



# KIP REAL ESTATE INVESTMENT TRUST

## Interim Financial Report for the 4th quarter FY2019 ended 30 June 2019

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

	Quarter		Period-To-Date	
	30 Jun19 RM '000	30 Jun18 RM '000	30 Jun19 RM '000	30 Jun18 RM '000
Gross rental income	13,395	13,108	52,673	52,738
Revenue from contracts with customers	2,809	3,019	10,392	10,035
<b>Gross revenue</b>	<b>16,204</b>	<b>16,127</b>	<b>63,065</b>	<b>62,773</b>
Utilities expenses	(2,254)	(2,389)	(9,729)	(10,179)
Maintenance and housekeeping expenses	(651)	(553)	(3,084)	(2,554)
Marketing expenses	(123)	(149)	(608)	(578)
Reimbursement costs	(1,116)	(1,206)	(4,786)	(4,554)
Property manager fee	(38)	(36)	(151)	(144)
Quit rent and assessment	(319)	(321)	(1,275)	(1,277)
Other operating expenses	(396)	(358)	(1,479)	(1,569)
Property operating expenses	<b>(4,897)</b>	<b>(5,012)</b>	<b>(21,112)</b>	<b>(20,855)</b>
<b>Net property income</b>	<b>11,307</b>	<b>11,115</b>	<b>41,953</b>	<b>41,918</b>
Changes in fair value on investment properties	3,357	3,317	3,357	3,317
Interest income	86	208	502	817
<b>Net investment income</b>	<b>14,750</b>	<b>14,640</b>	<b>45,812</b>	<b>46,052</b>
Borrowing costs	(1,381)	(1,212)	(5,292)	(4,626)
Depreciation of plant and equipment	(36)	(41)	(164)	(94)
Manager's management fee	(1,207)	(540)	(4,164)	(2,157)
Auditors' remuneration	(26)	109	(105)	(100)
Trustees' fee	(25)	(4)	(100)	(100)
Valuers' fee	(70)	(34)	(185)	(147)
Other advisor fee (Include internal audit fee)	(87)	(123)	(455)	(137)
Office expenses	(393)	(396)	(1,298)	(1,081)
	<b>(3,225)</b>	<b>(2,241)</b>	<b>(11,763)</b>	<b>(8,442)</b>
<b>Profit before taxation</b>	<b>11,525</b>	<b>12,399</b>	<b>34,049</b>	<b>37,610</b>
<b>Taxation</b>	-	-	-	-
<b>Profit after taxation</b>	<b>11,525</b>	<b>12,399</b>	<b>34,049</b>	<b>37,610</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income attributable to unitholders</b>	<b>11,525</b>	<b>12,399</b>	<b>34,049</b>	<b>37,610</b>
<b>Total</b>				
<b>Profit after taxation is made up as follows:</b>				
- Realised	8,168	9,082	30,692	34,293
- Unrealised	3,357	3,317	3,357	3,317
	<b>11,525</b>	<b>12,399</b>	<b>34,049</b>	<b>37,610</b>
<b>Basic Earnings Per Unit (sen)</b>	<b>2.28</b>	<b>2.45</b>	<b>6.74</b>	<b>7.44</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 2018 ("AFS FY2018") 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 Jun 19 RM '000	Unaudited As At 30 Jun 19 RM '000	Audited As At 30 Jun 18 RM '000
<b>ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
Plant and equipment	1,190	1,190	1,742
Investment properties	599,300	599,300	585,000
Investment in subsidiary	-	- *	-
<b>Total Non-Current Assets</b>	<b>600,490</b>	<b>600,490</b>	<b>586,742</b>
<b><u>Current Assets</u></b>			
Trade receivables	232	232	1,325
Other receivables and prepaid expenses	16,221	16,113	4,525
Amount due from subsidiary company	-	108	-
Deposit with licensed bank	-	-	8,433
Cash and bank balances	12,867	12,867	15,532
<b>Total Current Assets</b>	<b>29,320</b>	<b>29,320</b>	<b>29,815</b>
<b>TOTAL ASSETS</b>	<b>629,810</b>	<b>629,810</b>	<b>616,557</b>
<b>FINANCED BY UNITHOLDERS' FUND</b>			
Unitholders' capital	492,333	492,333	492,315
Retained earnings	16,800	16,800	14,636
<b>Total Unitholders' Fund</b>	<b>509,133</b>	<b>509,133</b>	<b>506,951</b>
<b><u>Non-Current Liabilities</u></b>			
Borrowings	93,390	93,390	86,513
Other payables and accrued expenses	9,750	9,750	4,346
<b>Total Non-Current Liabilities</b>	<b>103,140</b>	<b>103,140</b>	<b>90,859</b>
<b><u>Current Liabilities</u></b>			
Borrowings	6,779	6,779	462
Trade payables	620	620	85
Other payables and accrued expenses	10,138	10,138	18,200
<b>Total Current Liabilities</b>	<b>17,537</b>	<b>17,537</b>	<b>18,747</b>
<b>TOTAL LIABILITIES</b>	<b>120,677</b>	<b>120,677</b>	<b>109,606</b>
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>	<b>629,810</b>	<b>629,810</b>	<b>616,557</b>
<b>Net Asset Value (NAV)</b>			
- before income distribution	541,018	541,018	542,059
- after income distribution	509,133	509,133	506,951
<b>Number of units in circulation (Units)</b>	<b>505,300</b>	<b>505,300</b>	<b>505,300</b>
<b>Net Asset Value per unit (RM)</b>			
- before income distribution	1.0707	1.0707	1.0727
- after income distribution	1.0076	1.0076	1.0033

\* 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 2018 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 Jul 2018</b>	492,315	14,636	506,951
Total comprehensive income for the year attributable to unitholders	-	34,049	34,049
Distribution to unitholders	-	(31,885)	(31,885)
Net total comprehensive income for the period attributable to unitholders	-	2,164	2,164
<b>Unitholders' transactions</b>			
Listing expenses	18	-	18
Increase in net asset resulting from unitholders' transactions	18	-	18
<b>As at 30 Jun 2019</b>	<u>492,333</u>	<u>16,800</u>	<u>509,133</u>
<b><u>Fund</u></b>			
<b>As at 1 Jul 2017</b>	492,264	12,134	504,398
Total comprehensive income for the year attributable to unitholders	-	37,610	37,610
Distribution to unitholders	-	(35,108)	(35,108)
Net total comprehensive income for the period attributable to unitholders	-	2,502	2,502
<b>Unitholders' transactions</b>			
Listing expenses	51	-	51
Increase in net asset resulting from unitholders' transactions	51	-	51
<b>As at 30 Jun 2018</b>	<u>492,315</u>	<u>14,636</u>	<u>506,951</u>

The unaudited condensed Consolidated Statement of Changes in Net Asset Value should be read in conjunction with the AFS FY 2018 and the accompanying notes attached to this Interim Financial Report.

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

	Group and Fund	
	Period-To-Date	Period-To-Date
	30 Jun 19 RM '000	30 Jun18 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	34,049	37,610
Adjustment for:		
Borrowing costs	5,024	4,438
Changes in fair value on investment properties	(3,357)	(3,317)
Interest income	(502)	(817)
Bad debts written off	70	34
Allowance for doubtful debts	91	201
Amortisation of transaction costs	268	188
Written off of plant and equipment	20	-
Depreciation of plant and equipment	164	94
Operating income before changes in working capital	<u>35,827</u>	<u>38,431</u>
Net change in trade and other receivables	(10,748)	1,770
Net change in payables and accruals	<u>(2,835)</u>	<u>279</u>
Cash generated from operations	22,244	40,480
Taxes paid	-	-
Net cash generated from operating activities	<u>22,244</u>	<u>40,480</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	487	580
Placement of short term deposits	8,433	2,844
Pledge deposit	(36)	(37)
Purchase of plant and equipment	(875)	(1,513)
Asset enhancement on investment properties	<u>(9,700)</u>	<u>(1,682)</u>
Net cash (used in)/ from investing activities	<u>(1,691)</u>	<u>192</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Income distribution paid to unitholders	(31,885)	(35,108)
Interest paid	(4,297)	(3,764)
Proceeds from drawdown of borrowing	<u>12,929</u>	<u>-</u>
Net cash used in from financing activities	<u>(23,254)</u>	<u>(38,872)</u>
Net (decrease)/ increase in cash and cash equivalents	(2,701)	1,800
Cash and cash equivalents at beginning of period	<u>14,280</u>	<u>12,480</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>11,579</u></u>	<u><u>14,280</u></u>

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

Cash in hand	29	28
Bank balances	3,799	1,944
Short term deposits placed with licensed bank	9,039	13,560
	<u>12,867</u>	<u>15,532</u>
Less: Pledged deposits	<u>(1,288)</u>	<u>(1,252)</u>
	<u><u>11,579</u></u>	<u><u>14,280</u></u>

**The unaudited condensed Consolidated Statement of Cash Flow should be read in conjunction with the AFS FY 2018 and the accompanying notes attached to this Interim Financial Report.**

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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 FY2018 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 FY2018.

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

The auditors' report for FY2018 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 or cumulative quarter ended 30 June 2019.

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## **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 2019.

For the first quarter ended 30 September 2018, the Manager paid a distribution amounting to RM7.33 million or 1.45 sen per unit (of which 1.414 sen per unit is subject to withholding tax and 0.036 sen per unit is tax exempt/non-taxable) on 13 November 2018, representing approximately 100% of quarterly distributable income.

For the second quarter ended 31 December 2018, the Manager paid a distribution amounting to RM7.83 million or 1.55 sen per unit (of which 1.518 sen per unit is subject to withholding tax and 0.032 sen per unit is tax exempt/non-taxable) on 14 February 2019, representing approximately 98% of quarterly distributable income.

For the third quarter ended 31 March 2019, the Manager paid a distribution amounting to RM7.63 million or 1.51 sen per unit (of which 1.482 sen per unit is subject to withholding tax and 0.028 sen per unit is tax exempt/non-taxable) on 17 May 2019, representing approximately 98% of quarterly distributable income.

For the fourth quarter ended 30 June 2019, the Manager will be making a distribution of 91% of KIP REIT's quarterly distributable income amounting to RM7.68 million or 1.52 sen per unit (of which 1.517 sen per unit is subject to withholding tax and 0.003 sen per unit is tax exempt/non-taxable), to be payable on 29 August 2019 to every unitholder who is entitled to receive such distribution as at 4.00 p.m. on 13 August 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 June 2019 is as follows:-

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	<b>4th Quarter Ended 30.6.2019</b>		
	<b><u>Southern</u></b>	<b><u>Central</u></b>	<b><u>Total</u></b>
	<b><u>Region</u></b>	<b><u>Region</u></b>	<b><u>RM'000</u></b>
<b>By Location Segments</b>			
<b>Revenue and expenses</b>			
Gross revenue	10,268	5,936	16,204
Net property income	7,756	3,551	11,307
Changes in fair value on investment properties	9,917	(6,560)	3,357
Interest income	57	29	86
Borrowing costs	(839)	(542)	(1,381)
Trust and other expenses	(1,063)	(781)	(1,844)
Profit before taxation	15,828	(4,303)	11,525
Taxation	-	-	-
Total comprehensive income attributable to unitholders	15,828	(4,303)	11,525
<b>Assets</b>			
Segment assets	390,935	212,966	603,901
Unallocated assets			
- Cash and bank balances			10,325
- Trade and other receivables			15,584
Total assets			629,810

## 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.

## 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 June 2019.

## A11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## A12 CAPITAL COMMITMENT

Capital commitment as at 30 June 2019:

	<b><u>RM'000</u></b>
Authorised and contracted for – within one year	<u>197,600</u>



## KIP REAL ESTATE INVESTMENT TRUST

### A13 VALUATION OF INVESTMENT PROPERTIES

The investment properties are valued annually by independent registered valuer. Any differences between the valuation and the book value of the respective investment properties are charged or credited to the profit or loss for the period in which they arise.

Properties	Market Value @ 30 Jun 2019 RM'000	Market Value @ 30 Jun 2018 RM'000	Change in value RM'000
<b>Southern Region</b>			
KIPMall Tampoi	163,500	159,000	4,500
KIPMall Masai	167,700	160,000	7,700
KIPMall Kota Tinggi	56,600	56,000	600
	<u>387,800</u>	<u>375,000</u>	<u>12,800</u>
<b>Central Region</b>			
KIPMall Bangi	134,500	130,000	4,500
KIPMall Senawang	28,000	30,000	(2,000)
KIPMall Melaka	49,000	50,000	(1,000)
	<u>211,500</u>	<u>210,000</u>	<u>1,500</u>
Total Portfolio	599,300	585,000	14,300
Less : Capital Expenditure			<u>(10,943)</u>
Changes in fair value on investment properties			<u>3,357</u>

### A14 COMPARATIVE FIGURES

Certain comparative figures were restated to conform with the current year presentation.

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## 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

##### Financial review for current quarter and financial year to date

	Quarter			Year To Date		
	<u>30.6.2019</u>	<u>30.6.2018</u>	<u>Changes</u>	<u>30.6.2019</u>	<u>30.6.2018</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	16,204	16,127	0.5%	63,065	62,773	0.5%
Net property income	11,307	11,115	1.7%	41,953	41,918	0.1%
Profit before taxation	11,525	12,399	-7.1%	34,049	37,610	-9.5%
Profit after taxation	11,525	12,399	-7.1%	34,049	37,610	-9.5%
Total comprehensive income attributable to unitholders	11,525	12,399	-7.1%	34,049	37,610	-9.5%

#### Quarterly Results

KIP REIT recorded revenue of RM16.2 million in Q4FY19, as compared to RM16.1 million recorded in the preceding year corresponding quarter. The increase was mainly attributable to the increase in occupancy rate from 86.3% in corresponding quarter to 88.5% in current quarter.

KIP REIT property operating expenses was RM4.9 million in Q4FY19, a net decrease of RM0.1 million or 2.3% mainly attributable by lower electricity bill with solar PV system. Correspondingly, net property income of RM11.3 million was 2% higher than preceding year corresponding quarter.

The investment properties in the Southern region and Central region contributed 63.4% and 36.6% of the KIP REIT total revenue respectively.

Current quarter total comprehensive income attributable to unitholders was RM11.5 million, 7.1% lower against preceding year corresponding quarter. The lower total comprehensive income was mainly due to higher borrowing costs incurred on the back of higher bank borrowing to finance solar PV system as well as the Kinta acquisition deposit. On top of that, there were higher management fees charged from 0.30% of TAV in the corresponding quarter to 0.60% of TAV in current quarter.

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## Year-to-date Results

Total revenue for year-to-date 30 June 2019 was RM63.1 million, representing an increase of 0.5% against preceding year-to-date performance. Current year average occupancy rate has increased to 87.8% from 84.9% in last year.

Total property operating expenses were RM0.3 million or 1.2% higher compared to year-to-date 30 June 2018. This was mainly due to higher maintenance and higher reimbursement cost incurred during the year but partially offset by lower utilities expenses. Net property income for current year-to-date of RM41.9 million was 0.1% better than last year.

Despite the higher revenue and higher net property income in current year-to-date, profit after tax was RM3.6 million lower than last year, mainly attributable to higher management fees charged and higher borrowing costs and other advisory costs incurred during the year, but partially offset by higher than last year changes in fair value in investment properties.

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

	Current Quarter <u>30.6.2019</u> RM'000	Immediate Preceding Quarter <u>31.3.2019</u> RM'000	<u>Changes</u> (%)
Gross revenue	16,204	15,643	3.6%
Net property income	11,307	10,256	10.2%
Profit before taxation	11,525	7,366	56.5%
Profit after taxation	11,525	7,366	56.5%
Total comprehensive income attributable to unitholders	11,525	7,366	56.5%

KIP REIT revenue for the current quarter was 3.6% higher than the immediate preceding quarter ended 31 March 2019. The increase was mainly due to higher promotion area income generated from Bazaar Ramadhan during current quarter. Current quarter occupancy rate has increased to 88.5% from 88.3% in the last quarter.

The net property income increased by 10.2% compared to the preceding quarter mainly due to full quarter solar saving impact. On top of the higher revenue and net property income, higher profit before taxation by 56.5% was recorded mainly due to RM3.4 million changes in fair value in investment properties during the current quarter.

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## **B3 PROSPECTS**

According to Bank Negara, Malaysian GDP is expected to grow at 4.5% during this quarter, albeit at a lower rate than the previous quarter of 4.7% due to a decline in consumer sentiments.

The Manager will continue to leverage its core capabilities in light of greater economic uncertainties. The Manager will further enhance our leasing and marketing strategies to boost occupancy and rental rates, across all of our properties. Additionally, the Manager will continue to maintain all the assets in our portfolio to benefit from capital appreciation in the future.

Further, the Manager shall actively identify yield accretive assets for potential acquisitions into our portfolio in addition to AEON Mall Kinta City which is due to complete in the upcoming quarter. The Manager shall also consider the suitability of exercising its rights of first refusal over properties developed by the Sponsors.

## **B4 PORTFOLIO COMPOSITON**

During the financial period under review, the portfolio of KIP REIT consists of six (6) community-centric malls as investment properties, of which three (3) are in Southern region and remaining three (3) are in Central region.

## **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 ended 30 June 2019, no provision for taxation has been made for the current quarter.

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

There was no disposal of unquoted securities or investment properties during Q4FY19 ended 30 June 2019 under review.

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

There was no purchase or disposal of quoted securities during Q4FY19 ended 30 June 2019 under review.

### **B9 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED**

The proposed acquisition of Aeon Mall Kinta City Mall in Ipoh that was announced on 28 August 2018 and 30 November 2018 is not completed. Unitholders of KIP REIT have approved the proposed acquisition at the Meeting held on 3 April 2019 and all Conditions Precedent as stated in the SPA have been fulfilled on 18 June 2019.

### **B10 BORROWINGS**

	<b>As at 30 June 2019 RM ('000)</b>
Secured Term Loan:-	
Current	6,779
Non-current	93,390
Total Borrowings	<u>100,169</u>
Total assets	<u>629,810</u>
Gearing ratio (%)	<u>15.9</u>

### **B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments for the Q4FY19 ended 30 June 2019 under review.

### **B12 MATERIAL LITIGATION**

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

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### B13 SOFT COMMISSION RECEIVED

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

### B14 SUMMARY OF DPU, EPU AND NAV

	Current Quarter Ended 30 June 2019	Immediate Preceding Quarter Ended 31 March 2019
Number of units in issue (units'000)	505,300	505,300
Earning per unit (EPU) - sen	2.28	1.46
Net income distribution to unitholders (RM'000)	7,681	7,630
Distribution per unit (DPU) – sen	1.52	1.51
Net Asset Value (NAV) – (RM'000)	509,133	505,219
NAV per unit (RM)	1.0076	0.9998
Market Value Per Unit (RM)	0.840	0.885

### B15 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 year-to-date was RM4.2 million consist of base fee (0.6%) of TAV and performance fee (1%) of net property income.

## **KIP REAL ESTATE INVESTMENT TRUST**

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### **B16 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.

### **B17 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 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 26 July 2019.