

Financial Report for the Final FY2024 ended 30 June 2024

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**KIP REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Quarter			Period-To-Date		
	30 Jun 2024	30 Jun 2023	Changes	30 Jun 2024	30 Jun 2023	Changes
	RM '000	RM '000	%	RM '000	RM '000	%
Gross revenue	32,639	22,392	45.8%	102,159	83,750	22.0%
Utilities expenses	(2,877)	(2,906)	1.0%	(11,653)	(10,209)	(14.1%)
Maintenance and housekeeping expenses	(793)	(718)	(10.4%)	(2,856)	(2,504)	(14.1%)
Marketing expenses	(124)	(58)	(114.8%)	(403)	(234)	(72.4%)
Quit rent and assessment	(540)	(495)	(9.2%)	(2,058)	(1,928)	(6.7%)
Reimbursement costs	(1,234)	(1,139)	(8.4%)	(4,477)	(3,967)	(12.8%)
Property manager fee	(45)	(41)	(10.3%)	(170)	(145)	(17.1%)
Other operating expenses	(597)	(801)	25.4%	(2,725)	(2,611)	(4.4%)
Property operating expenses	(6,210)	(6,158)	(0.8%)	(24,342)	(21,598)	(12.7%)
Net property income	26,429	16,234	62.8%	77,817	62,152	25.2%
Changes in fair value on investment properties	(4,230)	23,092	(118.3%)	(4,230)	23,092	(118.3%)
Interest income	163	338	(51.7%)	857	1,295	(33.9%)
Net investment income	22,362	39,664	(43.6%)	74,444	86,539	(14.0%)
Manager's management fee	(800)	(1,720)	53.5%	(7,035)	(7,387)	4.8%
Trustees' fee	(104)	(120)	13.3%	(259)	(415)	37.6%
Auditors' remuneration	23	39	40.7%	(133)	(123)	(8.2%)
Valuers' fee	-	157	100.0%	(214)	(208)	(2.8%)
Other trust expenses	(876)	(887)	1.3%	(2,800)	(2,855)	1.9%
Borrowing costs	(4,560)	(3,794)	(20.2%)	(16,689)	(14,759)	(13.1%)
	(6,317)	(6,325)	0.1%	(27,130)	(25,747)	(5.4%)
Profit before taxation ^{N1}	16,045	33,339	(51.9%)	47,314	60,792	(22.2%)
Taxation	-	-	-	-	-	-
Profit after taxation	16,045	33,339	(51.9%)	47,314	60,792	(22.2%)
Total comprehensive income attributable to unitholders	16,045	33,339	(51.9%)	47,314	60,792	(22.2%)
Profit after taxation is made up as follows:						
- Realised	11,992	10,247	17.0%	44,993	39,476	14.0%
- Incidental cost attributable to the acquisition	1,206	-	-	(526)	(1,776)	(70.4%)
- Unrealised	2,847	23,092	(87.7%)	2,847	23,092	(87.7%)
	16,045	33,339	(51.9%)	47,314	60,792	(22.2%)
Weighted average number of units ('000)	618,630	606,360		613,165	580,629	
Earnings per unit ("EPU") (sen) ^{N2}						
- Realised	2.1333	1.6898		7.2522	6.4930	
- Unrealised	0.4602	3.8083		0.4643	3.9771	
	2.5937	5.4982		7.7163	10.4700	
Total comprehensive income	16,045	33,339		47,314	60,792	
Distribution adjustments	(2,560)	(22,817)		(1,737)	(22,028)	
Total current period / year distributable income	13,485	10,522		45,577	38,764	
Distribution per unit (sen)	1.9650	1.7500		6.6650	6.2000	

^{N1} Included in profit before taxation are following items:

Interest income	163	338	857	1,295
Deferred lease incentives	7,077	-	7,077	-
Amortisation of rental rebate	137	(21)	(22)	(205)
Amortisation of transactions costs	85	64	290	256
Changes in fair value on investment properties	(4,230)	23,092	(4,230)	23,092
Depreciation of equipment	(137)	(130)	(554)	(549)
Depreciation for right of use assets	(196)	-	(196)	-
Lease Interest Expense	(36)	-	(36)	-
Allowance for impairment on receivable	31	(60)	47	(49)
Bad debts written off	-	-	(59)	-
Write off of equipment	-	-	-	(5)

^{N2} EPU for the current quarter is computed based on Profit after tax for the quarter divided by number of units in issue of 618,629,900 units and EPU for the current period is based on weighted average number of units in issue of 613,165,436 units. EPU for preceding year corresponding quarter is computed based on weighted average number of units in issue of 606,360,000 units and EPU for preceding year corresponding period is based on weighted average number of units in issue of 580,628,712 units.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 ("AFS FY2023") and the accompanying notes attached to this Interim Financial Report.

KIP REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)
STATEMENT OF INCOME DISTRIBUTION

	Quarter			Period-To-Date		
	30 Jun 2024	30 Jun 2023	Changes	30 Jun 2024	30 Jun 2023	Changes
	RM '000	RM '000	%	RM '000	RM '000	%
Net property income	26,429	16,234	62.8%	77,817	62,152	25.2%
Changes in fair value on investment properties	(4,230)	23,092	(118.3%)	(4,230)	23,092	(118.3%)
Interest income	163	338	(51.7%)	857	1,295	(33.9%)
	22,362	39,664	(43.6%)	74,444	86,539	(14.0%)
Less : Expenses	(6,317)	(6,325)	0.1%	(27,130)	(25,747)	(5.4%)
Total comprehensive income	16,045	33,339	(51.9%)	47,314	60,792	(22.2%)
Distribution adjustment						
- Amortisation of transactions costs	85	64		290	256	
- Depreciation of equipment	137	130		554	549	
- Depreciation for right of use assets	196	-		196	-	
- Lease interest expense	36	-		36	-	
- Deferred lease incentives	(7,077)	-		(7,077)	-	
- Changes in fair value on investment properties	4,230	(23,092)		4,230	(23,092)	
- Allowance for impairment on receivable	(31)	60		(47)	49	
- Bad debts written off	-	-		59	-	
- Write off of equipment	-	-		-	5	
- Net amortisation of rental rebate for MCO	(136)	21		22	205	
	(2,560)	(22,817)		(1,737)	(22,028)	
Total current period / year distributable income	13,485	10,522	28.2%	45,577	38,764	17.6%
Undistributed distributable income brought forward	12,670	9,554	32.6%	9,465	7,500	26.2%
Distributable income	26,155	20,076	30.3%	55,042	46,264	19.0%
Less: Proposed / declared income distribution	(12,156)	(10,611)	14.6%	(41,043)	(36,799)	11.5%
Undistributed distributable income	13,999	9,465	47.9%	13,999	9,465	47.9%
Distribution per unit (sen)	1.9650	1.750	12.3%	6.6650	6.2000	7.5%

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 ("AFS FY2023") and the accompanying notes attached to this Interim Financial Report.

KIP REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Fund	
	Unaudited As At	Audited As At	Unaudited As At	Audited As At
	30 Jun 2024	30 Jun 23	30 Jun 2024	30 Jun 23
	RM '000	RM '000	RM '000	RM '000
ASSETS				
<u>Non-Current Assets</u>				
Equipment	1,406	1,520	1,406	1,520
Investment properties	1,054,523	964,300	1,054,523	964,300
Right of use assets	1,278	-	1,278	-
Trade and other receivables	7,077	-	7,077	-
<i>Interest expense on lease liabilities</i>	<u>1,064,284</u>	<u>965,820</u>	<u>1,064,284</u>	<u>965,820</u>
<u>Current Assets</u>				
Trade and other receivables	36,772	8,810	36,772	8,810
Cash and bank balances	34,892	48,761	24,153	40,929
Total Current Assets	<u>71,664</u>	<u>57,571</u>	<u>60,925</u>	<u>49,739</u>
TOTAL ASSETS	<u>1,135,948</u>	<u>1,023,391</u>	<u>1,125,209</u>	<u>1,015,559</u>
FINANCED BY:				
Unitholders' fund				
Unitholders' capital	583,626	573,785	583,626	573,785
Retained earnings	94,003	86,186	94,003	86,186
Total Unitholders' Fund	<u>677,629</u>	<u>659,971</u>	<u>677,629</u>	<u>659,971</u>
<u>Non-Current Liabilities</u>				
Borrowings	109,457	309,586	-	-
Amount due to a subsidiary	-	-	412,638	305,385
Other payables and accruals	12,185	16,167	12,185	16,167
Lease liabilities	1,071	-	1,071	-
Total Non-Current Liabilities	<u>122,713</u>	<u>325,753</u>	<u>425,894</u>	<u>321,552</u>
<u>Current Liabilities</u>				
Borrowings	313,869	23,631	-	20,000
Trade payables	398	549	398	549
Other payables and accruals	21,106	13,487	21,055	13,487
Lease liabilities	233	-	233	-
Total Current Liabilities	<u>335,606</u>	<u>37,667</u>	<u>21,686</u>	<u>34,036</u>
TOTAL LIABILITIES	<u>458,319</u>	<u>363,420</u>	<u>447,580</u>	<u>355,588</u>
TOTAL UNITHOLDERS' FUND AND LIABILITIES	<u>1,135,948</u>	<u>1,023,391</u>	<u>1,125,209</u>	<u>1,015,559</u>
Net Asset Value (NAV)				
- before income distribution	717,126	696,770	717,126	696,770
- after income distribution	<u>677,629</u>	<u>659,971</u>	<u>677,629</u>	<u>659,971</u>
Number of units in circulation (Units)	618,630	606,360	618,630	606,360
Net Asset Value per unit (RM)				
- before income distribution	1.1592	1.1491	1.1592	1.1491
- after income distribution	<u>1.0954</u>	<u>1.0884</u>	<u>1.0954</u>	<u>1.0884</u>

The unaudited Condensed Consolidated Statement of the Financial Position should be read in conjunction with the AFS FY 2023 and the accompanying notes attached to this Interim Financial Report.

KIP REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' capital	Retained earnings	Total
	RM '000	RM '000	RM '000
Group and Fund			
As at 1 July 2023	573,785	86,186	659,971
Profit for the year	-	47,314	47,314
Total comprehensive income for the period attributable to unitholders	-	47,314	47,314
Unitholders' transactions			
Distribution to unitholders	-	(39,497)	(39,497)
Issuance and placement of units	10,000	-	10,000
Issuing expenses	(159)	-	(159)
Increase/(Decrease) in net asset resulting from unitholders' transactions	9,841	(39,497)	(29,656)
As at 30 June 2024	<u>583,626</u>	<u>94,003</u>	<u>677,629</u>
Group and Fund			
As at 1 July 2022	492,333	62,193	554,526
Profit for the year	-	60,792	60,792
Total comprehensive income for the period attributable to unitholders	-	60,792	60,792
Unitholders' transactions			
Distribution to unitholders	-	(36,799)	(36,799)
Issuance and placement of units	82,399	-	82,399
Issuing expenses	(947)	-	(947)
Increase/(decrease) in net asset resulting from unitholders' transactions	81,452	(36,799)	44,653
As at 30 June 2023	<u>573,785</u>	<u>86,186</u>	<u>659,971</u>

The unaudited condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the AFS FY 2023 and the accompanying notes attached to this Interim Financial Report.

	Group		Fund	
	Cumulative Year-To-Date 30 Jun 2024 RM '000	Cumulative Year-To-Date 30 Jun 2023 RM '000	Cumulative Year-To-Date 30 Jun 2024 RM '000	Cumulative Year-To-Date 30 Jun 2023 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	47,314	60,792	47,314	60,792
Adjustment for:				
Deferred lease incentives	(7,077)	-	(7,077)	-
Changes in fair value on investment properties	4,230	(23,092)	4,230	(23,092)
Interest expenses on borrowings	16,399	14,503	397	634
Interest expenses on advance from a subsidiary	-	-	16,002	13,869
Interest income	(857)	(1,295)	(857)	(1,295)
Interest expense on lease liabilities	36	-	36	-
Depreciation for right of use assets	196	-	196	-
Depreciation of equipment	554	549	554	549
Amortisation of transaction costs	290	256	290	256
Bad debts written off	59	-	59	-
Write off of equipment	-	5	-	5
(Reversal)/Allowance for impairment on receivable	(47)	49	(47)	49
Operating income before changes in working capital	61,097	51,767	61,097	51,767
Net change in trade and other receivables	(27,956)	(4,708)	(27,956)	(4,708)
Net change in payables and accruals	3,634	8,517	3,583	8,517
Cash generated from operations	36,775	55,576	36,724	55,576
Taxes paid	-	-	-	-
Net cash generated from operating activities	36,775	55,576	36,724	55,576
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	838	1,239	838	1,239
Purchase of equipment	(440)	(128)	(440)	(128)
Acquisition of investment properties	(80,000)	(78,700)	(80,000)	(78,700)
Asset enhancement on investment properties	(14,453)	(10,508)	(14,453)	(10,508)
Net cash used in investing activities	(94,055)	(88,097)	(94,055)	(88,097)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new units	10,000	82,399	10,000	82,399
Payment of issuing expenses	(159)	(947)	(159)	(947)
Income distribution paid to unitholders	(39,497)	(36,799)	(39,497)	(36,799)
Repayment to a subsidiary company	-	-	(3,308)	(182)
Interest paid in advance from a subsidiary	-	-	(15,731)	(13,821)
Placement for deposit maturity more than 3 months	(572)	-	(572)	-
Payment for transaction costs	(452)	-	-	-
Interest paid on borrowings	(16,275)	(14,365)	(544)	(544)
Interest paid on lease	(36)	-	(36)	-
Lease payment (principal portion)	(170)	-	(170)	-
Repayment of borrowings	(20,000)	-	(20,000)	-
Proceeds from borrowings	110,000	20,000	110,000	20,000
Net cash generated from financing activities	42,839	50,288	39,983	50,106
Net (decrease)/increase in cash and cash equivalents	(14,441)	17,767	(17,348)	17,585
Cash and cash equivalents at beginning of period	48,761	30,994	40,929	23,344
Cash and cash equivalents at end of period	34,320	48,761	23,581	40,929

Cash and cash equivalent in the consolidated statement of cash flows comprise the following statement of financial position amounts:

Cash in hand	-	*	-	*	-	-
Bank balances	12,009		6,264		11,213	6,247
Short term deposits placed with licensed bank	22,883		42,497		12,940	34,682
	34,892		48,761		24,153	40,929
Less:						
Deposit with maturity period of more than 3 months	(572)		-		(572)	-
Cash and cash equivalents	34,320		48,761		23,581	40,929
Pledged deposits	12,252		9,393		2,309	1,578

* Denotes RM2

The unaudited condensed Consolidated Statement of Cash Flow should be read in conjunction with the AFS FY 2023 and the accompanying notes attached to this Interim Financial Report.

PART A - DISCLOSURE REQUIREMENTS PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134

A1. CORPORATE INFORMATION

KIP Real Estate Investment Trust ("KIP REIT" or the "Fund") is a Malaysia domiciled real estate investment trust constituted pursuant to the trust deed dated 2 November 2016 as amended and restated by the Restated deed dated 12 December 2019 and the supplementary deed dated 29 September 2020 (collectively referred to as the "Deed") between KIP REIT Management Sdn. Bhd. (the "Manager") and Pacific Trustees Berhad (the "Trustee"). The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 6 February 2017. The unaudited condensed consolidated interim financial statements comprise KIP REIT and its subsidiary (the "Group").

A2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board, paragraph 9.44 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Deed and the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines").

The unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2023 ("AFS FY2023") and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements. The accounting policies and methods of computation adopted in these unaudited condensed consolidated financial statements are consistent with those disclosed in the AFS FY2023.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the financial statements of KIP REIT for the preceding financial year ended 30 June 2023 was not qualified.

A4. SEASONALITY AND CYCLICALITY OF OPERATIONS

KIP REIT's operations were not significantly affected by seasonal or cyclical factors.

A5. UNUSUAL ITEMS AFFECTING THE FINANCIAL STATEMENTS

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flow during the financial period to date under review.

A6. CHANGES IN ESTIMATES

Not applicable as no estimates were previously reported.

A7. ISSUANCES, CANCELLATIONS, REPURCHASES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale, and repayment of debt and equity securities for the current quarter.

A8. INCOME DISTRIBUTION

The Manager intends to distribute at least 90% of the distributable income to the unitholders of KIP REIT in financial year ending 30 June 2024, on a quarterly basis.

For the quarter ended 30 June 2024, the Manager proposed a final income distribution of RM12.2 million or 1.965 sen per unit, which includes a non-taxable portion of approximately 0.438 sen per unit derived from capital allowances and tax-exempt income which is not subject to tax. The book closure and payment dates in respect of the proposed income distribution will be fixed on 9 August 2024 and 30 August 2024 respectively.

This amount has not been included in a liability in the current financial quarter under review.

PART A - DISCLOSURE REQUIREMENTS PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134 (CONT'D)

A9. SEGMENT REPORTING

Segmental result for the second quarter ended 30 June 2024 and 30 June 2023 are as follows:-

	Final quarter Ended 30 June 2024			Final quarter Ended 30 June 2023		
	Retail RM'000	Industrial RM'000	Total RM'000	Retail RM'000	Industrial RM'000	Total RM'000
Gross revenue	29,387	3,252	32,639	21,108	1,284	22,392
Property operating expenses	(6,194)	(16)	(6,210)	(6,149)	(9)	(6,158)
Net Property Income	23,193	3,236	26,429	14,959	1,275	16,234
Net changes in fair value on investment properties	(2,563)	(1,667)	(4,230)	22,492	600	23,092
Interest income	151	12	163	338	-	338
Borrowing costs	(4,213)	(347)	(4,560)	(3,574)	(220)	(3,794)
Trust and other expenses	(1,586)	(171)	(1,757)	(2,294)	(237)	(2,531)
Profit before taxation	14,982	1,063	16,045	31,921	1,418	33,339
Taxation	-	-	-	-	-	-
Profit after taxation	14,982	1,063	16,045	31,921	1,418	33,339

Segmental result for year ended 30 June 2024 and 30 June 2023 are as follows:-

	YTD Ended 30 June 2024			YTD Ended 30 June 2023		
	Retail RM'000	Industrial RM'000	Total RM'000	Retail RM'000	Industrial RM'000	Total RM'000
Gross revenue	95,057	7,102	102,159	80,934	2,816	83,750
Property operating expenses	(24,291)	(51)	(24,342)	(21,580)	(18)	(21,598)
Net Property Income	70,766	7,051	77,817	59,354	2,798	62,152
Net changes in fair value on investment properties	(2,563)	(1,667)	(4,230)	22,492	600	23,092
Interest income	835	22	857	1,295	-	1,295
Borrowing costs	(15,424)	(1,265)	(16,689)	(14,166)	(593)	(14,759)
Trust and other expenses	(9,864)	(577)	(10,441)	(8,722)	(2,266)	(10,988)
Profit before taxation	43,750	3,564	47,314	60,253	539	60,792
Taxation	-	-	-	-	-	-
Profit after taxation	43,750	3,564	47,314	60,253	539	60,792

PART A - DISCLOSURE REQUIREMENTS PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134 (CONT'D)

A10. VALUATION OF INVESTMENT PROPERTIES

Investment properties are valued by independent registered valuers. The difference between the valuation and the carrying amounts of the respective investment properties are charged or credited to the profit or loss for the period in which they arise. There is valuation performed during the quarter under review.

Investment Properties	Fair value		Increase/ (Decrease) RM'000
	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000	
KIPMall Tampoi	181,000	179,000	2,000
KIPMall Kota Tinggi	59,000	58,000	1,000
KIPMall Masai	187,000	186,000	1,000
KIPMall Senawang	25,000	28,000	(3,000)
KIPMall Melaka	60,000	55,000	5,000
KIPMall Bangi	128,000	125,000	3,000
KIPMall Kota Warisan	88,000	-	88,000
AEON Mall Kinta City	254,000	254,000	-
KV3A	24,100	24,000	100
KV5	27,200	27,100	100
KV9	28,300	28,200	100
Market value as at 30 June 2024	1,061,600	964,300	97,300
Less: Deferred lease incentives	(7,077)	-	(7,077)
Total investment properties	1,054,523	964,300	90,223
Less: Capital expenditure			(14,453)
Less: new acquisition during FY2024			(80,000)
Changes in fair value on investment properties			(4,230)

A11. SUBSEQUENT MATERIAL EVENT

There were no subsequent transaction or event of a material or unusual in nature during the period from the end of the quarter under review to the date of this report.

A12. CHANGES IN THE COMPOSITION / FUND SIZE OF KIP REIT

KIP REIT's fund size was increased from 606,360,000 units to 618,629,900 units as at 30 June 2024 with the issuance of 12,269,900 new units on 11 December 2023.

A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

A14. CAPITAL COMMITMENT

The amount of commitments for investment properties not provided for in the unaudited condensed consolidated financial statements were as follows:

	As at 30.06.2024 RM'000	As at 30.6.2023 RM'000
Approved and contracted for		
KIPMall Bangi Facelift	1,217	11,103
KIPMall Senawang	1,087	-

B1. REVIEW OF PERFORMANCE

Comparison with Preceding Year Corresponding Quarter and Year-to-date

	Quarter			Year To Date		
	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>Changes</u>	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>Changes</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>(%)</u>	<u>RM'000</u>	<u>RM'000</u>	<u>(%)</u>
Gross revenue						
Southern Region	10,612	10,454	1.5%	42,223	40,276	4.8%
Central Region	9,228	6,215	48.5%	29,807	22,743	31.1%
Northern Region	9,547	4,439	115.1%	23,027	17,915	28.5%
Retail segment	29,387	21,108	39.2%	95,057	80,934	17.4%
Industrial segment	3,252	1,284	153.4%	7,102	2,816	152.2%
	<u>32,639</u>	<u>22,392</u>	<u>45.8%</u>	<u>102,159</u>	<u>83,750</u>	<u>22.0%</u>
Net property income						
Southern Region	8,144	7,692	5.9%	31,973	30,398	5.2%
Central Region	5,675	2,985	90.1%	16,408	11,665	40.7%
Northern Region	9,374	4,283	118.9%	22,384	17,291	29.5%
Retail segment	23,193	14,959	55.0%	70,765	59,354	19.2%
Industrial segment	3,236	1,275	153.9%	7,052	2,798	152.1%
	<u>26,429</u>	<u>16,234</u>	<u>62.8%</u>	<u>77,817</u>	<u>62,152</u>	<u>25.2%</u>
Profit before taxation						
Realised	11,992	10,247	17.0%	44,993	39,476	14.0%
One off expenses	1,206	-	0.0%	(526)	(1,776)	(70.4%)
Unrealised	2,847	23,092	(87.7%)	2,847	23,092	(87.7%)
	<u>16,045</u>	<u>33,339</u>	<u>(51.9%)</u>	<u>47,314</u>	<u>60,792</u>	<u>(22.2%)</u>
Income available for distribution	13,485	10,522	28.2%	45,577	38,764	17.6%

Quarterly Results

KIP REIT recorded gross revenue of RM32.6 million in Q4FY24, as compared to RM22.4 million in Q4FY23, a growth of 46%. The increase in gross revenue is mainly driven from the 39.2% growth from the retail segment, particularly increase from the central region by 48.5% to RM9.2 million.

Out of the total revenue, the retail segment contributed 90% or RM29.4 million, while the industrial segment contributes 10% or RM3.2 million. The southern, central and northern regions contributed 36.1%, 31.4% and 32.5% respectively out from the revenue from retail segments of RM29.4 million.

Q4FY24 realised profit before tax improved 17.0% mainly due to higher NPI and improvement in occupancy rate.

Year to date Results

KIP REIT recorded a gross revenue of RM102.2mil in FY24, as compared to RM83.7mil in FY23, a growth of 22%. The improved overall financial performance was primarily boosted by the improved year to date occupancy rate for the retail sector from 92.0% to 94.1%, recognition of full year lease income from the three industrial properties acquired in December 2022, coupled with contribution from the newly acquired KIPMall Kota Warisan.

Year-to-date realised profit before tax and income available for distribution was 14.0% and 17.6% respectively higher against last year mainly due to explanation above.

The total net asset value and net asset value per unit (after income distribution) stood at RM677.6 million (30 June 2023: RM660.0 million) and RM 1.0954 (30 June 2023: RM1.0884) respectively. The increase in the net asset value mainly due to acquisition of investment property during the financial year.

B2. MATERIAL CHANGES IN QUARTERLY RESULTS AS COMPARED TO IMMEDIATE PRECEDING QUARTER

	Current Quarter		Immediate	Changes
	Preceding Quarter		Preceding Quarter	
	<u>30.06.2024</u>	<u>31.03.2024</u>	<u>31.03.2024</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>(%)</u>	
Gross revenue	32,639	24,548		33.0%
Net property income	26,429	18,093		46.1%
Profit before taxation				
Realised	13,198	10,230		29.0%
Unrealised	2,847	-		0.0%
	<u>16,045</u>	<u>10,230</u>		56.9%
Income available for distribution	13,485	10,453		29.0%

KIP REIT's revenue for the current quarter was 33.0% higher than the immediate preceding quarter ended 31 March 2024 mainly contributed by higher occupancy rates from retail spaces.

NPI increase by 46.1% consistent with increase in gross revenue.

The realised profit before taxation is 29.0% higher than the immediate preceding quarter ended 31 March 2024 due to the capitalise expenses directly incidental to the acquisition of KIPMall, Kota Warisan amounting to RM1.2 million.

There was unrealised profit before tax in the immediate preceding quarter on the changes in fair value on investment properties.

Consequential, current quarter income available for distribution is 29.0% higher than the immediate preceding quarter ended 31 March 2024.

B3. PROSPECTS

The Manager holds a favorable outlook, considering the positive performance of KIP REIT's existing property portfolio and their strategic endeavors to actively enhance leasing and operational strategies while pursuing investments of high quality. As a result, the manager anticipates the ability to sustain a stable performance throughout fiscal year 2024.

The Manager will continue to manage the existing portfolio and exercise prudent capital management in order to deliver sustainable DPU to Unitholders. The Manager will also continue to evaluate growth opportunities in its existing and new asset classes of retail and industrial assets.

B4. PORTFOLIO COMPOSITON

During the financial period under review, the KIP REIT's portfolio consists of total of eleven (11) assets. There are three (3) industrial properties and eight (8) retail malls. The eight (8) retail malls, of which three (3) are in the Southern region, four (4) are in the Central region and one (1) in the Northern region.

B5. TAXATION

Trust Level

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of KIP REIT will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the investors in the basis period of KIP REIT for that year of assessment within two (2) months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two (2) months after the close of KIP REIT financial year which forms the basis period for a year of assessment, KIP REIT will be subjected to income tax at the prevailing rate on its total taxable income. Income which has been taxed at the KIP REIT level will have tax credits attached when subsequently distributed to unitholders.

As KIP REIT intends to distribute more than 90% of its distributable income, which translates to more than 90% of its total taxable income, to its unitholders for the financial year ending 30 June 2024, no provision for taxation has been made for the current quarter.

Unitholders' Level

Pursuant to the section 109D of Act, the following withholding tax rates would be applicable on distribution of income which is tax exempt at KIP REIT's level:

Resident unitholder:

a)	Company	Tax flow through; thus no withholding tax
b)	Other than company	Withholding tax at 10%

Non-resident unitholder:

a)	Company	Withholding tax at 24%
b)	Institutional investors	Withholding tax at 10%
c)	Individuals	Withholding tax at 10%

B6. INVESTMENT OBJECTIVES

The Manager's key investment objective is to provide unitholders with regular and stable distributions, sustainable long-term unit price, distributable income and capital growth, while maintaining an appropriate capital structure. The Manager is pleased to report that since the listing of KIP REIT, the Trust has been successful in achieving the investment objectives. There was no change in the investment objectives of KIP REIT as at the date of this report.

B7. STRATEGIES AND POLICIES

There were no change in the strategies and policies employed since the issuance of the 2023 integrated annual report of KIP REIT.

B8. STATUS OF CORPORATE PROPOSAL

(a) Acquisition of KIPMall Kota Warisan

On 16 June 2023, the Manager announced that the Trustee to KIP REIT has entered into conditional sale and purchase agreements ("SPAs") with Cahaya Serijaya Sdn Bhd ("Vendor"), for proposed acquisition of KIPMall Kota Warisan ("Properties") for a cash consideration of RM80.0 million ("Proposed Acquisitions"). The Proposed Acquisition is a related party transaction under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In conjunction with the Proposed Acquisition, the Trustee on recommendation of the Manager, proposes to undertake a private placement to raise gross proceeds of approximately RM10.0 million.

On 8 February 2024, the Manager announced the completion of the Proposed Acquisition with the settlement of the balance of purchase price.

(b) Completion of private placements

On 4 October 2023, the Manager announced that the unitholders approved the proposed acquisition and the proposed private placement of up to 12,269,900 new units in KIP REIT, at an issue price to be determined later to raise approximately RM10.0million.

On 28 November 2023, the Manager announced that the issue price for the first tranche of the Placement Units in respect of the Proposed Private Placement has been fixed at RM0.815 per Placement Unit. The issue price of RM0.815 represents a discount of RM0.0822 or approximately 9.16% to the 5-day VWAMP of KIP REIT Units up to and including 27 November 2023 of RM0.8972, being the market day immediately preceding the price-fixing date.

On 11 December 2023, the Manager announced that the Placement Units amounting to 12,269,900 new units were listed on 11 December 2023 ("Placement Units") on the Main Market of Bursa Securities. The listing of the Placement Units marks the completion of the Private Placement. Arising therefrom, the Board of the Manager wishes to announce that all the conditions precedent set out in the SPA have been fulfilled. Accordingly, the SPA has become unconditional on 11 December 2023.

(c) Proposed acquisition of DPulze Ventures Sdn Bhd

On 27 May 2024 and 30 May 2024, the Manager announced that the Trustee to KIP REIT has entered into a conditional sale and purchase agreement with DPulze Ventures Sdn Bhd for the proposed acquisition of DPulze Shopping Centre for a cash purchase consideration of RM320.0 million ("Proposed Acquisition"). In conjunction with the Proposed Acquisition, the Board proposes to undertake the private placement of up to 180,000,000 new units in KIP REIT, at an issue price to be determined later to raise approximately RM172.3million.

B9. BORROWINGS

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>
	30.06.2024	31.03.2024
	RM'000	RM'000
Current (secured):		
Short term revolving credit	-	-
Medium term notes	314,159	1,537
Unamortised transaction cost	(290)	(269)
	<u>313,869</u>	<u>1,268</u>
Non-current (secured):		
Medium term notes	110,000	388,000
Unamortised transaction cost	(543)	(564)
	<u>109,457</u>	<u>387,436</u>
Total borrowings	<u>423,326</u>	<u>388,704</u>
Total assets	<u>1,135,948</u>	<u>1,095,817</u>
Gearing ratio (%)	37.27%	35.47%

The weighted average interest rate of borrowings as at 30 June 2024 was 4.69% per annum (31 March 2023: 4.84% per annum) and the percentage proportion of debt that is based on fixed and floating interest rate of 50 : 50.

B10. MATERIAL LITIGATION

There was no material litigation pending as at the date of this report.

B11. SOFT COMMISSION RECEIVED

There was no soft commission received by the Manager during the current period-to-date.

B12. SUMMARY OF DPU, EPU, NAV AND MARKET PRICE

	Current Quarter ended 30 June 2024	Immediate Preceding Quarter ended 31 March 2024
Number of units in issue (units'000)	618,630	618,630
Net realised income (RM'000)	11,992	11,961
Realised earnings per unit (EPU) (sen)		
- before Manager's fee	2.1333 ^{N2}	2.0997 ^{N2}
- after Manager's fee	0.4602 ^{N2}	1.6563 ^{N2}
Net Income distribution to unitholders (RM'000)	12,156	9,898
Distribution per unit (DPU) (sen)	1.965	1.600
Net Asset Value (NAV) (RM'000)	677,629	671,481
NAV per unit (RM)	1.0954	1.0854
Market value per unit (RM)	0.8900	0.8900

^{N1} Weighted average number of units in issue. The total number of units issued increased from 606,360,000 units to 618,629,900 units with the issuance and listing of total 12,269,900 new units arising from private placement on 11 December 2023.

^{N2} Based on total units in issued of 618,629,900 units.

B13. RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this Interim Financial Report has been prepared in accordance with MFRS 134: Interim Financial Reporting, the MMLR and the REIT Guidelines so as to give a true and fair view of the financial position of KIP REIT as at 30 June 2024 and of its financial performance and cash flows for the financial period ended on that date and duly authorised for release by the Board of Directors of the Manager on 25 July 2024.