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KIP REIT'S GROWTH TRAJECTORY SURGES FURTHER, RECORDS BEST SECOND QUARTER EARNINGS EVER

Second Quarter FY2024 Highlights

- Net property income of RM16.8 million, rose by 10.7%.
- Profit after tax of RM10.6 million, up by 31.0%.
- Total income available for distribution of RM10.9 million, increased by 30.6%.
- Trailing twelve months distribution yield of 7.2 %.

Kuala Lumpur, 29 January 2024 - KIP Real Estate Investment Trust ("KIP REIT") announced its financial results for the second quarter ended 31 December 2023 ("Q2FY2024") today.

For the quarter under review, KIP REIT delivered gross revenue of RM22.6 million, 12.0% higher as compared to RM20.2 million in the preceding year's corresponding quarter. Of this RM22.6 million, the investment properties for the retail segment accounted for 94.3% while the industrial segment contributed 5.7%. For the retail segment, the southern region continued to be the highest revenue contributor. The revenue grew by 5.3% to RM10.4 million, equivalent to 49.0% of the segment's revenue. Revenue from the central region increased 15.6% to RM6.4 million, 29.8% of the segment's revenue. KIP REIT's AEON Mall Kinta City in the northern region registered RM4.5 million or 21.2% of the segment's revenue.

Net property income ("NPI") rose by 10.7% from RM15.2 million to RM16.8 million in Q2FY2024. Profit after tax ("PAT") in turn grew 31.0% to RM10.6 million against Q2FY2023's RM8.1 million and correspondingly, income available for distribution was RM10.9 million, up by 30.6%. The improved PAT was primarily attributed to the contribution from the 3 industrial properties and higher occupancy rate for retail spaces.



On a cumulative 6 months basis, KIP REIT registered an increase of 13.7% in gross revenue to RM45.0 million, in comparison to the same period previous year's of RM39.5 million. NPI and PAT improved by 12.9% and 24.3% respectively to RM33.3 million and RM21.0 million.

KIP REIT chief executive officer Valerie Ong Pui Shan said, "I am pleased with the financial performance being the best second quarter ever. Year to date, our average occupancy rate continues to be over 90%, which exhibits the attractiveness of our properties and our capability to attract the right mix of shoppers and tenants.

On another note, I am excited to share that the proposed acquisition of KIPMall Kota Warisan is on track, where all the conditions set out in the sale and purchase agreement with Cahaya Serijaya Sdn Bhd have been fulfilled. Barring any unforeseen circumstances, we are hopeful that the acquisition will be completed by the first quarter of 2024. This acquisition will be a valuable addition to our retail investment properties portfolio which will further solidify our position as a REIT player. Upon completion of the acquisition, our total net lettable area will increase by approximately 10%. We are cautiously optimistic to sustain a stable financial performance throughout this financial year as we continue to assess growth opportunities in the market."

The Manager of KIP REIT has proposed a second income distribution of RM9.6 million, translating to 1.55 sen per unit, which includes a non-taxable portion of approximately 0.70 sen per unit derived from capital allowances and tax-exempt income which is not subject to tax. The book closure date is fixed for 13 February 2024 and payment of the proposed income distribution will be made on 29 February 2024. Based on the closing price of RM0.885 on 29 January 2024, the trailing twelve months distribution per unit gives a yield of approximately 7.2%.

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 3 industrial properties in Pulau Indah, Port Klang and 6 KIPMalls located in Bangi, Tampoi, Kota Tinggi, Masai, Senawang and Melaka as well as AEON Mall Kinta City in Ipoh. It is in the midst of acquiring its eighth retail asset, KIPMall Kota Warisan which is expected to be completed by the third quarter of KIP REIT's FY2024. It has a total net lettable area of over 1.8 million square feet and total asset value of approximately RM1.02 billion.

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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