

KIP REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the 4th quarter ended 30 June 2017

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KIP REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the 4th Quarter Ended 30 June 2017

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	RM '000	RM '000	RM '000	RM '000
Gross rental income	13,294	-	21,979	-
Other income	2,748	-	4,371	-
Gross revenue	16,042	-	26,350	-
Utilities expenses	2,516	-	4,143	-
Maintenance and housekeeping expenses	598	-	1,154	-
Marketing expenses	149	-	341	-
Reimbursement costs	1,134	-	1,881	-
Property manager fee	36	-	58	-
Quit rent and assessment	320	-	533	-
Other operating expenses	426	-	715	-
Property operating expenses	5,179	-	8,825	-
Net property income	10,863	-	17,525	-
Other income	320	-	533	-
Interest income	177	-	402	-
Net investment income	11,360	-	18,460	-
Borrowing costs	1,136	-	1,825	-
Depreciation of plant and equipment	(6)	-	20	-
Manager's management fee	478	-	896	-
Auditors' remuneration	57	-	95	-
Trustees' fee	48	-	80	-
Valuers' fee	133	-	150	-
Other advisor fee	7	-	11	-
Other expenses (Pre Listing)	292	-	605	-
Office expenses	83	-	118	-
	2,228	-	3,800	-
Profit before taxation	9,132	-	14,660	-
Taxation	-	-	-	-
Profit after taxation	9,132	-	14,660	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income attributable to unitholders	9,132	-	14,660	-
Profit after taxation is made up as follow:				
- Realised	9,132	-	14,660	-
- Unrealised	-	-	-	-
	9,132	-	14,660	-
Earning Per Units (sen)	1.81	-	2.90	-

KIP REIT was established on 2 November 2016. The acquisition of the properties by KIP REIT were completed on 6 February 2017 and KIP REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on the same day.

The actual results reported for the current 4th quarter (1 April 2017 to 30 June 2017) and the cumulative period ended 30 June 2017 (6 February 2017 to 30 June 2017).

There were no comparative figures available for the 4th Quarter financial report ended 30 June 2017 as the acquisition of the properties were completed on 6 February 2017, the date of listing of KIP REIT.

**KIP REAL ESTATE INVESTEMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Unaudited As At End of Current Quarter 30 June 2017 RM ('000)	Audited As st Preceding Year Ended 30 June 2016 RM ('000)
ASSETS		
<u>Non-Current Assets</u>		
Plant and equipment	323	-
Investment properties	580,000	-
Total Non-Current Assets	580,323	-
<u>Current Assets</u>		
Trade receivables	2,533	-
Other receivables and prepaid expenses	5,680	-
Deposit with licensed bank	11,277	-
Cash and bank balances	13,695	-
Total Current Assets	33,185	-
TOTAL ASSETS	613,508	-
FINANCED BY UNITHOLDERS' FUND		
Unitholders' capital	492,264	-
Retained earnings	12,134	-
Total Unitholders' Fund	504,398	-
<u>Current Liabilities</u>		
Trade payables	535	-
Other payables and accrued expenses	10,829	-
Borrowings	650	-
Total Current Liabilities	12,014	-
<u>Non-Current Liabilities</u>		
Other payables and accrued expenses	10,096	-
Borrowings	87,000	-
Total Non-Current Liabilities	97,096	-
TOTAL LIABILITIES	109,110	-
TOTAL UNITHOLDERS' FUND AND LIABILITIES	613,508	-
Net Asset Value (NAV)		
- before income distribution	509,451	-
- after income distribution	504,398	-
Number of units in circulation (Units)	505,300	-
Net Asset Value per unit (RM)		
- before income distribution	1.0082	-
- after income distribution	0.9982	-

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KIP REAL ESTATE INVESTEMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSETS VALUE
For the 4th Quarter Ended 30 June 2017

	Unitholders' capital	Retained earnings	Total funds
	RM ('000)	RM ('000)	RM ('000)
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	502,773	-	502,773
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	492,264	12,134	504,398

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

	Year To Date	
	Unaudited As At End of Current Quarter 30 June 2017 RM ('000)	Audited As st Preceding Year Ended 30 June 2016 RM ('000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,660	-
Adjustment for:		
Borrowing costs	1,825	-
Interest income	(403)	-
Depreciation of plant and equipment	20	-
Operating income before changes in working capital	16,102	-
Net change in trade and other receivables	(8,213)	-
Net change in payables and accruals	21,460	-
Cash generated from operations	29,349	-
Taxes paid	-	-
Net cash generated from operating activities	29,349	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	403	-
Placement of short term deposits	(11,277)	-
Purchase of plant and equipment (Note 1)	(193)	-
Acquisition of investment properties (Note 2)	(309,000)	-
Net cash used in investing activities	(320,067)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of new units	234,150	-
Payment of direct issuance cost	(10,509)	-
Income distribution paid to unitholders	(5,053)	-
Interest paid	(1,825)	-
Proceeds from drawdown of long term financing	87,650	-
Net cash generated from financing activities	304,413	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,695	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	13,695	-

Note 1:

Purchase of plant and equipment		
Cash consideration	193	
Issuance of new units	291	

Note 2:

Acquisition of investment properties		
Cash consideration	309,000	
Issuance of new units	271,000	

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