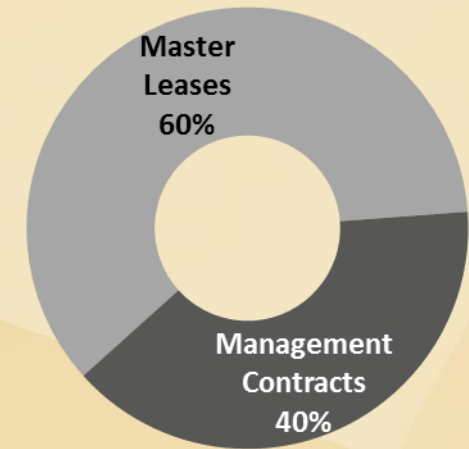
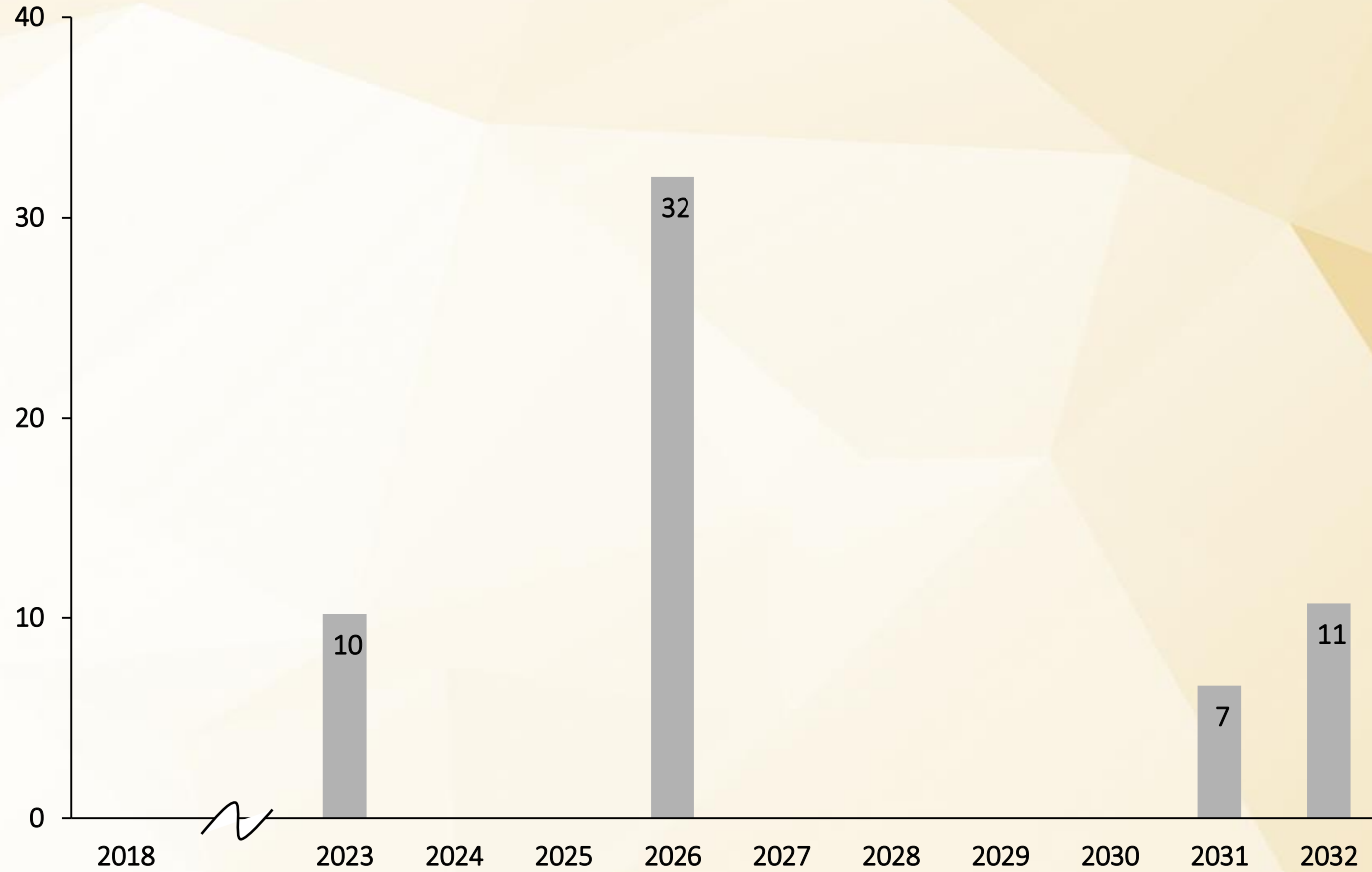
Note:

(1) For 1 July 2012 to 30 June 2013 which includes certain pre-acquisition period as the properties were acquired on 29 November 2012.

NET property income
(% of total *)

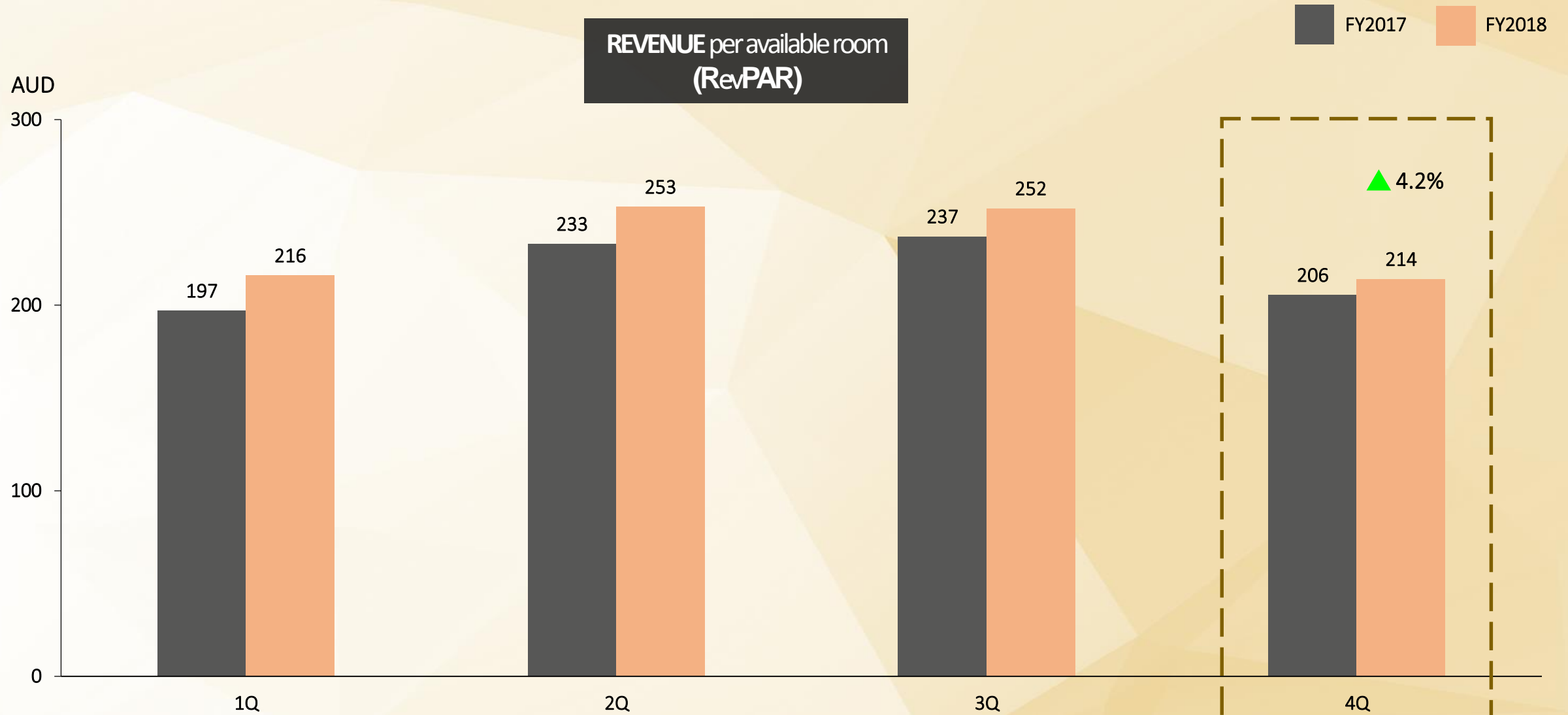
Master leases

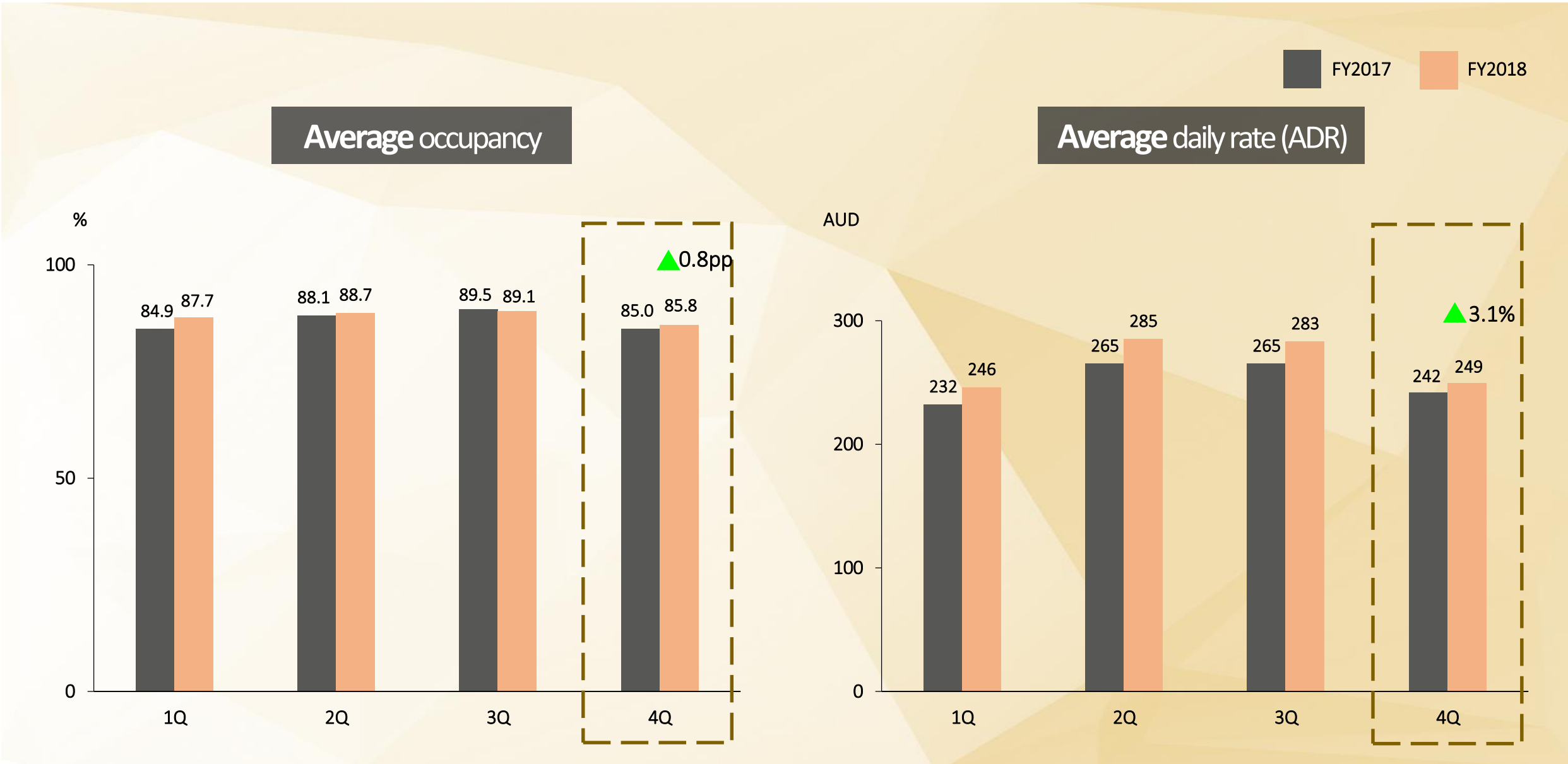
NET property income
(% of total *)



Note:
* For 4Q FY2018.

REVENUE per available room (RevPAR)







5

Appendices

Address	No. 183, Jalan Bukit Bintang, 55100 Kuala Lumpur
Description	A 5-star hotel with 578 rooms located on part of an 8-level podium block and entire 24-level tower block of Starhill Gallery 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
Tenure	Freehold
Master lease expiry	31 December 2023
Master lease remaining ⁽¹⁾	5 years
Annual rental ⁽²⁾	RM25.69 million
No. of rooms	578
Acquisition date	16 December 2005
Valuation ⁽³⁾	RM424 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	No. 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur
Description	A 5-star hotel comprising Majestic Wing (original historic hotel building) with 47 luxurious suites, Tower Wing with 253 guestrooms and suites, Majestic Ballroom with seating capacity of 1,200 for banquet or 1,500 theatre-style, Contango restaurant with seating capacity of 250, Colonial Cafe with seating capacity of 120, Orchid Conservatory with seating capacity of 15 and 3 levels of basement car park
Tenure	90-year registered lease expiring on 11 May 2091
Master lease expiry	2 November 2032
Master lease remaining ⁽¹⁾	14 years
Annual rental ⁽²⁾	RM26.6 million
No. of rooms	300
Acquisition date	3 November 2017
Valuation ⁽³⁾	RM385 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	Parcel 1: 60 units of hotel suites, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car parks Parcel 2: 50 units of hotel suites, 4 units of penthouses and 1 level of basement car park
Tenure	Freehold
Master lease expiry	30 June 2031
Master lease remaining ⁽¹⁾	13 years
Annual rental ⁽²⁾	RM16.38 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation ⁽³⁾	Parcel 1: RM207 million Parcel 2: RM99 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

* Previously known as *The Residences at The Ritz-Carlton, Kuala Lumpur*.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM21.63 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM343 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

* Previously known as The Ritz-Carlton, Kuala Lumpur.

Address	No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur
Description	17-storey hotel building with 364 rooms and 2-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM8.61 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM136 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	No. 213, Jalan Bukit Gambier, Bukit Jambul, 11950 Pulau Pinang
Description	17-storey Hotel Wing with 238 hotel rooms and 26-storey Suite Wing with 189 hotel suites with an annexed 3-storey podium
Tenure	99-year leasehold expiring on 27 October 2094
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM8.61 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM118 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	Jalan Teluk Sisek, 25000 Kuantan, Pahang
Description	8-storey hotel building with 215 rooms
Tenure	99-year leasehold expiring on 11 July 2092
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM6.30 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM88 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	Pangkor Laut Island, 32200 Lumut, Perak Darul Ridzuan
Description	36 units of Garden Villas, 52 units of Hill Villas, 8 units of Beach Villas and 1 unit of Pavarotti Suite
Tenure	99-year registered lease expiring on 21 May 2095
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM8.82 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM117 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu Darul Iman
Description	Small luxury boutique resort with 100 rooms
Tenure	60-year leasehold expiring on 4 December 2067
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM7.35 million
No. of rooms	100
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM102 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur
Description	3-storey luxury resort with a 2-storey spa village block with 56 rooms and suites and a single storey building
Tenure	99-year leasehold expiring on 9 December 2108
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM4.2 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM60 million



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.

Address	Aza-Soga, Niseko-cho, Abuta-gun, Hokkaido
Description	16-storey hotel building with 1-storey of basement comprising 506 rooms
Tenure	Freehold
Master lease expiry	21 December 2026
Master lease remaining ⁽¹⁾	8 years
Annual rental ⁽²⁾	RM16.32 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation ^(3, 4)	JPY8,020 million (RM292.6 million)



Notes:

1. Lease remaining calculated as at 30 June 2018. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 June 2018.
3. As at 30 April 2018.
4. RM equivalent based on the exchange rate of JPY100:RM3.6486 as at 29 June 2018.

Address	30 Pitt Street, Sydney, New South Wales
Description	33-storey hotel building with central atrium comprising 595 rooms including 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	595
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD498 million (RM1,484.5 million)



Notes:

1. As at 30 April 2018.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9810 as at 29 June 2018.

Address	515 Queen Street, Brisbane, Queensland
Description	28-storey hotel building comprising 267 rooms with 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	267
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD80 million (RM238.5 million)



Notes:

1. As at 30 April 2018.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9810 as at 29 June 2018.

Address	Corner Exhibition and Lonsdale Streets, Melbourne, Victoria
Description	16-storey hotel building comprising 186 rooms with 5 split levels of car park
Tenure	Freehold
No. of rooms	186
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD78.4 million (RM233.7 million)



Notes:

1. As at 30 April 2018.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9810 as at 29 June 2018.

This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter ended 30 June 2018, a copy of which is available on www.bursamalaysia.com and www.ytlhospitalityreit.com.

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