

## **Financial Report for the 2nd quarter FY2025 ended 31 December 2024**

<b><u>No</u></b>	<b><u>Contents</u></b>	<b><u>Page</u></b>
1.	Condensed Consolidated Statement of Comprehensive Income	1 - 2
2.	Condensed Consolidated Statement of Financial Position	3
3.	Condensed Consolidated Statement of Changes in Net Asset Value	4
4.	Condensed Consolidated Statement of Cash Flows	5
5.	Part A - Disclosure Requirements Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134	6 - 7
6.	Part B - Additional Information Pursuant to the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities")	8 - 12

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

	Quarter			Period-To-Date		
	31 Dec 2024	31 Dec 2023	Changes	31 Dec 2024	31 Dec 2023	Changes
	RM '000	RM '000	%	RM '000	RM '000	%
Lease income	26,979	20,947	28.8%	51,555	41,521	24.2%
Revenue from contracts with customers	3,021	1,658	82.2%	5,150	3,451	49.2%
<b>Gross revenue</b>	<b>30,000</b>	<b>22,605</b>	<b>32.7%</b>	<b>56,705</b>	<b>44,972</b>	<b>26.1%</b>
Utilities expenses	(4,260)	(2,804)	(51.9%)	(7,279)	(5,693)	(27.9%)
Maintenance and housekeeping expenses	(941)	(694)	(35.6%)	(1,970)	(1,351)	(45.8%)
Marketing expenses	(184)	(73)	(152.4%)	(334)	(133)	(151.1%)
Quit rent and assessment	(574)	(496)	(15.8%)	(1,115)	(991)	(12.5%)
Reimbursement costs	(1,576)	(1,053)	(49.6%)	(3,089)	(2,047)	(50.9%)
Property manager fee	(45)	(41)	(10.3%)	(90)	(82)	(10.3%)
Other operating expenses	(798)	(666)	(19.8%)	(1,535)	(1,380)	(11.2%)
Property operating expenses	<b>(8,378)</b>	<b>(5,827)</b>	<b>(43.8%)</b>	<b>(15,412)</b>	<b>(11,677)</b>	<b>(32.0%)</b>
<b>Net property income</b>	<b>21,622</b>	<b>16,778</b>	<b>28.9%</b>	<b>41,293</b>	<b>33,295</b>	<b>24.0%</b>
Changes in fair value on investment properties	(489)	-	0.0%	(945)	-	0.0%
Interest income	322	257	25.1%	643	536	19.8%
<b>Net investment income</b>	<b>21,455</b>	<b>17,035</b>	<b>25.9%</b>	<b>40,991</b>	<b>33,831</b>	<b>21.2%</b>
Manager's management fee	(2,963)	(1,670)	(77.4%)	(6,282)	(3,475)	(80.8%)
Trustees' fee	(67)	(107)	37.6%	(160)	(168)	4.5%
Auditors' remuneration	(111)	(50)	(122.0%)	(187)	(100)	(87.0%)
Valuers' fee	(75)	(82)	8.1%	(150)	(157)	4.2%
Other trust expenses	(697)	(610)	(14.3%)	(1,433)	(1,186)	(20.8%)
Borrowing costs	(5,560)	(3,868)	(43.7%)	(10,716)	(7,707)	(39.0%)
	<b>(9,473)</b>	<b>(6,387)</b>	<b>(48.3%)</b>	<b>(18,928)</b>	<b>(12,793)</b>	<b>(48.0%)</b>
<b>Profit before taxation <sup>N1</sup></b>	<b>11,982</b>	<b>10,648</b>	<b>12.5%</b>	<b>22,063</b>	<b>21,038</b>	<b>4.9%</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>Profit after taxation</b>	<b>11,982</b>	<b>10,648</b>	<b>12.5%</b>	<b>22,063</b>	<b>21,038</b>	<b>4.9%</b>
<b>Total comprehensive income attributable to unitholders</b>	<b>11,982</b>	<b>10,648</b>	<b>12.5%</b>	<b>22,063</b>	<b>21,038</b>	<b>4.9%</b>
<b>Profit after taxation is made up as follows:</b>						
- Realised	11,982	10,648	12.5%	22,063	21,038	4.9%
	<b>11,982</b>	<b>10,648</b>	<b>12.5%</b>	<b>22,063</b>	<b>21,038</b>	<b>4.9%</b>
Weighted average number of units ('000)	798,630	618,630		646,999	607,760	
<b>Earnings per unit ("EPU") (sen)</b>						
- Realised	1.5003	1.7212		3.4100	3.4615	
- Unrealised	-	-		-	-	
	<b>1.5003</b>	<b>1.7212</b>		<b>3.4100</b>	<b>3.4615</b>	
<b>Total comprehensive income</b>	<b>11,982</b>	<b>10,648</b>		<b>22,063</b>	<b>21,038</b>	
<b>Distribution adjustments</b>	<b>348</b>	<b>294</b>		<b>725</b>	<b>598</b>	
<b>Total current period / year distributable income</b>	<b>12,330</b>	<b>10,942</b>		<b>22,788</b>	<b>21,636</b>	
<b>Distribution per unit (sen)</b>	<b>1.6600</b>	<b>1.5500</b>		<b>3.1820</b>	<b>3.1000</b>	
<sup>N1</sup> Included in profit before taxation are following items:						
Interest income	322	257		643	536	
Deferred lease incentives	489	-		945	-	
Amotisation of rental rebate	-	(56)		-	(124)	
Amortisation of transactions costs	85	64		180	128	
Changes in fair value on investment properties	(489)	-		(945)	-	
Depreciation of equipment	(138)	(139)		(278)	(275)	
Depreciation for right of use assets	(67)	-		(134)	-	
Lease Interest Expense	(14)	-		(28)	-	
Allowance for impairment on receivable	(33)	(28)		(94)	(12)	
Bad debts written off	(11)	(7)		(11)	(59)	
Write off of equipment	-	(19)		-	-	

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 2024 ("AFS FY2024") 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		
	31 Dec 2024	31 Dec 2023	Changes	31 Dec 2024	31 Dec 2023	Changes
	RM '000	RM '000	%	RM '000	RM '000	%
<b>Net property income</b>	<b>21,622</b>	<b>16,778</b>	28.9%	<b>41,293</b>	<b>33,295</b>	24.0%
Changes in fair value on investment properties	(489)	-	0.0%	(945)	-	0.0%
Interest income	322	257	25.1%	643	536	19.8%
	<b>21,455</b>	<b>17,035</b>	25.9%	<b>40,991</b>	<b>33,831</b>	21.2%
Less: Expenses	(9,473)	(6,387)	(48.3%)	(18,928)	(12,793)	(48.0%)
<b>Total comprehensive income</b>	<b>11,982</b>	<b>10,648</b>	12.5%	<b>22,063</b>	<b>21,038</b>	4.9%
Distribution adjustment						
- Amortisation of transactions costs	85	64		180	128	
- Depreciation of equipment	138	139		278	275	
- Depreciation for right of use assets	67	-		134	-	
- Lease interest expense	14	-		28	-	
- Deferred lease incentives	(489)	-		(945)	-	
- Changes in fair value on investment properties	489	-		945	-	
- Allowance for impairment on receivable	33	28		94	12	
- Bad debts written off	11	7		11	59	
- Write off of equipment	-	-		-	-	
- Net amortisation of rental rebate for MCO	-	56		-	124	
	<b>348</b>	<b>294</b>		<b>725</b>	<b>598</b>	
Total current period / year distributable income	<b>12,330</b>	<b>10,942</b>	12.7%	<b>22,788</b>	<b>21,636</b>	5.3%
Undistributed distributable income brought forward	15,042	10,760	39.8%	13,999	9,465	47.9%
<b>Distributable income</b>	<b>27,372</b>	<b>21,702</b>	26.1%	<b>36,787</b>	<b>31,101</b>	18.3%
Less: Proposed / declared income distribution	(11,133)	(9,589)	16.1%	(20,549)	(18,988)	8.2%
<b>Undistributed distributable income</b>	<b>16,239</b>	<b>12,113</b>	34.1%	<b>16,238</b>	<b>12,113</b>	34.1%
<b>Distribution per unit (sen)</b>	<b>1.6600</b>	<b>1.5500</b>	7.1%	<b>3.1820</b>	<b>3.1000</b>	2.6%

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 2024 ("AFS FY2024") and the accompanying notes attached to this Interim Financial Report.

**KIP REAL ESTATE INVESTMENT TRUST**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group		Fund	
	Unaudited	Audited	Unaudited	Audited
	As At 31 Dec 2024 RM '000	As At 30 Jun 2024 RM '000	As At 31 Dec 2024 RM '000	As At 30 Jun 2024 RM '000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Equipment	1,452	1,406	1,452	1,406
Investment properties	1,396,244	1,054,523	1,396,244	1,054,523
Right of use assets	1,144	1,278	1,144	1,278
Trade and other receivables	8,022	7,077	8,022	7,077
<b><i>Interest expense on lease liabilities</i></b>	<b>1,406,862</b>	<b>1,064,284</b>	<b>1,406,862</b>	<b>1,064,284</b>
<b><u>Current Assets</u></b>				
Trade and other receivables	7,842	36,772	7,842	36,772
Cash and bank balances	46,009	34,892	31,207	24,153
<b>Total Current Assets</b>	<b>53,851</b>	<b>71,664</b>	<b>39,049</b>	<b>60,925</b>
<b>TOTAL ASSETS</b>	<b>1,460,713</b>	<b>1,135,948</b>	<b>1,445,911</b>	<b>1,125,209</b>
<b>FINANCED BY:</b>				
<b>Unitholders' fund</b>				
Unitholders' capital	730,839	583,626	730,839	583,626
Retained earnings	87,194	94,003	87,194	94,003
<b>Total Unitholders' Fund</b>	<b>818,033</b>	<b>677,629</b>	<b>818,033</b>	<b>677,629</b>
<b><u>Non-Current Liabilities</u></b>				
Borrowings	596,098	109,457	-	-
Amount due to a subsidiary	-	-	586,007	108,404
Other payables and accruals	18,527	12,185	18,527	12,185
Lease liabilities	1,011	1,071	1,011	1,071
<b>Total Non-Current Liabilities</b>	<b>615,636</b>	<b>122,713</b>	<b>605,545</b>	<b>121,660</b>
<b><u>Current Liabilities</u></b>				
Borrowings	4,709	313,869	-	-
Amount due to a subsidiary	-	-	-	304,234
Trade payables	354	398	354	398
Other payables and accruals	21,804	21,106	21,802	21,055
Lease liabilities	177	233	177	233
<b>Total Current Liabilities</b>	<b>27,044</b>	<b>335,606</b>	<b>22,333</b>	<b>325,920</b>
<b>TOTAL LIABILITIES</b>	<b>642,680</b>	<b>458,319</b>	<b>627,878</b>	<b>447,580</b>
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>	<b>1,460,713</b>	<b>1,135,948</b>	<b>1,445,911</b>	<b>1,125,209</b>
<b>Net Asset Value (NAV)</b>				
- before income distribution	846,905	717,126	846,905	717,126
- after income distribution	818,033	677,629	818,033	677,629
<b>Number of units in circulation (Units)</b>	<b>798,630</b>	<b>618,630</b>	<b>798,630</b>	<b>618,630</b>
<b>Net Asset Value per unit (RM)</b>				
- before income distribution	1.0604	1.1592	1.0604	1.1592
- after income distribution	1.0243	1.0954	1.0243	1.0954

The unaudited Condensed Consolidated Statement of the Financial Position should be read in conjunction with the AFS FY2024 and the accompanying notes attached to this Interim Financial Report.

	<b>Unitholders' capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b><u>Group and Fund</u></b>			
<b>As at 1 July 2024</b>	583,626	94,003	677,629
Profit for the year	-	22,063	22,063
Total comprehensive income for the period attributable to unitholders	-	22,063	22,063
<b>Unitholders' transactions</b>			
Distribution to unitholders	-	(28,872)	(28,872)
Issuance and placement of units	148,500	-	148,500
Issuing expenses	(1,287)	-	(1,287)
Increase in net asset resulting from unitholders' transactions	147,213	(28,872)	118,341
<b>As at 31 December 2024</b>	<b>730,839</b>	<b>87,194</b>	<b>818,033</b>
<b><u>Group and Fund</u></b>			
<b>As at 1 July 2023</b>	573,785	86,186	659,971
Profit for the year	-	21,038	21,038
Total comprehensive income for the period attributable to unitholders	-	21,038	21,038
<b>Unitholders' transactions</b>			
Distribution to unitholders	-	(20,010)	(20,010)
Issuance and placement of units	10,000	-	10,000
Issuing expenses	(159)	-	(159)
Decrease in net asset resulting from unitholders' transactions	9,841	(20,010)	(10,169)
<b>As at 31 December 2023</b>	<b>583,626</b>	<b>87,214</b>	<b>670,840</b>

The unaudited condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the AFS FY2024 and the accompanying notes attached to this Interim Financial Report.

	Group		Fund	
	Cumulative Year-To-Date 31 Dec 2024 RM '000	Cumulative Year-To-Date 31 Dec 2023 RM '000	Cumulative Year-To-Date 31 Dec 2024 RM '000	Cumulative Year-To-Date 31 Dec 2023 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	22,063	21,038	22,063	21,038
Adjustment for:				
Deferred lease incentives	(945)	-	(945)	-
Changes in fair value on investment properties	945	-	945	-
Interest expenses on borrowings	10,535	7,579	-	460
Interest expenses on advance from a subsidiary	-	-	10,535	7,119
Interest income	(643)	(536)	(643)	(536)
Interest expense on lease liabilities	28	-	28	-
Depreciation for right of use assets	134	-	134	-
Depreciation of equipment	278	275	278	275
Amortisation of transaction costs	180	128	180	128
Bad debts written off	11	59	11	59
Allowance/(Reversal) for impairment on receivable	94	12	94	12
Operating income before changes in working capital	32,680	28,555	32,680	28,555
Net change in trade and other receivables	28,863	(26,137)	28,863	(26,137)
Net change in payables and accruals	6,996	(794)	7,045	(794)
Cash generated from operations	68,539	1,624	68,588	1,624
Taxes paid	-	-	-	-
Net cash generated from operating activities	68,539	1,624	68,588	1,624
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	605	500	605	500
Purchase of equipment	(324)	(306)	(324)	(306)
Acquisition of investment properties	(339,797)	-	(339,797)	-
Addition on investment properties	(2,869)	(6,548)	(2,869)	(6,548)
Net cash used in investing activities	(342,385)	(6,354)	(342,385)	(6,354)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of new units	148,500	10,000	148,500	10,000
Payment of issuing expenses	(1,287)	(159)	(1,287)	(159)
Income distribution paid to unitholders	(28,872)	(20,010)	(28,872)	(20,010)
Repayment to a subsidiary company	-	-	(5,541)	(778)
Interest paid in advance from a subsidiary	-	-	(9,804)	(7,114)
Placement for deposit maturity more than 3 months	(17)	-	(17)	-
Payment for transaction costs	(1,429)	-	-	-
Interest paid on borrowings	(9,805)	(7,575)	-	(460)
Interest paid on lease	(28)	-	(28)	-
Lease payment (principal portion)	(116)	-	(116)	-
Proceeds from borrowings	178,000	-	178,000	-
Net cash generated from/(used in) financing activities	284,946	(17,744)	280,834	(18,521)
Net increase/(decrease) in cash and cash equivalents	11,100	(22,474)	7,037	(23,251)
Cash and cash equivalents at beginning of period	34,320	48,761	23,581	40,929
<b>Cash and cash equivalents at end of period</b>	<b>45,420</b>	<b>26,287</b>	<b>30,618</b>	<b>17,678</b>

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

Cash in hand	-	*	-	*	-	-
Bank balances	24,175		5,043		20,261	4,320
Short term deposits placed with licensed bank	21,834		21,244		10,946	13,358
	46,009		26,287		31,207	17,678
Less:						
Deposit with maturity period of more than 3 months	(589)		-		(589)	-
Cash and cash equivalents	45,420		26,287		30,618	17,678
Pledged deposits	13,194		12,252		2,306	2,309

\* Denotes RM2

The unaudited condensed Consolidated Statement of Cash Flow should be read in conjunction with the AFS FY2024 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 2024 ("AFS FY2024") 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 FY2024.

**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 2024 was not qualified.

**A4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

KIP REIT's operations were not significantly affected by material 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 2025, on a quarterly basis.

**(a) Advance Income Distribution**

As announced on 15 November 2024, an Advance Income Distribution of 1.18 sen per unit (of which, taxable income is 1.006 sen per unit, non-taxable income is 0.161 sen per unit and tax exempt income 0.013 sen per unit), covering period from 1 October 2024 to 30 November 2024 at the entitlement date on 29 November 2024 was proposed; and the income distribution was paid on 23 December 2024.

**(b) Proposed Income Distribution**

For the period ended 31 December 2024, the Manager proposed a third income distribution of RM3.8 million or 0.48 sen per unit, which includes a non-taxable portion of approximately 0.084 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 7 February 2025 and 28 February 2025 respectively.

Distribution per unit rose to 1.66 sen, supported by strategic acquisitions, giving 7.1% growth from Q2FY24.

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

**A9. SEGMENT REPORTING**

Segmental result for the second quarter ended 31 December 2024 and 31 December 2023 are as follows:-

	<u>2nd quarter Ended 31 December 2024</u>			<u>2nd quarter Ended 31 December 2023</u>		
	<u>Retail</u> <u>RM'000</u>	<u>Industrial</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Retail</u> <u>RM'000</u>	<u>Industrial</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Gross Revenue	28,399	1,601	30,000	21,321	1,284	22,605
Property Operating Expenses	(8,366)	(12)	(8,378)	(5,818)	(9)	(5,827)
Net Property Income	20,033	1,589	21,622	15,503	1,275	16,778
Net Changes in Fair Value on	(171)	(318)	(489)	-	-	-
Interest Income	300	22	322	257	-	257
Borrowing Costs	(5,183)	(377)	(5,560)	(3,643)	(225)	(3,868)
Trust and Other Expenses	(3,674)	(239)	(3,913)	(2,332)	(187)	(2,519)
Profit Before Taxation	11,305	677	11,982	9,785	863	10,648
Taxation	-	-	-	-	-	-
Profit After Taxation	11,305	677	11,982	9,785	863	10,648

Segmental result for year ended 31 December 2024 and 31 December 2023 are as follows:-

	<u>YTD Ended 31 December 2024</u>			<u>YTD Ended 31 December 2023</u>		
	<u>Retail</u> <u>RM'000</u>	<u>Industrial</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>	<u>Retail</u> <u>RM'000</u>	<u>Industrial</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Gross Revenue	53,502	3,203	56,705	42,404	2,568	44,972
Property Operating Expenses	(15,391)	(21)	(15,412)	(11,659)	(18)	(11,677)
Net Property Income	38,111	3,182	41,293	30,745	2,550	33,295
Net Changes in Fair Value on	(310)	(635)	(945)	-	-	-
Investment Properties						
Interest Income	598	45	643	536	-	536
Borrowing Costs	(9,952)	(764)	(10,716)	(7,247)	(460)	(7,707)
Trust and Other Expenses	(7,680)	(532)	(8,212)	(4,695)	(391)	(5,086)
Profit Before Taxation	20,767	1,296	22,063	19,339	1,699	21,038
Taxation	-	-	-	-	-	-
Profit After Taxation	20,767	1,296	22,063	19,339	1,699	21,038

**A10. VALUATION OF INVESTMENT PROPERTIES**

The investment properties are valued by independent registered valuer. Any differences 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 was no valuation performed during the quarter under review.

**A11. SUBSEQUENT MATERIAL EVENTS**

There were no item, 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 increased from 618,629,900 units to 798,629,900 units during the quarter with the issuance of 180,000,000 new units on 3 December 2024.

**A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets to be disclosed during the quarter under review.

**A14. CAPITAL COMMITMENT**

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

	<u>As at</u> <u>31.12.2024</u> <u>RM'000</u>	<u>As at</u> <u>30.06.2024</u> <u>RM'000</u>
Approved and contracted for		
KIPMall Bangi Facelift	1,264	1,217
KIPMall Senawang	281	1,087
DPulze Shopping Centre	-	288,000
Four (4) Industrial Properties (Port Klang, Cheras, Bintulu, Johor)	93,385	-
KIPMall Masai & Tampoi Solar	900	-



**PART B - ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS ("MMLR") OF THE BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

**B1. REVIEW OF PERFORMANCE**

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

	Quarter			Year To Date		
	31.12.2024	31.12.2023	Changes	31.12.2024	31.12.2023	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
<b>Gross Revenue</b>						
Southern Region	10,692	10,445	2.4%	21,352	20,874	2.3%
Central Region	12,870	6,354	102.5%	22,692	12,525	81.2%
Northern Region	4,837	4,522	7.0%	9,458	9,006	5.0%
Retail Segment	28,399	21,321	33.2%	53,502	42,405	26.2%
Industrial Segment	1,601	1,284	24.7%	3,203	2,567	24.8%
	<u>30,000</u>	<u>22,605</u>	<u>32.7%</u>	<u>56,705</u>	<u>44,972</u>	<u>26.1%</u>
<b>Property Operating Expenses</b>						
Southern Region	(2,694)	(2,575)	4.6%	(5,457)	(5,151)	5.9%
Central Region	(5,514)	(3,087)	78.6%	(9,613)	(6,196)	55.2%
Northern Region	(158)	(156)	1.2%	(321)	(313)	2.6%
Retail Segment	(8,366)	(5,818)	43.8%	(15,391)	(11,660)	32.0%
Industrial Segment	(12)	(9)	32.3%	(21)	(17)	23.1%
	<u>(8,378)</u>	<u>(5,827)</u>	<u>43.8%</u>	<u>(15,412)</u>	<u>(11,677)</u>	<u>32.0%</u>
<b>Net Property Income</b>						
Southern Region	7,998	7,870	1.6%	15,895	15,723	1.1%
Central Region	7,356	3,267	125.2%	13,079	6,329	106.6%
Northern Region	4,679	4,366	7.2%	9,137	8,693	5.1%
Retail Segment	20,033	15,503	29.2%	38,111	30,745	24.0%
Industrial Segment	1,589	1,275	24.7%	3,182	2,550	24.8%
	<u>21,622</u>	<u>16,778</u>	<u>28.9%</u>	<u>41,293</u>	<u>33,295</u>	<u>24.0%</u>
<b>Profit Before Taxation</b>						
<b>Realised</b>	11,982	10,648	12.5%	22,063	21,038	4.9%
	<u>11,982</u>	<u>10,648</u>	<u>12.5%</u>	<u>22,063</u>	<u>21,038</u>	<u>4.9%</u>
<b>Income Available for Distribution</b>	12,330	10,942	12.7%	22,789	21,636	5.3%

**Quarterly Results**

KIP REIT recognised total gross revenue of RM30.0 million in Q2FY25, an increase of RM7.4 million or 32.7% as compared to Q2FY24 of RM22.6 million. The increase is mainly attributed by overall better performance from 7 KIPMalls, acquisition of D'Pulze (Retail) and TF Value (Retail).

Composition of total revenue breakdown into retail and industrial is 94.7% and 5.3% respectively.

This has resulted in higher net property income ("NPI") by RM4.9 million or 28.9% as compared to Q2FY24.

Profit before taxation increased by RM1.3 million or 12.5% compared to Q2FY24, mainly due to better NPI offset with higher management fee and borrowing costs.

**Year to Date Results**

KIP REIT recognised total gross revenue of RM56.7 million in FY25, an increase of RM11.7 million or 26.1% as compared to FY24 of RM45.0 million. The increase is mainly attributed by overall better performance from 7 KIPMalls, acquisition of D'Pulze (Retail) and TF Value (Retail).

Composition of total revenue breakdown into retail and industrial is 94.4% and 5.6% respectively.

This has resulted in higher net property income ("NPI") by RM8.0 million or 24.0% as compared to FY24.

Profit before taxation increased by RM1.0 million or 4.9% compared to FY24, mainly due to better NPI offset with higher management fee and borrowing costs.

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

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.12.2024	30.09.2024	
	RM'000	RM'000	
Gross Revenue	30,000	26,705	12.3%
Net Property Income	21,622	19,672	9.9%
Profit Before Taxation			
Realised	11,982	10,081	18.9%
Unrealised	-	-	0.0%
	11,982	10,081	18.9%
Income Available for Distribution	12,330	10,459	17.9%

KIP REIT recognised total gross revenue of RM30.0 million in Q2FY25, an increase of 12.3% as compared to Q1FY25 of RM26.7 million. The increase is mainly attributed by overall better performance from 7 KIPMalls, acquisition of D'Pulze (Retail) and TF Value (Retail), which occupancy rate improved from 94.38% to 97.10%.

NPI increased by 9.9% compared to the immediate preceding quarter mainly due to the reason explained above.

Profit before taxation increased by RM1.9 million or 18.9% compared to Q1FY25, mainly due to better NPI offset with higher management fee and borrowing costs.

Consequential, current quarter income available for distribution is 17.9% higher than the immediate preceding quarter ended 30 September 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 2025.

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 COMPOSITION**

During the financial period under review, the KIP REIT's portfolio consists of total of thirteen (13) assets. There are three (3) industrial properties and ten (10) retail malls. The ten (10) retail malls, of which three (3) are in the Southern region, five (5) are in the Central region and two (2) in the Northern region.

**B5. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS**

Proposed utilisation	Proposed Amount for Utilisation	Actual utilisation	Balance unutilised	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	
Part-settlement of balance purchase price, D'Pulze Shopping Centre	147,213	147,213	-	Immediately
Defrayment of expenses in relation to the private placement	1,287	1,287	-	Immediately
	148,500	148,500	-	

**B6. 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 2025, no provision for taxation has been made for the current quarter.

**B6. TAXATION (CONT'D)**

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%

**B7. 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.

**B8. STRATEGIES AND POLICIES**

There were no change in the strategies and policies employed since the issuance of the 2024 integrated annual report of KIP REIT.

**B9. STATUS OF CORPORATE PROPOSAL**

**(a) Acquisition of DPulze Shopping Centre**

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 ("SPAs") with DPulze Ventures Sdn Bhd ("Vendor"), 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 to raise approximately RM172.3 million.

On 2 October 2024, the Manager announced that unitholders of KIP REIT had at the Unitholders' Meeting convened and held on 2 October 2024, approved the Proposed Acquisition on 27 May 2024 and 30 May 2024.

On 12 December 2024, the Manager announced the completion of the Proposed Acquisition with the settlement of the balance of purchase price.

**(b) Completion of Private Placement**

On 27 May 2024 and 30 May 2024, the Manager announced that 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 in conjunction with the Proposed Acquisition.

On 2 October 2024, the Manager announced that unitholders approved the Proposed Acquisition and Proposed Private Placement of up to 180,000,000 new units as announced on 27 May 2024 and 30 May 2024.

On 15 November 2024, the Manager announced that the issue price for the Placement Units in respect of the Proposed Private Placement has been fixed at RM0.825 per Placement Unit. The issue price of RM0.825 represents a discount of RM0.0778 or approximately 8.62% to the 5-day VWAP of KIP REIT Units up to and including 14 November 2024 of RM0.9028, being the market day immediately preceding the price-fixing date.

On 12 December 2024, the Manager announced that the Placement was completed following the listing and quotation of 180,000,000 Placement Units on the Main Market of Bursa Securities on 3 December 2024. The Proposed Acquisition has been completed following with the settlement.

**(c) Acquisition of TF Value, Gerik, Perak**

On 23 August 2024, the Manager announced that the Trustee to KIP REIT has entered into a conditional sale and purchase agreement with Bluebros Hypermarket Sdn Bhd for the proposed acquisition of TF Value for a cash purchase consideration of RM14.8 million ("Proposed Acquisition").

On 14 November 2024, the Manager announced that the Trustee to KIP REIT had completed the Proposed Acquisition in Gerik, Perak with the terms and conditions of the SPA dated 23 August 2024.

**B9. STATUS OF CORPORATE PROPOSAL (CONT'D)**

**(d) Proposed acquisition of 4 Industrial Properties (Port Klang, Cheras, Bintulu, Johor)**

On 29 August 2024, the Manager announced that the Trustee to KIP REIT has entered into four (4) Proposed Acquisitions.

For proposed acquisition 1, KIP REIT entered into a conditional sale and purchase agreement with Sin Chee Heng Sdn Bhd for the proposed acquisition of Industrial Property located in Cheras for a cash purchase consideration of RM22.6 million.

For proposed acquisition 2, KIP REIT entered into a conditional sale and purchase agreement with Teju Logistics Sdn Bhd for the proposed acquisition of Industrial Property located in Bintulu for a cash purchase consideration of RM28.7 million.

For proposed acquisition 3, KIP REIT entered into a conditional sale and purchase agreement with Channel Legion Sdn Bhd for the proposed acquisition of Industrial Property located in Port Klang for a cash purchase consideration of RM23.7 million.

For proposed acquisition 4, KIP REIT entered into a conditional sale and purchase agreement with PK Fertilizers Sdn Bhd for the proposed acquisition of Industrial Property located in Johor for a cash purchase consideration of RM23.3 million.

**B10. BORROWINGS**

	<u>Current Quarter</u>	<u>Immediate Preceding Quarter</u>
	31.12.2024	30.09.2024
	RM'000	RM'000
Current (secured):		
Medium Term Notes	4,889	1,961
Unamortised Transaction Cost	(180)	(96)
	<u>4,709</u>	<u>1,865</u>
Non-Current (secured):		
Medium Term Notes	598,000	450,000
Unamortised Transaction Cost	(1,902)	(1,589)
	<u>596,098</u>	<u>448,411</u>
Total Borrowings	<u>600,807</u>	<u>450,276</u>
Total Assets	<u>1,460,713</u>	<u>1,160,759</u>
Gearing Ratio (%)	41.13%	38.79%

The weighted average interest rate of borrowings as at 31 December 2024 was 4.63% per annum (30 September 2024: 4.48% per annum) and the percentage proportion of debt that is based on fixed and floating interest rate of 40 : 60.

**B11. MATERIAL LITIGATION**

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

**B12. SOFT COMMISSION RECEIVED**

There was no soft commission received by the Manager during the financial period to date under review.

**B13. SUMMARY OF DPU, EPU, NAV AND MARKET PRICE**

	<b>Current Quarter ended 31 December 2024</b>	<b>Immediate Preceding Quarter ended 30 September 2024</b>
Number of units in issue (units'000)	798,630	618,630
Net realised income (RM'000)	11,982	10,081
Realised earnings per unit after Manager's fee (EPU) (sen)	1.5003 <sup>N1</sup>	1.6296 <sup>N2</sup>
Net Income distribution to unitholders (RM'000)	11,133	9,416
Distribution per unit (DPU) (sen)	1.660	1.522
Net Asset Value (NAV) (RM'000)	818,033	675,554
NAV per unit (RM)	1.0243	1.0920
Market value per unit (RM)	0.8750	0.9150
Distribution Yield (%) <sup>N3</sup>	7.59	6.65

<sup>N1</sup> Based on total number of units issued increased from 618,629,900 units to 798,629,900 units with the issuance and listing of total 180,000,000 new units arising from private placement on 3 December 2024.

<sup>N2</sup> Based on total units in issued of 618,629,900 units.

<sup>N3</sup> Distribution yield of year-to-date DPU divided by the Market Price (as at the end of the period) has been annualised.

**B14. MANAGER'S MANAGEMENT FEE**

The Manager's fee for the current quarter and preceding year corresponding quarter was as follows:-

Type RM'000	Quarter		Basis
	31.12.2024	31.12.2023	
Base Fee	2,366	1,495	0.8% per annum on total asset value
Performance Fee	597	175	3.0% per annum on net property income
Acquisition Fee <sup>N1</sup>	3,348	-	1.0% on acquisition price
Total	6,311	1,670	

<sup>N1</sup> During the quarter, there was an acquisition fee paid to the Manager for the acquisition of D'Pulze and TF Value, which was accounted for as part of acquisition cost of investment property

**B15. TRUSTEE'S FEES**

In accordance to the Trust Deed, an annual trusteeship fee of up to 0.04% per annum of NAV is to be paid to the Trustee.

**B16. 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 31 December 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 21 January 2025.