

KIP REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 1st quarter of 2018 ended 30 September 2017

<u>No</u>	<u>Contents</u>	<u>Page</u>
1.	Condensed Statement of Comprehensive Income	1
2.	Condensed Statement of Financial Position	2
3.	Condensed Statement of Changes in Net Assets Value	3
4.	Condensed Statement of Cash Flows	4
5.	Part A - Disclosure requirements pursuant to Malaysian Financial Reporting Standards ("MFRS") 134	5-8
6.	Part B - Additional disclosure pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")	9-14

KIP REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the 1st Quarter Ended 30 September 2017

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Gross rental income	13,052	-	13,052	-
Other income	2,248	-	2,248	-
Gross revenue	15,301	-	15,301	-
Utilities expenses	2,517	-	2,517	-
Maintenance and housekeeping expenses	854	-	854	-
Marketing expenses	328	-	328	-
Reimbursement costs	1,210	-	1,210	-
Property manager fee	36	-	36	-
Quit rent and assessment	319	-	319	-
Other operating expenses	414	-	414	-
Property operating expenses	5,677	-	5,677	-
Net property income	9,623	-	9,623	-
Interest income	206	-	206	-
Net investment income	9,829	-	9,829	-
Borrowing costs	1,159	-	1,159	-
Depreciation of plant and equipment	15	-	15	-
Manager's management fee	682	-	682	-
Auditors' remuneration	65	-	65	-
Trustees' fee	35	-	35	-
Valuers' fee	38	-	38	-
Other advisor fee	6	-	6	-
Office expenses	219	-	219	-
Profit before taxation	2,218	-	2,218	-
Taxation	-	-	-	-
Profit after taxation	7,611	-	7,611	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income attributable to unitholders	7,611	-	7,611	-
Profit after taxation is made up as follow:				
- Realised	7,611	-	7,611	-
- Unrealised	-	-	-	-
	7,611	-	7,611	-
Earning Per Unit (sen)	1.51	-	1.51	-

KIP REIT was established on 2 November 2016 and was listed on the Main Board of Bursa Malaysia Securities Berhad on 6 February 2017.

The actual results reported are for the current 1st quarter of 2018 (1 July 2017 to 30 September 2017) and the cumulative period ended 30 September 2017.

There were no comparative figures available for the 1st quarter of 2018 financial report ended 30 September 2017 as the acquisition of the properties were completed on 6 February 2017, the date of listing of KIP REIT.

**KIP REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	Unaudited As At End of Current Quarter 30 September 2017 RM ('000)	Audited As At Preceding Year Ended 30 June 2017 RM ('000)
ASSETS		
<u>Non-Current Assets</u>		
Plant and equipment	379	323
Investment properties	580,017	580,000
Total Non-Current Assets	580,396	580,323
<u>Current Assets</u>		
Trade receivables	2,158	2,533
Other receivables and prepaid expenses	5,764	5,085
Deposit with licensed bank	11,308	11,277
Cash and bank balances	12,389	13,695
Total Current Assets	31,619	32,590
TOTAL ASSETS	612,015	612,913
FINANCED BY UNITHOLDERS' FUND		
Unitholders' capital	492,314	492,264
Retained earnings	10,053	12,134
Total Unitholders' Fund	502,367	504,398
<u>Current Liabilities</u>		
Trade payables	445	535
Other payables and accrued expenses	12,272	11,098
Borrowings	616	616
Total Current Liabilities	13,334	12,249
<u>Non-Current Liabilities</u>		
Other payables and accrued expenses	10,096	10,096
Borrowings	86,217	86,170
Total Non-Current Liabilities	96,314	96,266
TOTAL LIABILITIES	109,647	108,515
TOTAL UNITHOLDERS' FUND AND LIABILITIES	612,015	612,913
Net Asset Value (NAV)		
- before income distribution	512,059	509,451
- after income distribution	502,367	504,398
Number of units in circulation (Units)	505,300	505,300
Net Asset Value per unit (RM)		
- before income distribution	1.0134	1.0082
- after income distribution	0.9942	0.9982

The unaudited condensed statement of the financial position should be read in conjunction with the Audited Financial Statement for the financial period ended 30 June 2017 and the accompanying notes attached to the financial statements.

KIP REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSETS VALUE
For the 1st Quarter Ended 30 September 2017

	Unitholders' capital	Retained earnings	Total funds
	RM ('000)	RM ('000)	RM ('000)
As at 1 July 2017	492,264	12,134	504,398
Total comprehensive income for the period attributable to unitholders	-	7,611	7,611
Distribution to unitholders	-	(9,692)	(9,692)
Net total comprehensive income for the period attributable to unitholders	492,264	10,053	502,317
Unitholders' transactions			
Listing expenses	50	-	50
Increase in net asset resulting from unitholders' transactions	50	-	50
As at 30 September 2017	<u>492,314</u>	<u>10,053</u>	<u>502,367</u>
As at 2 November 2016 (Date of establishment of KIP REIT)	-	-	-
Total comprehensive income for the period attributable to unitholders	-	14,660	14,660
Distribution to unitholders	-	(5,053)	(5,053)
Net total comprehensive income for the period attributable to unitholders	-	9,607	9,607
Unitholders' transactions			
Issue of new units	505,300	-	505,300
Valuation of units issued at fair value	(2,527)	-	(2,527)
Total value of units issued	502,774	-	502,774
Effect of fair value adjustment (due to units issued) for acquisition of investment properties	-	2,527	2,527
Listing expenses	(10,509)	-	(10,509)
Increase in net asset resulting from unitholders' transactions	492,264	2,527	494,791
As at 30 June 2017	<u>492,264</u>	<u>12,134</u>	<u>504,398</u>

The unaudited condensed statement of changes in net assets value of KIP REIT should be read in conjunction with the Audited Financial Statement for the financial period ended 30 June 2017 and the accompanying notes attached to the financial statements.

**KIP REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS**

	Year To Date	
	Unaudited As At End of Current Quarter 30 September 2017 RM ('000)	Audited As At Preceding Year Ended 30 September 2016 RM ('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,611	-
Adjustment for:		
Borrowing costs	1,159	-
Interest income	(206)	-
Depreciation of plant and equipment	15	-
Operating income before changes in working capital	<u>8,579</u>	<u>-</u>
Net change in trade and other receivables	(304)	-
Net change in payables and accruals	1,183	-
Cash generated from operations	<u>9,458</u>	<u>-</u>
Taxes paid	-	-
Net cash generated from operating activities	<u>9,458</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	206	-
Placement of short term deposits	(31)	-
Purchase of plant and equipment	(71)	-
Capital expenditure on investment properties	(17)	-
Net cash from investing activities	<u>87</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Income distribution paid to unitholders	(9,692)	-
Interest paid	(1,159)	-
Net cash used in financing activities	<u>(10,850)</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,305)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>13,695</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>12,389</u>	<u>-</u>

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