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KIP REIT Q2FY2023 GROSS REVENUE INCREASES 9.1% TO RM20.2 MILLION

Proposed income distribution of 1.45 sen per unit

Second Quarter FY2023 Highlights

- Net property income of RM15.2 million, rose by 5.4%.
- Total income available for distribution of RM8.4 million.

Kuala Lumpur, 17 January 2023 - KIP Real Estate Investment Trust ("KIP REIT") announced its financial results for the second quarter ended 31 December 2022 ("Q2FY2023") today.

For the quarter under review, KIP REIT delivered gross revenue of RM20.2 million, an increase of 9.1% as compared to the preceding year's corresponding quarter, which clocked in at RM18.5 million. The higher revenue was mainly attributed to an increase in occupancy rate on the back of mini anchor, Jalan Jalan Japan which commenced operations in Tampoi and Melaka. Correspondingly, net property income ("NPI") rose by 5.4% to RM15.2 million in Q2FYE2023 from RM14.4 million in Q2FYE2022, contributed by 18 days of lease income from the 3 newly acquired industrial properties located in Pulau Indah, Selangor, in which the acquisitions were completed on 14 December 2022. The realised profit after tax was RM9.9 million before the one-off expenses incidental to the acquisition while income available for distribution for the quarter remained steady at RM8.4 million.

The Southern region remained as the highest revenue contributor to KIP REIT, whereby the three malls located in the region reported gross revenue of RM9.9 million or 49.2% of the total revenue. In addition, the Central region's three malls recorded revenue of RM5.5 million or 27.2% and KIP REIT's sole mall in the Northern region clocked in RM4.5 million or 22.4% of the total revenue.



For the 1HFY2023, KIP REIT posted gross revenue of RM39.5 million, an increase of 10.9%, in comparison with 1HFY2022's RM35.6 million. In addition, the realised profit after tax before the one-off expenses incidental to acquisition for 1HFY2023 increased by 7.3% year-on-year to RM 18.7 million from RM17.4 million.

Commenting on the results, KIP REIT executive director Dato' Eric Ong Kook Liong, said, "We are pleased that KIP REIT has posted commendable results in the second quarter and overall first half of our 2023 financial year. We will continue to look towards acquiring high-quality accretive properties with strong recurring rental income, in order to create stable and sustainable returns for our unitholders.

We are also anticipating stable and sustainable income stream for 15 years through the lease agreements of our three newly acquired industrial properties in Pulau Indah, Selangor. With that said, we will continue to focus our core strengths and ensure active management of our existing retail assets under KIP REIT's portfolio to ensure continuous DPU payments to our unitholders. Despite the uncertainties in the global economy, we remain cautiously optimistic of our prospects and are exercising prudent capital control to upkeep our performance for the remainder of the 2023 financial year."

The Manager of KIP REIT has proposed a second income distribution of RM8.4 million, translating to 1.45 sen per unit, which includes a non-taxable portion of approximately 0.01 sen per unit derived from tax-exempt income which is not subject to tax. The book closure is fixed for 7 February 2023 and payment of the proposed income distribution will be made on 21 February 2023. Based on the closing price of RM 0.905 on 17 January 2023, the trailing twelve months distribution per unit gives a yield of approximately 7.29%.

About KIP Real Estate Investment Trust

KIP Real Estate Investment Trust ("KIP REIT") was listed on the Main Market of Bursa Malaysia Securities Berhad on 6 February 2017 with its principal activity being investing in a portfolio of retail real estate properties. All properties are strategically located in the suburban areas and concentrated in residential, commercial and industrial areas within a five-kilometre radius of catchment areas. Following the change



in its investment policy as of 12 October 2020, KIP REIT will be able to invest in real estate used for retail, industrial and commercial purposes to enhance its portfolio.

KIP REIT currently has a portfolio of 10 properties, which comprises of 3 industrial properties in Pulau Indah, Port Klang, 6 KIPMalls, located in Bangi, Tampoi, Kota Tinggi, Masai, Senawang and Melaka as well as AEON Mall Kinta City in Ipoh. It has a total net lettable area of over 1,853,717 square feet and total asset value of RM972.0 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

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