



# KIP REAL ESTATE INVESTMENT TRUST

## Interim Financial Report for the 1st quarter FY2020 ended 30 September 2019

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

	Quarter		Period-To-Date	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	RM '000	RM '000	RM '000	RM '000
Gross rental income	16,030	13,091	16,030	13,091
Revenue from contracts with customers	2,460	2,501	2,460	2,501
<b>Gross revenue</b>	<b>18,490</b>	<b>15,592</b>	<b>18,490</b>	<b>15,592</b>
Utilities expenses	(2,153)	(2,724)	(2,153)	(2,724)
Maintenance and housekeeping expenses	(704)	(744)	(704)	(744)
Marketing expenses	(70)	(153)	(70)	(153)
Quit rent and assessment	(404)	(319)	(404)	(319)
Reimbursement costs	(1,108)	(1,311)	(1,108)	(1,311)
Property manager fee	(37)	(32)	(37)	(32)
Other operating expenses	(518)	(369)	(518)	(369)
Property operating expenses	<b>(4,994)</b>	<b>(5,652)</b>	<b>(4,994)</b>	<b>(5,652)</b>
<b>Net property income</b>	<b>13,496</b>	<b>9,940</b>	<b>13,496</b>	<b>9,940</b>
Changes in fair value on investment properties	13,187	-	13,187	-
Interest income	103	185	103	185
<b>Net investment income</b>	<b>26,786</b>	<b>10,125</b>	<b>26,786</b>	<b>10,125</b>
Manager's management fee	(3,394)	(986)	(3,394)	(986)
Trustees' fee	(233)	(25)	(233)	(25)
Auditors' remuneration	(27)	(35)	(27)	(35)
Valuers' fee	(45)	(40)	(45)	(40)
Other trust expenses	(1,165)	(554)	(1,165)	(554)
Borrowing costs	(3,377)	(1,225)	(3,377)	(1,225)
	<b>(8,241)</b>	<b>(2,865)</b>	<b>(8,241)</b>	<b>(2,865)</b>
<b>Profit before taxation</b>	<b>18,545</b>	<b>7,260</b>	<b>18,545</b>	<b>7,260</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit after taxation</b>	<b>18,545</b>	<b>7,260</b>	<b>18,545</b>	<b>7,260</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income attributable to unitholders</b>	<b>18,545</b>	<b>7,260</b>	<b>18,545</b>	<b>7,260</b>
<b>Total</b>				
<b>Profit after taxation is made up as follows:</b>				
- Realised	8,840	7,260	8,840	7,260
- One-off exp incidental to the acquisition	(3,482)	-	(3,482)	-
- Unrealised	13,187	-	13,187	-
	<b>18,545</b>	<b>7,260</b>	<b>18,545</b>	<b>7,260</b>
<b>Basic earnings per unit (sen)</b>	<b>3.67</b>	<b>1.44</b>	<b>3.67</b>	<b>1.44</b>
<b>Diluted earnings per unit (sen)</b>	<b>3.67</b>	<b>1.44</b>	<b>3.67</b>	<b>1.44</b>
<b>Total comprehensive income</b>	<b>18,545</b>	<b>7,260</b>	<b>18,545</b>	<b>7,260</b>
<b>Distribution adjustments</b>	<b>(12,506)</b>	<b>78</b>	<b>(12,506)</b>	<b>78</b>
<b>Distribution income</b>	<b>6,039</b>	<b>7,338</b>	<b>6,039</b>	<b>7,338</b>
<b>Distribution per unit (sen)</b>	<b>1.37</b>	<b>1.45</b>	<b>1.37</b>	<b>1.45</b>

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 2019 ("AFS FY2019") 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 30 Sep 2019 RM '000	Audited As At 30 Jun 19 RM '000	Unaudited As At 30 Sep 2019 RM '000	Audited As At 30 Jun 19 RM '000
<b>ASSETS</b>				
<b><u>Non-Current Assets</u></b>				
Plant and equipment	1,637	1,190	1,637	1,190
Investment properties	819,410	599,300	819,410	599,300
Investment in a subsidiary	-	-	- *	-
<b>Total Non-Current Assets</b>	<b>821,047</b>	<b>600,490</b>	<b>821,047</b>	<b>600,490</b>
<b><u>Current Assets</u></b>				
Trade receivables	180	232	180	232
Other receivables and prepaid expenses	2,669	16,221	5,815	16,221
Cash and bank balances	26,512	12,867	19,295	12,867
<b>Total Current Assets</b>	<b>29,361</b>	<b>29,320</b>	<b>25,290</b>	<b>29,320</b>
<b>TOTAL ASSETS</b>	<b>850,408</b>	<b>629,810</b>	<b>846,337</b>	<b>629,810</b>
<b>FINANCED BY:</b>				
<b>Unitholders' fund</b>				
Unitholders' capital	492,333	492,333	492,333	492,333
Retained earnings	27,664	16,800	27,664	16,800
<b>Total Unitholders' Fund</b>	<b>519,997</b>	<b>509,133</b>	<b>519,997</b>	<b>509,133</b>
<b><u>Non-Current Liabilities</u></b>				
Borrowings	308,629	93,390	-	93,390
Amount due to subsidiary company	-	-	305,867	-
Other payables and accrued expenses	10,190	9,750	10,190	9,750
<b>Total Non-Current Liabilities</b>	<b>318,819</b>	<b>103,140</b>	<b>316,057</b>	<b>103,140</b>
<b><u>Current Liabilities</u></b>				
Borrowings	1,307	6,779	-	6,779
Trade payables	533	496	533	496
Other payables and accrued expenses	9,752	10,262	9,750	10,262
<b>Total Current Liabilities</b>	<b>11,592</b>	<b>17,537</b>	<b>10,283</b>	<b>17,537</b>
<b>TOTAL LIABILITIES</b>	<b>330,411</b>	<b>120,677</b>	<b>326,340</b>	<b>120,677</b>
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>	<b>850,408</b>	<b>629,810</b>	<b>846,337</b>	<b>629,810</b>
<b>Net Asset Value (NAV)</b>				
- before income distribution	527,677	541,018	527,677	541,018
- after income distribution	519,997	509,133	519,997	509,133
<b>Number of units in circulation (Units)</b>	<b>505,300</b>	<b>505,300</b>	<b>505,300</b>	<b>505,300</b>
<b>Net Asset Value per unit (RM)</b>				
- before income distribution	1.0443	1.0707	1.0443	1.0707
- after income distribution	1.0291	1.0076	1.0291	1.0076

\* Denotes RM2 share capital in KIP REIT Capital Sdn Bhd

The unaudited Condensed Consolidated Statement of the Financial Position should be read in conjunction with the AFS FY 2019 and the accompanying notes attached to this Interim Financial Report.

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

	<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 2019</b>	492,333	16,800	509,133
Profit for the period	-	18,545	18,545
Total comprehensive income for the period attributable to unitholders	-	18,545	18,545
<b>Unitholders' transactions</b>			
Distribution to unitholders	-	(7,681)	(7,681)
Decrease in net asset resulting from unitholders' transactions	-	(7,681)	(7,681)
<b>As at 30 September 2019</b>	<b>492,333</b>	<b>27,664</b>	<b>519,997</b>
<b><u>Fund</u></b>			
<b>As at 1 July 2018</b>	492,315	14,636	506,951
Profit for the period	-	7,260	7,260
Total comprehensive income for the period attributable to unitholders	-	7,260	7,260
<b>Unitholders' transactions</b>			
Distribution to unitholders	-	(9,095)	(9,095)
Decrease in net asset resulting from unitholders' transactions	-	(9,095)	(9,095)
<b>As at 30 September 2018</b>	<b>492,315</b>	<b>12,801</b>	<b>505,116</b>

The unaudited condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the AFS FY 2019 and the accompanying notes attached to this Interim Financial Report.

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

	Period-To-Date 30 Sep 2019 RM '000	Period-To-Date 30 Sep 2018 RM '000 **
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,545	7,260
Adjustment for:		
Changes in fair value on investment properties	(13,187)	-
Interest expenses	3,377	1,225
Interest income	(103)	(185)
Bad debts written off	10	-
Allowance for doubtful debts	80	-
Amortisation of transaction costs	529	47
Depreciation of plant and equipment	71	31
Operating income before changes in working capital	<u>9,322</u>	<u>8,378</u>
Net change in trade and other receivables	12,756	(2,308)
Net change in payables and accruals	<u>(1,639)</u>	<u>212</u>
Cash generated from operations	20,439	6,282
Taxes paid	<u>-</u>	<u>-</u>
Net cash generated from operating activities	<u>20,439</u>	<u>6,282</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	84	185
Placement of short term deposits	-	(2,498)
Pledge deposit	(7,537)	-
Purchase of plant and equipment	(519)	(275)
Acquisition of investment properties	(206,055)	-
Asset enhancement on investment properties	(110)	-
Net cash used in investing activities	<u>(214,136)</u>	<u>(2,588)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Income distribution paid to unitholders	(7,681)	(9,095)
Interest paid	(2,585)	(1,225)
Repayment of borrowings	(99,929)	-
Proceeds from borrowings	310,000	-
Net cash from / (used in) financing activities	<u>199,805</u>	<u>(10,320)</u>
Net increase / (decrease) in cash and cash equivalents	6,108	(6,626)
Cash and cash equivalents at beginning of period	<u>11,579</u>	<u>15,532</u>
<b>Cash and cash equivalents at end of period</b>	<u>17,687</u>	<u>8,906</u>

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

Cash in hand	27	27
Bank balances	17,660	8,879
Short term deposits placed with licensed bank	8,825	1,252
	<u>26,512</u>	<u>10,158</u>
Less: Pledged deposits	(8,825)	(1,252)
	<u>17,687</u>	<u>8,906</u>

The unaudited condensed Consolidated Statement of Cash Flow should be read in conjunction with the AFS FY 2019 and the accompanying notes attached to this Interim Financial Report.

\*\* Consists of the Fund's Statement of Cash flows only

# KIP REAL ESTATE INVESTMENT TRUST

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

### **A1 BASIS OF PREPARATION**

The condensed consolidated interim financial statements is 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 Listing Requirements and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines").

The unaudited condensed interim financial statements should be read in conjunction with the AFS FY2019 and the accompanying explanatory notes attached to the unaudited condensed interim financial statements. The accounting policies and methods of computation adopted in this condensed unaudited interim financial statements are consistent with those disclosed in the AFS FY2019.

### **A2 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report for FY2019 was not subject to any audit qualification.

### **A3 SEASONALITY AND CYCLICALITY OF OPERATIONS**

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

### **A4 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.

### **A5 CHANGES IN ESTIMATES**

Not applicable.

### **A6 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 ended 30 September 2019.

# KIP REAL ESTATE INVESTMENT TRUST

## A7 INCOME DISTRIBUTION

The Directors of the Manager have decided to distribute at least 90% of KIP REIT's distributable income on a quarterly basis for the financial year ending 30 June 2020.

For the first quarter's results ended 30 September 2019, together with the undistributed realized income for financial year ended 30 June 2019, the Manager will be making a distribution of RM6.92 million or 1.37 sen per unit, to be payable on 14 November 2019 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 1 November 2019. This amount has not been included in a liability in the current financial quarter under review.

## A8 SEGMENT REPORTING

Segmental result for the financial period ended 30 September 2019 is as follows:-

	<b>1st Quarter Ended 30.9.2019</b>			
	<b><u>Southern</u></b>	<b><u>Central</u></b>	<b><u>Northern</u></b>	<b><u>Total</u></b>
	<b><u>Region</u></b>	<b><u>Region</u></b>	<b><u>Region</u></b>	<b><u>RM'000</u></b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	
<b>By Location Segments</b>				
<b>Revenue and expenses</b>				
Gross revenue	10,045	5,712	2,733	18,490
Net property income	7,602	3,264	2,630	13,496
Changes in fair value on investment properties	-	-	13,187	13,187
Interest income	60	31	12	103
Borrowing costs	(1,045)	(668)	(1,664)	(3,377)
Trust and other expenses	(991)	(589)	(3,284)	(4,864)
Profit before taxation	5,626	2,038	10,881	18,545
Taxation	-	-	-	-
Total comprehensive income attributable to unitholders	5,626	2,038	10,881	18,545
<b>Assets</b>				
Segment assets	390,242	213,352	222,464	826,058
Unallocated assets				
- Cash and bank balances				23,657
- Trade and other receivables				693
Total assets				850,408

## A9 SUBSEQUENT MATERIAL EVENTS

There was 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.

# KIP REAL ESTATE INVESTMENT TRUST

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## **A10 CHANGES IN THE COMPOSITION OF KIP REIT**

There was no change in composition of fund size for the current quarter and cumulative quarter ended 30 September 2019.

## **A11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

## **A12 CAPITAL COMMITMENT**

There were no capital commitment to be disclosed.



# KIP REAL ESTATE INVESTMENT TRUST

## PART B - ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

### B1 REVIEW OF PERFORMANCE

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

	Quarter		
	<u>30.9.2019</u>	<u>30.9.2018</u>	<u>Changes</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>(%)</u>
<b>Gross revenue</b>	<b>18,490</b>	<b>15,592</b>	<b>18.6%</b>
<b>Net property income</b>	<b>13,496</b>	<b>9,940</b>	<b>35.8%</b>
<b>Profit before taxation</b>	<b>18,545</b>	<b>7,260</b>	<b>155.4%</b>
<b>Profit after taxation</b>	<b>18,545</b>	<b>7,260</b>	<b>155.4%</b>
<b>Total comprehensive income attributable to unitholders</b>	<b>18,545</b>	<b>7,260</b>	<b>155.4%</b>

KIP REIT recorded revenue of RM18.5 million in Q1FY20, as compared to RM15.6 million recorded in the preceding year corresponding quarter. The increase was attributed to RM2.7 million from new acquisition of AEON Mall Kinta City ("AMKC") on top of the improvement from existing assets of RM0.2 million. Occupancy rate increase from 86.3% in the preceding year corresponding quarter to 86.5% in current quarter.

KIP REIT property operating expenses was RM5.0 million in Q1FY20, a decrease of RM0.7 million or 11.6% mainly attributable to lower electricity bill with solar PV system and improved productivity reflected via lower reimbursement cost. Correspondingly, net property income of RM13.5 million was 35.8% higher than preceding year corresponding quarter.

The investment properties in the Southern region, Central region and Northern region contributed 54.3%, 30.9% and 14.8% of the KIP REIT total revenue respectively.

Current quarter total comprehensive income attributable to unitholders was RM18.5 million, 155.4% higher than preceding year corresponding quarter. The increase in total comprehensive income was attributed to unrealised fair value gain on acquisition of AMKC of RM13.2 million but partially offset by one-off expenses incidental to the acquisition of RM3.5 million.

## KIP REAL ESTATE INVESTMENT TRUST

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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	<b>Changes</b>
	<b><u>30.9.2019</u></b>	<b><u>30.6.2019</u></b>	<b><u>(%)</u></b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	
Gross revenue	18,490	16,204	14.1%
Net property income	13,496	11,307	19.4%
Profit before taxation	18,545	11,525	60.9%
Profit after taxation	18,545	11,525	60.9%
Total comprehensive income attributable to unitholders	18,545	11,525	60.9%

KIP REIT revenue for the current quarter was 14.1% higher than the immediate preceding quarter ended 30 June 2019 mainly attributed to RM2.7 million from new acquisition of AMKC but partially offset by lower revenue from existing assets due to seasonality factors. In particular, the preceding quarter saw higher revenue from increased rental and occupancy during the festive Raya period.

In tandem with higher revenue, the net property income increased by 19.4% compared to the preceding quarter. On top of the higher revenue and net property income, higher profit before taxation by 60.9% was due to net positive impact from AMKC acquisition.

### B3 PROSPECTS

The Manager expects that the retail market sentiments will remain soft for the rest of 2019 due to economic uncertainties and ongoing global trade tensions.

The performance of the retail sector is expected to be more challenging with a high supply pipeline of retail space. It is to be noted that most malls are concentrated in the high-income suburban areas such as Petaling Jaya and Kuala Lumpur and thus affects KIP REIT less.

The Manager will improve upon leasing and marketing strategies to further increase the occupancy and rental rates. Further, the Manager will continue to maintain or reduce the operating cost on all properties under its portfolio to increase efficiency or benefit from capital appreciation.

The Manager shall leverage its position to identify yield accretive assets for potential acquisitions either from third party or review the option to exercise the ROFR.

# KIP REAL ESTATE INVESTMENT TRUST

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## **B4 PORTFOLIO COMPOSITON**

During the financial period under review, the portfolio of KIP REIT consists of seven (7) retail malls as investment properties, of which three (3) are in Southern region, three (3) are in Central region and one (1) in Northern region.

The Group completed the acquisition of AMKC (Northern region) on 31 July 2019.

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

There was no issuance of new units during the financial period under review.

## **B6 TAXATION**

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 proposes to declare more than 90% of its distributable income to its unitholders for the financial year ending 30 June 2020, no provision for taxation has been made for the current quarter.

## **B7 GAIN OR LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There was no disposal of unquoted securities or investment properties during Q1FY20 ended 30 September 2019 under review.

## **B8 PURCHASE AND DISPOSAL OF QUOTED SECURITIES**

There was no purchase or disposal of quoted securities during Q1FY20 ended 30 September 2019 under review.

# KIP REAL ESTATE INVESTMENT TRUST

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## B9 BORROWINGS

The Group's borrowings as at 30 September 2019 are as follows:

	<b>As at 30 September 2019 RM ('000)</b>
Medium Term Note (MTN)	
Current	1,307
Non-current	308,629
	<u>309,936</u>
Total assets	<u>850,408</u>
Gearing ratio (%)	<u>36.45%</u>

During the current financial period, the Group has made the first maiden issuance of RM310 million in nominal value of MTNs which comprises of RM210 million AAA-rated MTNs and RM100 million unrated MTNs under the MTN Programme.

The proceeds raised from the issuance of MTNs under the MTN Programme was utilised to part-finance the acquisition of AMKC and to refinance the borrowings of KIP REIT.

## B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments for the Q1FY20 ended 30 September 2019 under review.

## 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 current period-to-date.

## KIP REAL ESTATE INVESTMENT TRUST

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### B13 SUMMARY OF DPU, EPU AND NAV

	Current Quarter Ended 30 September 2019	Immediate Preceding Quarter Ended 30 June 2019
Number of units in issue (units'000)	505,300	505,300
Earning per unit (EPU) - sen		
- before Manager's fee	4.34	2.52
- after Manager's fee	3.67	2.28
Net income distribution to unitholders (RM'000)	6,923	7,681
Distribution per unit (DPU) – sen	1.37	1.52
Net Asset Value (NAV) – (RM'000)	519,997	509,133
NAV per unit (RM)	1.0291	1.0076
Market Value Per Unit (RM)	0.830	0.840

### B14 MANAGER FEE

Based on the Trust Deed dated on 2 November 2016, the Manager is entitled to receive the following fees from KIP REIT:-

- (i) Base fee of up to 1.0% per annum on the TAV;
- (ii) Performance fee of up to 5.0% per annum of net property income;
- (iii) Acquisition fee of 1.0% of the transaction value of real estate and real estate related assets directly or indirectly acquired from time to time by the Trustee; and
- (iv) Divestment fee of 0.5% of the transaction value of any real estate and real estate related assets directly or indirectly sold or divested from time to time by the Trustee.

The Manager fees for the period-to-date was RM3.4 million consist of base fee (0.6%) of TAV, performance fee (1%) of net property income and acquisition fee (1%) of the transaction value of AMKC.

## KIP REAL ESTATE INVESTMENT TRUST

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### **B15 TRUSTEE FEE**

Based on the Deed dated on 2 November 2016, KIP REIT will pay the Trustee an annual trustee's fee of RM100,000.00 per annum payable upon the execution of the Deed for the first three (3) years and thereafter at such rate to be mutually agreed between the Manager and the Trustee. The annual trustee's fee in aggregate shall be up to maximum rate of 0.05% per annum of the NAV of KIP REIT.

Included in the current quarter ended 30 September 2019 Trustee fees was acquisition fee (0.1%) of the transaction value of AMKC.

### **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 30 September 2019 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 17 October 2019.