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KIP REIT GOES GREEN BY INSTALLING 2,730KW OF SOLAR PHOTOVOLTAIC SYSTEM

Enters into a 25-Year Initiative with RM26.4 Million of Electricity Cost Savings

Kuala Lumpur, 23 April 2018 – KIP Real Estate Investment Trust (“KIP REIT” or “the Fund”), the first hybrid community-centric retail REIT listed on Bursa Malaysia today hosted a signing ceremony in Menara KIP with Pekat Solar Sdn. Bhd. (“Pekat”) for a 25-year green initiative by way of the installation of solar photovoltaic system (“PV system”) on KIP REIT’s assets.

KIP REIT intends to install a total of 2,730 kilowatt peak (“kWp”) PV system which will cost a total sum of RM9.56 million. The PV system is to be installed onto the roofs of all of the six KIP REIT assets, i.e. the five KIP Marts located in Tampoi, Kota Tinggi, Masai, Senawang and Melaka; and KIP Mall in Bangi.

The initiative will be jointly owned by both KIP REIT and Pekat on an 80:20 basis whereby the total investment by KIP REIT will be RM7.64 million. The investment will be funded through bank borrowings. The electricity savings derived from the PV system after the interest expenses will enhance the net property income of KIP REIT from the first year of the PV system starts operating throughout the entire 25-year period. The investment has an excellent return with a payback period of 6 years based on constant Tenaga Nasional Berhad (“TNB”) tariffs at today’s rate. Should TNB raise its tariffs in the future the payback period will be shorter and KIP REIT will enjoy better economic benefits.

KIP REIT’s go green initiative is primarily for the purposes of reducing environmental pollution and its carbon footprint as well as to save electricity cost in the long run. Over the 25-year period go green initiative, KIP REIT is expecting to generate an approximate total of 78.1 megawatt hours (“mWh”) of electricity from the PV system, which is equal to saving 9,782 kilograms of coal from being combusted in order to produce the said electricity. Instead, KIP REIT would be able to save a total of RM26.4 million worth of electricity cost which will directly translate into an increase in annual net property income for the Fund.

KIP REIT will also be announcing its financial results for the quarter ended 31 March 2018 on Bursa Securities Malaysia after trading hours today.

Commenting on the signing ceremony, **Dato' Chew Lak Seong, Managing Director of KIP REIT Management Sdn. Bhd.** (the Manager of KIP REIT) said, "We are extremely delighted to announce that KIP REIT has entered into this initiative to produce green and clean energy through all of KIP REIT's 6 assets. With the growing concern over global warming and our heartfelt desire that we should do more as corporates to address the environmental sustainability of our businesses, we are proud to be part of the initiative to reduce our carbon footprint on Mother Earth."

He continued, "With that said, the Fund is also a beneficiary of this initiative through the cost saving element that will impact KIP REIT's financials positively over the next 25 years. We will also be announcing our quarterly results this evening and are committed to putting both our unitholders and the environment at the forefront of our decision making."



From left to Right

1. Mr Edward Cheah Ken Sze 谢垦智, Manager of Managing Director Office of Pacific Trustees Berhad
2. Dato Chew Lak Seong 拿督周乐森 Managing Director of KIP REIT Management Sdn Bhd
3. Dr Chen Wei Nee 陈微妮, Chief Corporate Officer of SEDA Malaysia

4. Dato Ong Kook Liong 拿督翁国良 Executive Director of KIP REIT Management Sdn Bhd
5. Mr Chin Soo Mau 秦树茂, Group Managing Director of Pekat Group
6. Mr Wee Chek Aik 黄则亿, Group Executive Director of Pekat Group
7. Mr Tai Yee Chee 戴于智, Group Executive Director of Pekat Group

About KIP Real Estate Investment Trust

KIP REIT was listed on the Main Market of Bursa Malaysia on 6 February 2017 with its principal activity of investing in a portfolio of retail real estate properties. All properties are strategically located at the suburbs and mainly concentrated on residential, commercial and industrial areas within a 5-Kilometre radius of catchment areas.

The Fund's portfolio consists of 5 KIP Marts – a hybrid between traditional fresh markets and local community-based retail centres located at Tampoi, Kota Tinggi, Masai, Senawang and Melaka; and a KIP Mall – a shopping mall in Bangi with a total net lettable area of over 936 thousand square feet. As at 31 March 2018, the total asset value of the Fund amounted to RM610.4 million.

For more information about KIP REIT, please visit <http://www.kipreit.com.my/>

Issued by: Imej Jiwa Communications Sdn Bhd on behalf of KIP Real Estate Investment Trust (“KIP REIT”)

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