POWERED BY PEOPLE,
UNITED IN PURPOSE

KIP REIT

KIP REAL ESTATE INVESTMENT TRUST

KIP REIT MANAGEMENT SDN BHD
(Registration No.201501044317 (1169638-M))
(The Manager for KIP REIT)

Unit B-6, Blok B, Tingkat 6, Menara KIP
No.1, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur
T +603 6259 1133 F +603 6259 1212

www.kipreit.com.my

KIP REAL ESTATE INVESTMENT TRUST

INTEGRATED ANNUAL REPORT 2025

KIP REIT

SUSTAINABLE GROWTH REAL IMPACT

Integrated Annual Report 2025

INSIDE THIS REPORT





ABOUT THIS REPORT

01 OVERVIEW

02 LEADERSHIP & BUSINESS REVIEW

03 VALUE CREATION MODEL

04 SUSTAINABILITY STATEMENT

05 CORPORATE GOVERNANCE

06 FINANCIAL INFORMATION

07 ADDITIONAL INFORMATION

ABOUT THIS REPORT

KIP Real Estate Investment Trust ("KIP REIT") is pleased to present its Integrated Annual Report 2025 ("IAR 2025") for the financial year ended 30 June 2025 ("FYE 2025"). This report outlines KIP REIT's financial and non-financial performance and has been prepared in accordance with the Guiding Principles and Content Elements of the International Integrated Reporting Framework issued by the International Integrated Reporting Council ("IIRC").

SELANGOR

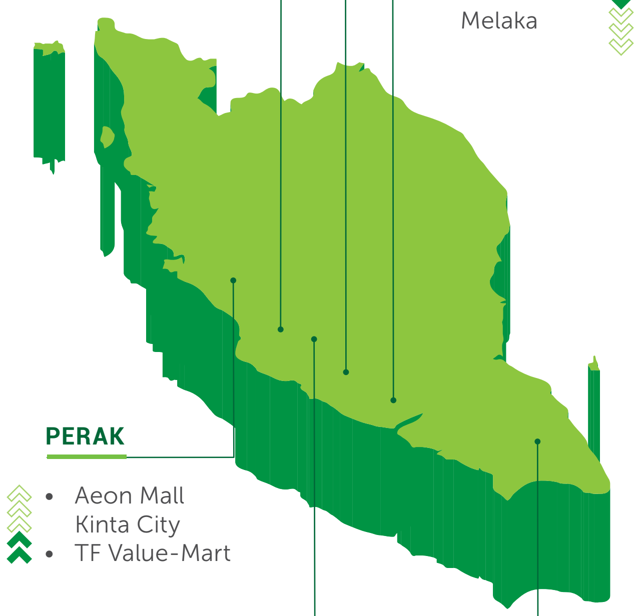
- KIPMall Bangi
- KIPMall Kota Warisan
- DPulze Shopping Centre
- Hextar Chemical (Lot 5)
- Teju Logistics (Lot 3A) & (Lot 9)
- Sin Chee Heng (Lot 35)

NEGERI SEMBILAN

- KIPMall Senawang

MELAKA

- KIPMall Melaka



PERAK

- Aeon Mall Kinta City
- TF Value-Mart

KUALA LUMPUR

- KIP REIT Management Sdn Bhd

JOHOR

- KIPMall Masai
- KIPMall Kota Tinggi
- KIPMall Tampoi

Reporting Scope and Boundary

This IAR 2025 covers the period from 1 July 2024 to 30 June 2025, unless stated otherwise. It encompasses the core operational activities of KIP REIT. All data, information and disclosures included in IAR 2025 are limited to business entities, assets, and operations that fall under the full operational control of KIP REIT.

Reporting Frameworks and Standards

- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Companies Act 2016 ("CA 2016")
- Malaysian Code on Corporate Governance ("MCCG")
- Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS")
- Securities Commission ("SC") Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REITs")
- FTSE4Good Bursa Malaysia ("F4GBM") Index
- Bursa Securities' Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative ("GRI") Standards - With reference
- IIRC's Integrated Reporting Framework
- Task Force on Climate-Related Financial Disclosures ("TCFD")
- United Nations Sustainable Development Goals ("UN SDGs")

Assurance

Contents of this report have been read and approved by the Board of Directors ("the Board") of KIP REIT Management Sdn Bhd ("the Manager") and Management. The financial statements included in this IAR have been independently audited by PricewaterhouseCoopers PLT ("PwC"). As part of the Manager's continuous efforts to enhance KIP REIT's sustainability reporting, the Manager has also appointed Deloitte PLT to carry out an independent limited assurance exercise on selected indicators in the Sustainability Statement.

Materiality

Information disclosed in this IAR 2025 is relevant to KIP REIT's material matters, which have been determined by extensive stakeholder engagement as well as internal evaluation. These material matters reflect existing and emerging risks and opportunities, which could affect our ability to create value for KIP REIT and stakeholders.

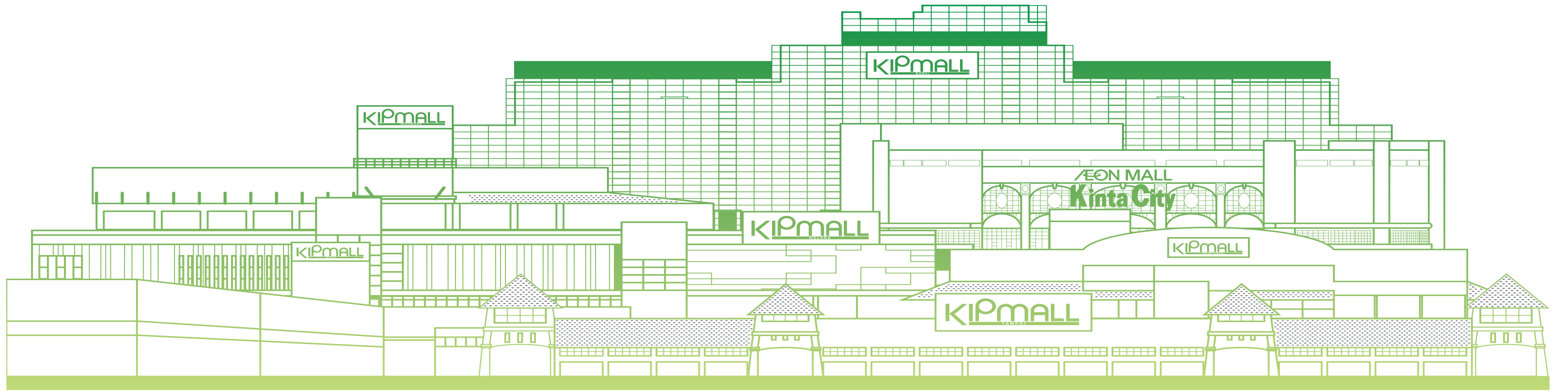
Forward-Looking Statement

This IAR 2025 includes forward-looking statements regarding KIP REIT's plans, objectives, goals, strategies, future operations and performance. These statements reflect the Manager's current views, expectations, beliefs, and assumptions about future events and should not be regarded as guarantees of future performance. The actual outcomes may differ due to various risks, uncertainties and factors beyond KIP REIT's control.

Board Statement of Responsibility

The Board acknowledges its responsibility to ensure the integrity and accuracy of this IAR 2025. In the Board's opinion, IAR 2025 addresses all key issues that are material to KIP REIT in creating value. IAR 2025 has been prepared in accordance with the IIRC's Integrated Reporting Framework and was approved by the Board on 10 September 2025.

ABOUT KIP REIT



CORE VALUES

Know-how

We are committed to leveraging our core capabilities in identifying investment opportunities and management of our properties to ensure that we maximise value creation for all of our stakeholders. Our Management team takes pride in making carefully considered decisions to deliver high-quality investments.

Integrity

We uphold the highest standards of ethical behaviour and transparency in all our interactions. Trust and honesty are the cornerstones of our relationships with stakeholders.

People

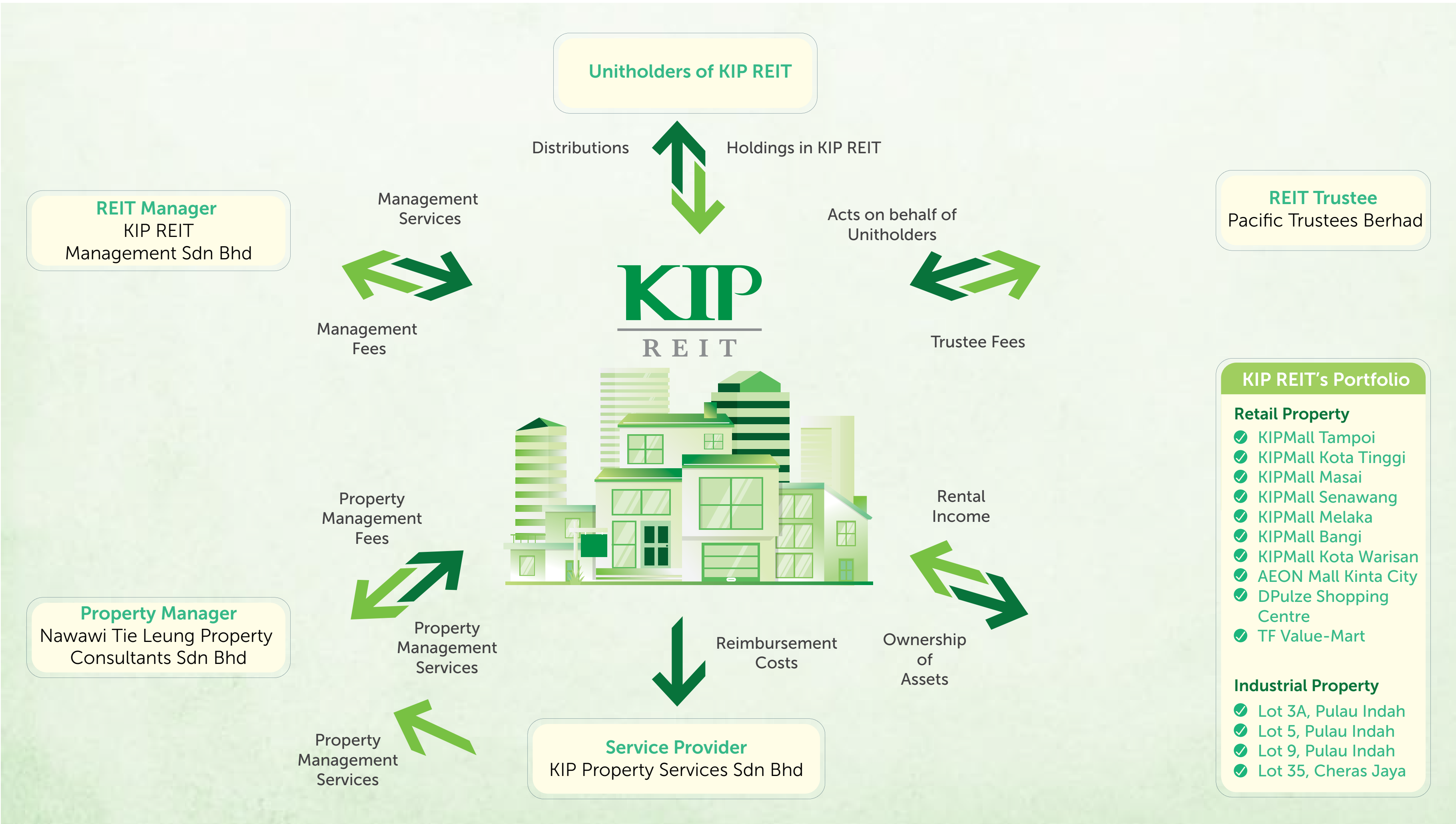
At the heart of our investment fund is our community, with people being central to everything we do. We foster a culture of respect, collaboration, and empowerment, recognising that our success is built on the diverse talents and contributions of our team. We strive to serve each and every one of our stakeholders with dedication to maximise value.

VISION

To be a leading Real Estate Investment Trust with sustainability and community engagement at the forefront of our investment strategies.

MISSION

Creating value for our stakeholders to ensure sustainable growth for our KIP REIT community.



KIP REIT is a Malaysia domiciled REIT established on 2 November 2016 pursuant to the deed of trust dated 2 November 2016, an amended and restated deed dated 12 December 2019, and a supplementary deed dated 29 September 2020 (collectively referred to as the "Deeds") between the Manager and Pacific Trustees Berhad ("the Trustee").

KIP REIT was listed on the Main Market of Bursa Securities on 6 February 2017. As such, our conducts are regulated by the Securities Commission Act 1993, the Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines") prescribed by the SC, the MMLR, the Rules of Bursa Malaysia Depository ("Depository") and taxation laws and rulings.

Subsequent to our unitholders' approval on 29 September 2020, KIP REIT's investment policy is to invest, directly and indirectly, in a portfolio of income producing real estate used primarily for retail purposes, and for industrial or commercial purposes, including, without limiting the generality of the foregoing, warehousing facilities, logistics facilities and manufacturing sites as well as real estate-related assets. As at 30 June 2025, KIP REIT's property portfolio consists of ten (10) community-centric malls strategically located in suburban areas across Peninsular Malaysia and four (4) industrial properties located at Pulau Indah and Cheras Jaya, Selangor.

- **For Our Investors:** We strive to deliver sustainable returns for our investors with a steady stream of distribution income generated by our unique portfolio of assets.
- **For Our Business Partners:** We see and treat our tenants as our business partners. We are building a community of assets as a platform for our business partners to expand their enterprises together with our growing community of properties, be it local Small Medium Enterprises ("SMEs") or established brands.
- **For Our Shoppers:** We want our shoppers to feel at home at all of our community-centric malls, where they can access their daily necessities and create long-lasting memories with other members of their communities.
- **For Our Employees :** We treat all our people with the utmost respect, embracing diversity and fostering inclusion. We are committed to providing training opportunities that empower our employees to reach their full professional potential and promote team growth.
- **For Our Community:** We are committed to helping the communities in our areas of operation by supporting causes to promote environmental sustainability and to foster economic and social development.

ABOUT KIP REIT

SALIENT FEATURES OF KIP REIT

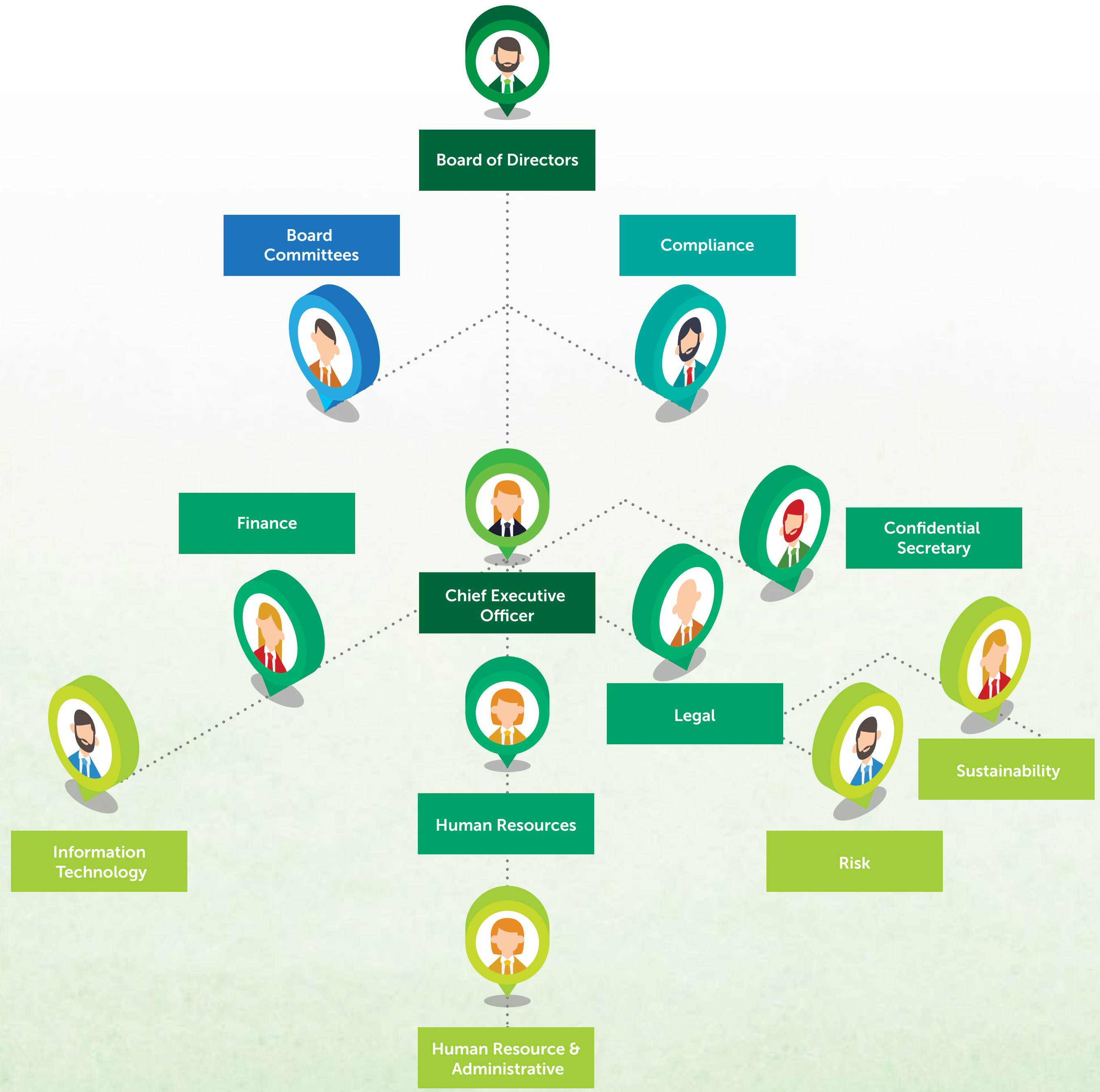
Name of REIT	KIP Real Estate Investment Trust
REIT Type	Income stability and growth
Duration / Termination	Earlier of the occurrence of any circumstance as stated in the Deeds or 999 years from the establishment of KIP REIT
The Manager	KIP REIT Management Sdn Bhd [Reg. No. 201501044317 (1169638-M)]
The Trustee	Pacific Trustees Berhad [Reg. No. 199401031319 (317001-A)]
Investment Objective	The key 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.
Investment Strategies	The Manager intends to increase the income and consequently, the value of the investment properties by implementing the following strategies, including: - • active asset management and enhancement; • acquisition growth; and • capital and risk management.
Authorised Investments	Real estate used primarily for retail purposes, and for industrial or commercial purposes, including, without limiting the generality of the foregoing, warehousing facilities, logistics facilities and manufacturing sites, special purpose vehicles ("SPVs"), real-estate related assets, non-real estate-related assets, cash, deposits, money market instruments and any other investments not specified above but specified as a permissible investment in the REIT Guidelines or as otherwise permitted by the SC.
Authorised Investment Limits	The investments of KIP REIT are subject to the following investment limits imposed by the REIT Guidelines: - • at least 75.0% of KIP REIT's Total Asset Value ("TAV") must be invested in real estate and/or SPVs at all times; and • not more than 25.0% of KIP REIT's TAV may be invested in non-real estate-related assets and/or cash, deposits and money market instruments, provided that investments in both real estate-related assets and non-real estate-related assets are limited as follows: - • the value of KIP REIT's investments in securities issued by any single issuer must not exceed 5.0% of KIP REIT's TAV; • the value of KIP REIT's investments in securities issued by any group of companies must not exceed 10.0% of KIP REIT's TAV; and • KIP REIT's investments in any class of securities must not exceed 10.0% of the securities issued by any single issuer; or such other limits and investments as may be permitted by the SC or the REIT Guidelines.
Borrowing Limits	Up to 50% of the TAV of KIP REIT at the time the borrowings are incurred.
Investors' Profile	Suitable for investors with long-term investment objectives who seeks regular income distribution and long-term capital appreciation, and who understands the risks related to the real estate industry and REITs.
Distribution Policy	At least 90% of KIP REIT's distributable income shall be distributed on a quarterly basis.
Listing	Main Market of Bursa Securities
Stock Number	KIPREIT 5280

ABOUT THE MANAGER

By virtue of the Deeds, KIP REIT Management Sdn Bhd was appointed to act as the management company of KIP REIT on behalf of its unitholders. The Manager is responsible for the administration and management of KIP REIT as well as the implementation of KIP REIT's investment and business strategies.

The Manager is a wholly-owned subsidiary of KIP Homes Sdn Bhd and was incorporated in Malaysia on 15 December 2015. The Manager also holds a Capital Markets and Services License ("CMSL") for the regulated activity of fund management in relation to asset management restricted to REITs.

The Board of the Manager comprises experienced individuals from diverse fields such as finance, compliance, legal, human resources, and etc. The corporate structure of the Manager by function is as follows: -



5-YEAR FINANCIAL HIGHLIGHTS

	FYE2025	FYE2024	FYE2023	FYE2022	FYE2021
Key Financial Performance					
Gross Revenue (RM'000)	136,133	102,159	83,750	73,700	74,249
Net Property Income ("NPI") (RM'000)	96,823	77,817	62,152	56,754	56,662
Profit for the Year (RM'000)					
- Realised Profit	51,265	44,467	37,700	36,043	36,068
- Unrealised Profit/ (Loss)	63,870	2,847	23,092	39,466	(847)
	115,135	47,314	60,792	75,509	35,221
Distributable Income (RM'000)	52,723	45,577	38,764	37,329	38,254
Key Financial Position					
Property Value (RM'000)	1,494,000	1,061,600	964,300	852,000	808,000
Total Assets Value (RM'000)	1,577,047	1,135,948	1,023,391	889,035	846,221
Net Asset Value ("NAV") (RM'000)					
- Before Income Distribution	939,634	717,126	696,770	588,887	545,060
- After Income Distribution	894,151	677,629	659,971	554,626	513,378
Gearing Ratio (%)	39.5	37.3	32.6	35.2	37.0
Units Information					
No. of Units Issues ('000)	798,630	618,630	606,360	505,300	505,300
No. of Unitholders	14,206	10,521	8,700	7,690	5,280
Market Capitalisation (RM'000)	666,856	553,674	545,724	449,717	426,979
Earnings per Unit (Sen)	15.94	7.72	10.47	14.94	6.97
Distribution per Unit ("DPU") (Sen)	6.80	6.67	6.20	6.80	6.84
Distribution Yield Based in Year End Market Price (%)	8.1	7.4	6.9	7.6	8.1
NAV per Unit (RM)					
- Before Income Distribution	1.18	1.16	1.15	1.17	1.08
- After Income Distribution	1.12	1.10	1.09	1.10	1.02
Market Value per Unit (RM)					
- Highest traded price for the year	0.945	0.910	0.920	0.915	0.905
- Lowest traded price for the year	0.820	0.885	0.880	0.815	0.790

	FYE2025	FYE2024	FYE2023	FYE2022	FYE2021
PERFORMANCE OF KIP REIT					
Net Lettable Area ("NLA") (sq.ft)[1]	2,547,539	2,084,430	1,883,714	1,485,415	1,481,761
Overall Average Occupancy Rate (%)[2]	96.7	94.1	92.3	87.3	89.6
Management Expenses Ratio ("MER") (%)[3]	2.5	1.6	1.7	1.5	1.5
Annual Total Return (%)[4]	1.4	6.8	8.0	13.0	14.4
Average Total Return (3 years) (%)[5]	5.4	9.3	11.8	9.9	9.7
Average Total Return (5 years) (%)[5]	8.7	8.9	10.0	7.5	N/A
Distribution Yield (%)[6]	8.1	7.4	6.9	7.6	8.1
NAV per Unit After Income Distribution (RM) [7]	1.12	1.10	1.09	1.10	1.02
Closing Unit Price (RM) [8]	0.835	0.895	0.900	0.890	0.845

Key Highlights During FYE 2025

Gross Revenue
RM136.13 million
representing a 33.3% increase from RM102.16 million in FYE 2024

Total Assets
RM1.58 billion
representing a 38.8% increase from RM1.14 billion as at 30 June 2024

Included in
FTSE4Good
Bursa Index

Acquisition of
TF Value-Mart
Asset Under Management ("AUM"): RM1.07 billion

Acquisition of
DPulze Shopping Centre
AUM: RM1.40 billion

Acquisition of
Sin Chee Heng (Lot 35)
AUM: RM1.42 billion

Completed
Asset Enhancement Initiatives ("AEI") of KIPMall Senawang and introduction of new anchor tenant, namely ST Rosyam

20-year partnership
with KJTS Group Berhad to reduce energy costs by 15.0% and lower carbon footprint

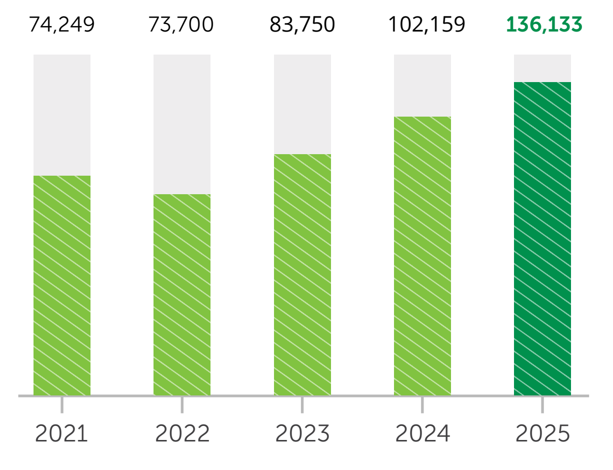
Signed
Memorandum of Understanding ("**MOU**") with AEON to expand AEON Mall Kinta City, Perak

Notes

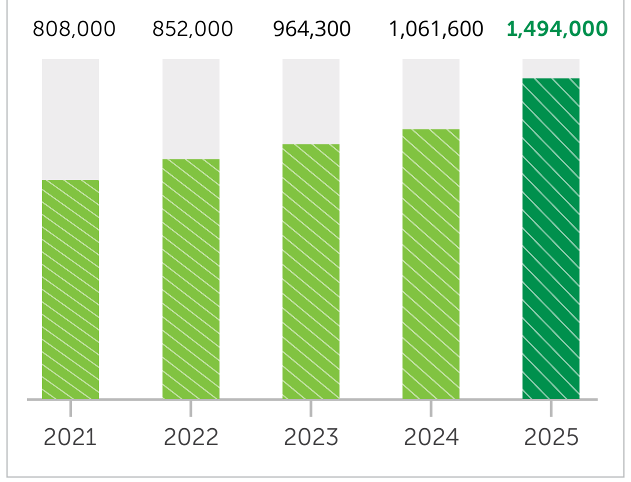
1. Total NLA covers all the AUM as at 30 June.
2. Overall average occupancy rate is computed by occupied area over NLA.
3. MER is the ratio of expenses incurred in operating KIP REIT to the average NAV of KIP REIT after income distribution. The computation of MER has been verified by the auditors.
4. Annual total return represents the change in unit price during the year plus distribution yield for the year.
5. Average total return is the sum of the return rates of KIP REIT over a given number of years divided by that number of years.
6. Distribution yield is computed based on distribution per unit divided by its closing unit price.
7. NAV per unit is determined by deducting the value of all KIP REIT's liabilities and income distribution paid to unitholders from the total asset value, divided by number of units issued as at 30 June.
8. Unit price is determined based on the closing unit price as at 30 June.

PERFORMANCE AT A GLANCE

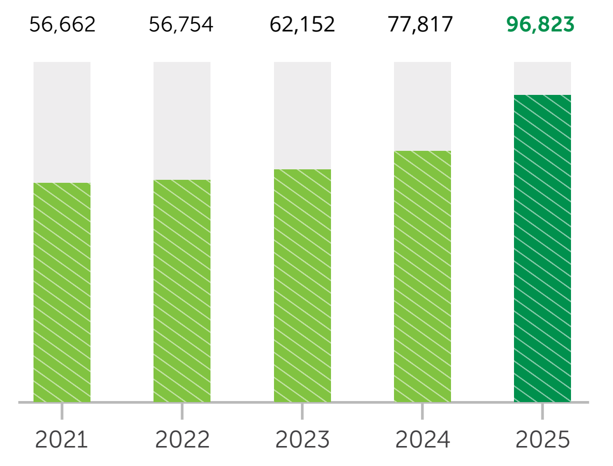
GROSS REVENUE (RM'000)



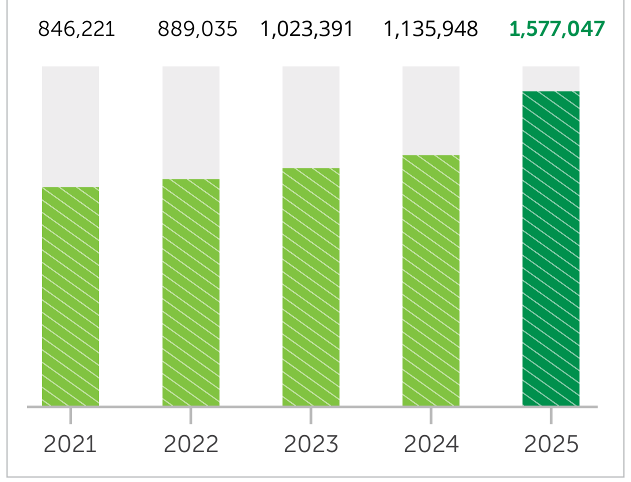
PROPERTY VALUE (RM'000)



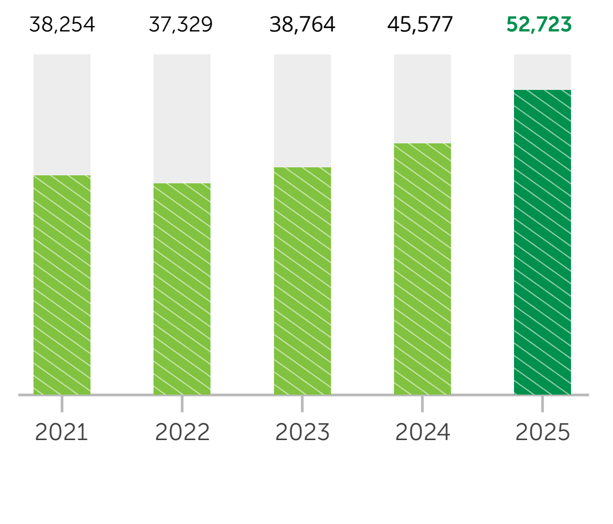
NPI (RM'000)



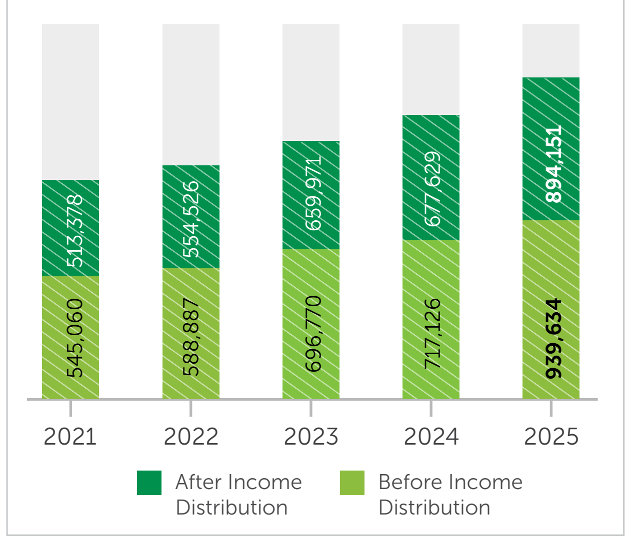
TOTAL ASSET VALUE (RM'000)



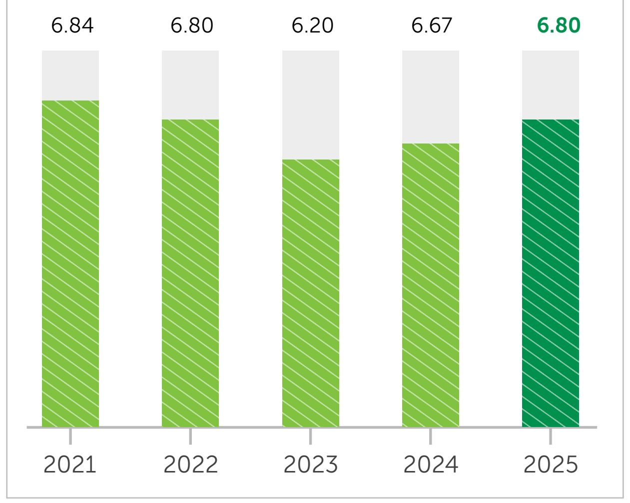
DISTRIBUTABLE INCOME (RM'000)



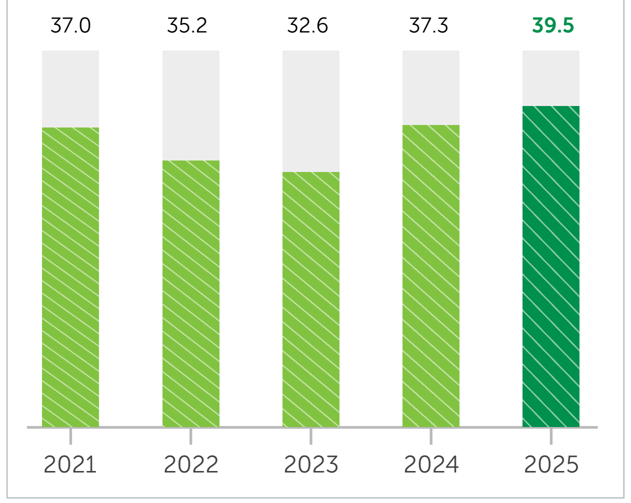
NAV (RM'000)



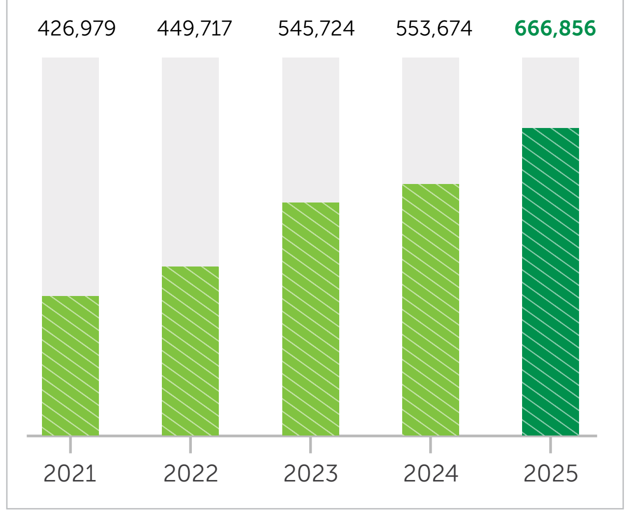
DISTRIBUTION PER UNIT (SEN)



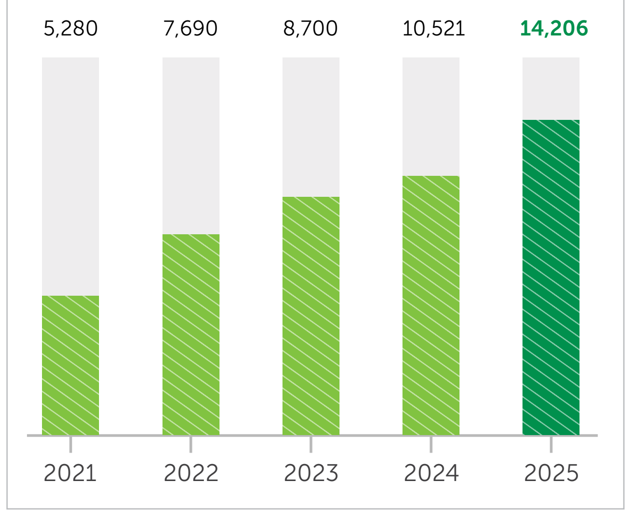
GEARING RATIO (%)



MARKET CAPITALISATION (RM'000)



NUMBER OF UNITHOLDERS



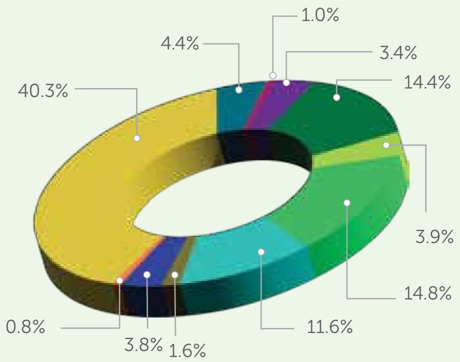
PROPERTY DETAILS

KIPMALL TAMPOI

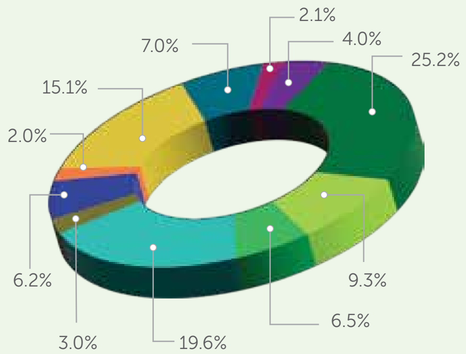
Building Details

Address	Lot PTD 152711, Jalan Titiwangsa 1, Taman Tampoi Indah, 81200 Johor Bahru, Johor Darul Takzim
Description	Single-storey retail centre with a mezzanine floor with 562 car parking bays
Age of Building	21 years
Existing Use	Retail mall
Title Information	HSD 452673, PTD 152711, Mukim of Pulai, District of Johor Bahru, Johor Darul Takzim
Encumbrances	Charged to Malaysian Trustees Berhad ("MTB") via Presentation No. 82551/2019 registered on 29 September 2019; Private caveat lodged by MTB via Presentation No. 29075/2019 on 18 July 2019
Tenure	99 years, expiring on 24 September 2092
Gross Floor Area	243,628 sq. ft.
NLA	170,526 sq. ft. (FYE 2024: 170,526 sq. ft.)
Acquisition Date	6 February 2017
Acquisition Price	RM150.0 million
Appraised Value	RM193.0 million (FYE 2024: RM181.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	97.7% (FYE 2024: 97.4%)
Weighted Average Lease Expiry	ONLA: 1.6 years GRI: 1.1 years

By Occupied NLA ("ONLA")



By Gross Rental Income ("GRI")



Trade Sector Analysis

- Fresh Market
- Food & Beverages ("F&B")
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Top 5 Tenants by ONLA

1. Mr. D.I.Y. (Johor) Sdn Bhd
2. Pasaraya Hwa Thai Sdn Bhd
3. Bok Marketing Sdn Bhd
4. Lionmas Furnishers (M) Sdn Bhd
5. Great Zone Household Centre Sdn Bhd

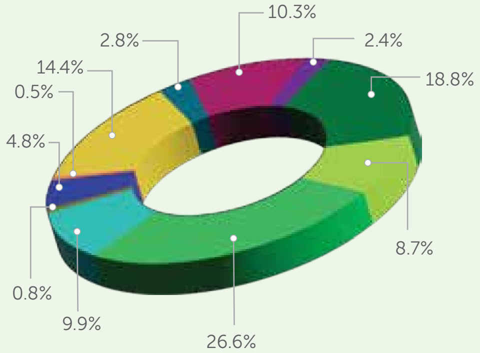
Top 5 Tenants by GRI

1. Pasaraya Hwa Thai Sdn Bhd
2. Mr. D.I.Y. (Johor) Sdn Bhd
3. Bok Marketing Sdn Bhd
4. Great Zone Household Centre Sdn Bhd
5. Tian Sing Shoes Trading

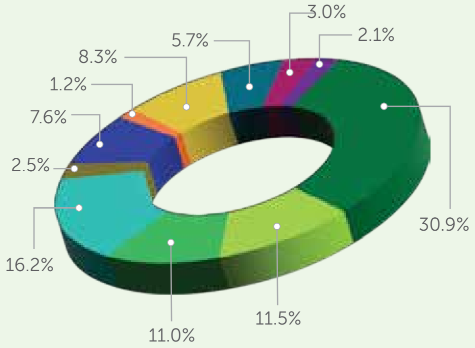
PROPERTY DETAILS

KIPMALL KOTA TINGGI

By ONLA



By GRI



Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Top 5 Tenants by ONLA

1. Pasaraya Hwa Thai Sdn Bhd
2. Lionmas Furnishers (M) Sdn Bhd
3. MRD (Southern) Sdn Bhd
4. Linkme LM Trading Sdn Bhd
5. Richeese Factory Malaysia Sdn Bhd

Top 5 Tenants by GRI

1. Pasaraya Hwa Thai Sdn Bhd
2. Linkme LM Trading Sdn Bhd
3. KVNP Enterprise
4. Hikaru Kawaii S PLT
5. Lionmas Furnishers (M) Sdn Bhd

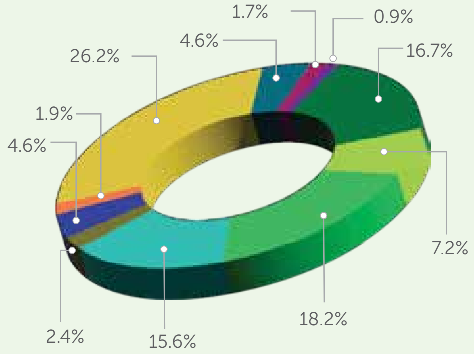
Building Details

Address	No. 1, Jalan Maju, 81900 Kota Tinggi, Johor Darul Takzim
Description	Single-storey retail centre with a mezzanine floor with 155 car parking bays
Age of Building	17 years
Existing Use	Retail mall
Title Information	GRN 353762, Lot 28861, Mukim of Kota Tinggi, District of Kota Tinggi, Johor Darul Takzim
Encumbrances	Charged to MTB via Presentation No. 38145/2024 registered on 22 April 2024; Private caveat lodged by MTB via Presentation No. 59355/2023 on 19 December 2023
Tenure	Freehold
Gross Floor Area	113,958 sq. ft
NLA	78,071 sq. ft. (FYE 2024: 78,071 sq. ft.)
Acquisition Date	6 February 2017
Acquisition Price	RM55.0 million
Appraised Value	RM65.0 million (FYE 2024: RM59.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	93.1% (FYE 2024: 91.4%)
Weighted Average Lease Expiry	ONLA: 1.8 years GRI: 1.8 years

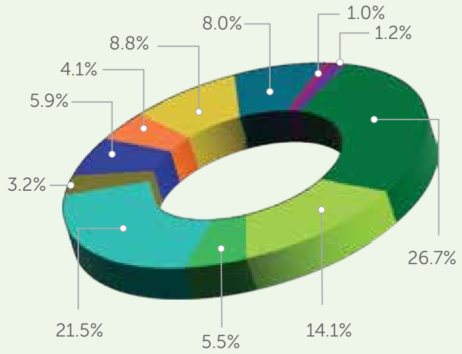
PROPERTY DETAILS

KIPMALL MASAI

» By ONLA



» By GRI



» Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

» Top 5 Tenants by ONLA

1. Pasaraya Hwa Thai Sdn Bhd
2. Bok Marketing Sdn Bhd
3. Mr. D.I.Y. (Johor) Sdn Bhd
4. Linkme LM Trading Sdn Bhd
5. Jacobi Shoes House

» Top 5 Tenants by GRI

1. Pasaraya Hwa Thai Sdn Bhd
2. Bok Marketing Sdn Bhd
3. Jacobi Shoes House
4. Mr. D.I.Y. (Johor) Sdn Bhd
5. Linkme LM Trading Sdn Bhd

Building Details

Address	PTD 204780, HS(D) 478086, Jalan Persiaran Dahlia 2, Taman Bukit Dahlia, 81700 Pasir Gudang, Johor Darul Takzim
Description	Single-storey retail centre with a mezzanine floor with 575 car parking bays
Age of Building	14 years
Existing Use	Retail mall
Title Information	PN 70766, Lot 198634, Locality of Taman Bukit Dahlia, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim
Encumbrances	Charged to MTB via Presentation No. 82551/2019 registered on 2 October 2019; Private caveat lodged by MTB via Presentation No. 29075/2019 on 18 July 2019
Tenure	99 years, expiring on 28 December 2108
Gross Floor Area	247,990 sq. ft.
NLA	157,531 sq. ft. (FYE 2024: 156,791 sq. ft.)
Acquisition Date	6 February 2017
Acquisition Price	RM157.0 million
Appraised Value	RM197.0 million (FYE 2024: RM187.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	97.2% (FYE 2024: 96.2%)
Weighted Average Lease Expiry	ONLA: 2.0 years GRI: 2.0 years

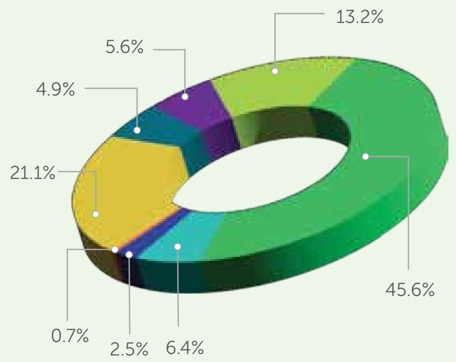
PROPERTY DETAILS

KIPMALL SENAWANG

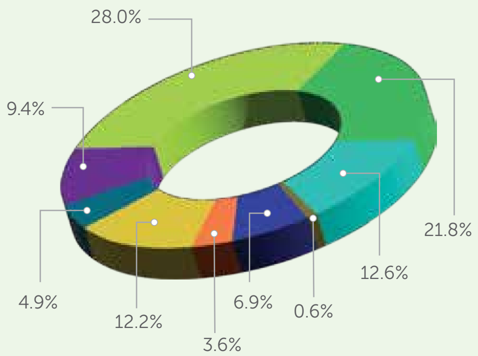
Building Details

Address	No. 1, Jalan KLS 1, KIPMall Lavender Senawang, Lavender Heights, 70400 Seremban, Negeri Sembilan Darul Khusus
Description	Single-storey retail centre with a mezzanine floor with 590 car parking bays and 85 motorcycle parking bays
Age of Building	12 years
Existing Use	Retail mall
Title Information	GRN 262080, Lot 61344, Locality of Taman Lavender Heights, Pekan Senawang, District of Seremban, Negeri Sembilan Darul Khusus
Encumbrances	N/A
Tenure	Freehold
Gross Floor Area	180,198 sq. ft.
NLA	122,065 sq. ft. (FYE 2024: 119,767 sq. ft.)
Acquisition Date	6 February 2017
Acquisition Price	RM38.0 million
Appraised Value	RM30.0 million (FYE 2024: RM25.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	85.1% (FYE 2024: 62.9%)
Weighted Average Lease Expiry	ONLA: 2.6 years GRI: 2.2 years

» By ONLA



» By GRI



» Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

» Top 5 Tenants by ONLA

1. ST Rosyam Mart Sdn Bhd
2. Mr. D.I.Y. (M) Sdn Bhd
3. Porcelain Inn Sdn Bhd
4. Lionmas Furnishers (M) Sdn Bhd
5. Hyper Pets Centre (M) Sdn Bhd

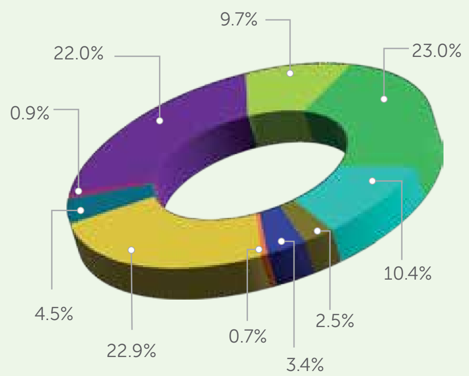
» Top 5 Tenants by GRI

1. ST Rosyam Mart Sdn Bhd
2. WH Event Management
3. QSR Stores Sdn Bhd
4. Mr. D.I.Y (M) Sdn Bhd
5. Lionmas Furnishers (M) Sdn Bhd

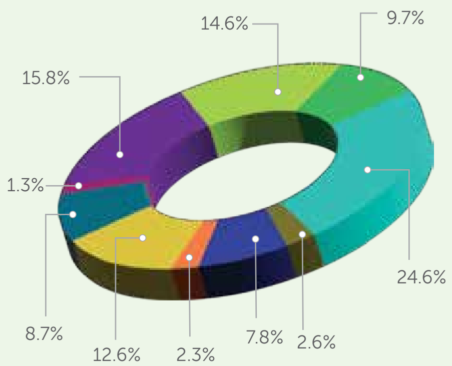
PROPERTY DETAILS

KIPMALL MELAKA

By ONLA



By GRI



Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Top 5 Tenants by ONLA

1. Bachang Family Store Sdn Bhd
2. Bok Marketing Sdn Bhd
3. Mr. D.I.Y. (M) Sdn Bhd
4. DODE Concept
5. Happy Home Household Sdn Bhd

Top 5 Tenants by GRI

1. Bachang Family Store Sdn Bhd
2. Bok Marketing Sdn Bhd
3. Mr. D.I.Y. (M) Sdn Bhd
4. Happy Home Household Sdn Bhd
5. Lionmas Furnishers (M) Sdn Bhd

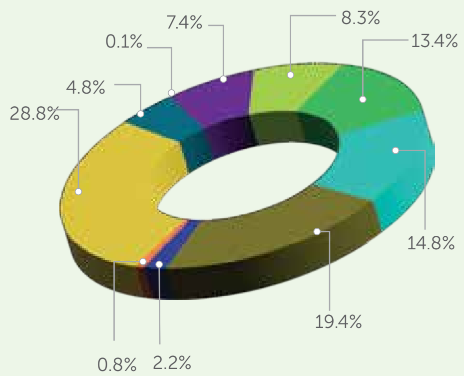
Building Details

Address	No. 8999, Jalan Tun Fatimah, Batu Berendam, 75350 Hang Tuah Jaya, Melaka	
Description	Two-storey retail centre with 527 car parking bays	
Age of Building	11 years	
Existing Use	Retail mall	
Title Information	PN 61677, Lot No 19541, Mukim of Bachang, District of Melaka Tengah, Melaka	
Encumbrances	Charged to MTB via Presentation No. 0400SC2024007650 registered on 3 April 2024; Private caveat lodged by MTB via Presentation No. 0400B2023005635 on 12 December 2023	
Tenure	99 years, expiring on 17 November 2112	
Gross Floor Area	276,988 sq. ft.	
NLA	202,506 sq. ft. (FYE 2024: 199,094 sq. ft.)	
Acquisition Date	6 February 2017	
Acquisition Price	RM50.0 million	
Appraised Value	RM66.0 million (FYE 2024: RM60.0 million)	
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)	
Valuation Date	30 June 2025	
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur	
Average Occupancy Rate for the FYE 2025	98.1% (FYE 2024: 95.3%)	
Weighted Average Lease Expiry	ONLA: 1.9 years	GRI: 1.7 years

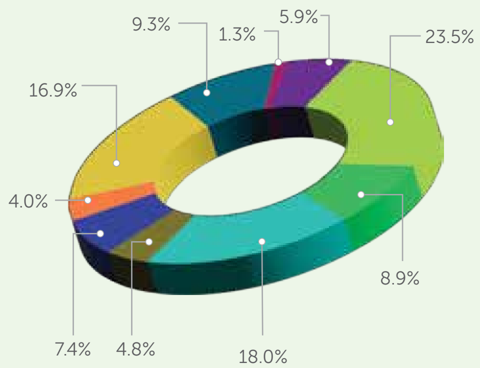
PROPERTY DETAILS

KIPMALL BANGI

By ONLA



By GRI



Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Top 5 Tenants by ONLA

1. My Hero Hypermarket Sdn Bhd
2. Live Sport Gallery Enterprise
3. Mr. D.I.Y. (Kuchai) Sdn Bhd
4. Bok Marketing Sdn Bhd
5. GSL Prosports Sdn Bhd

Top 5 Tenants by GRI

1. My Hero Hypermarket Sdn Bhd
2. Mr. D.I.Y. (Kuchai) Sdn Bhd
3. Bok Marketing Sdn Bhd
4. Central Market Fish Head Curry Sdn Bhd
5. Megah Inovatif Sdn Bhd

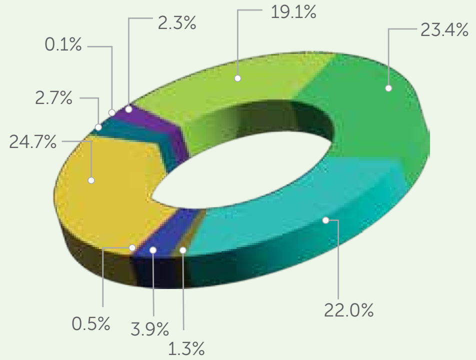
Building Details

Address	No. 1 Jalan Medan Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan
Description	Five-storey shopping centre with one (1) level of mezzanine floor and two (2) levels of basement car park with 518 car parking bays and 88 motorcycle parking bays
Age of Building	25 years
Existing Use	Retail mall
Title Information	HSD 36945, PT 29330, Mukim of Kajang, District of Ulu Langat, Selangor Darul Ehsan
Encumbrances	Charged to MTB via Presentation No. 001SC99838/2019 registered on 2 October 2019; Private caveat lodged by MTB via Presentation No. 001B38046/2019 on 18 July 2019
Tenure	99 years, expiring on 14 July 2093
Gross Floor Area	348,202 sq. ft.
NLA	292,450 sq. ft. (FYE 2024: 287,456 sq. ft.)
Acquisition Date	6 February 2017
Acquisition Price	RM130.0 million
Appraised Value	RM132.0 million (FYE 2024: RM128.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	87.4% (FYE 2024: 83.9%)
Weighted Average Lease Expiry	ONLA: 1.8 years GRI: 1.6 years

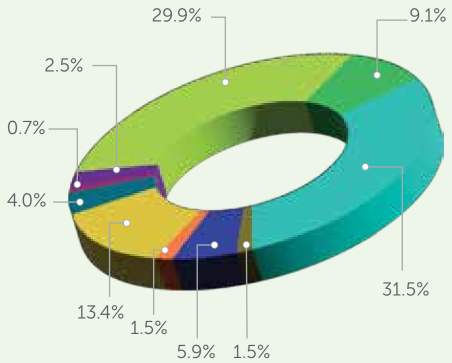
PROPERTY DETAILS

KIPMALL KOTA WARISAN

By ONLA



By GRI



Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Top 5 Tenants by ONLA

1. Econsave Cash & Carry (SPG) Sdn Bhd
2. Hoe Huat Hang Trading Sdn Bhd
3. Mr. DIY (M) Sdn Bhd
4. Mr. Dollar
5. Porcelaine Inn Sdn Bhd

Top 5 Tenants by GRI

1. Econsave Cash & Carry (SPG) Sdn Bhd
2. Hoe Huat Hang Trading Sdn Bhd
3. QSR Stores Sdn Bhd
4. Mr. DIY (M) Sdn Bhd
5. TSJ Kencana Sdn Bhd

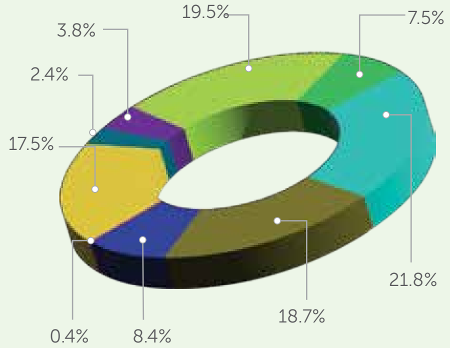
Building Details

Address	Jalan Warisan Sentral 3, Kota Warisan, 43900 Sepang, Selangor Darul Ehsan
Description	One-and-half-storey retail centre with a drive thru restaurant with 540 car parking bays and 278 motorcycle parking bays
Age of Building	8 years
Existing Use	Retail mall
Title Information	GRN 336020, Lot 109945, Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan
Encumbrances	Charged to MTB via Presentation No. 00SC77656/2024 registered on 3 May 2024; Private caveat lodged by MTB via Presentation No. 00B63082/2023 on 22 December 2023
Tenure	Freehold
Gross Floor Area	301,558 sq. ft.
NLA	192,864 sq. ft. (FYE 2024: 191,986 sq. ft.)
Acquisition Date	8 February 2024
Acquisition Price	RM80.0 million
Appraised Value	RM103.0 million (FYE 2024: RM88.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	99.2% (FYE 2024: 99.5%)
Weighted Average Lease Expiry	ONLA: 2.0 years GRI: 1.9 years

PROPERTY DETAILS

DPULZE SHOPPING CENTRE

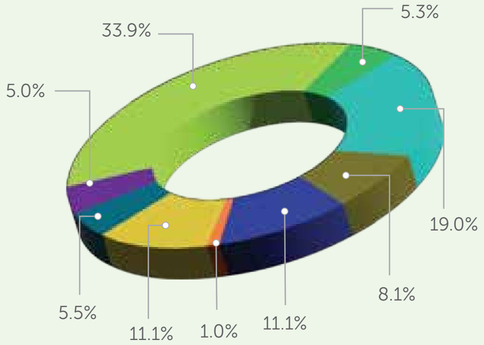
By ONLA



Top 5 Tenants by ONLA

1. TGV Cinemas Sdn Bhd
2. Trendcell Sdn Bhd
3. Decathlon Malaysia Sdn Bhd
4. Exertainment Malaysia Sdn Bhd
5. Giant Ace Sdn Bhd

By GRI



Top 5 Tenants by GRI

1. Trendcell Sdn Bhd
2. Decathlon Malaysia Sdn Bhd
3. TGV Cinemas Sdn Bhd
4. Tan Boon Ming Sdn Bhd
5. Watson's Personal Care Stores Sdn Bhd

Trade Sector Analysis

- Fresh Market
- F&B
- Supermarket
- Fashion Apparel
- Entertainment & Leisure
- Beauty, Health and Wellness
- Timepieces and Jewellery
- Home Décor, Gifts, Souvenirs and stationary
- IT/ Electronic/ Digital
- Furniture/ Show Gallery
- Sundry and Services

Building Details

Address	DPulze Shopping Centre, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan
Description	Seven-storey commercial building with two (2) levels of basement comprising a supermarket, retail spaces, cinema, fitness centre and entertainment centre with a total of 985 car park bays
Age of Building	11 years
Existing Use	Shopping mall
Title Information	GRN 267027/M1/3/4, 267027/M1/B2/2, together with 82 accessory parcels no. A249-A273, A661-A668, A1-A49 mentioned in the strata title. All erected on part of the land held under Master Lot 47594 Mukim of Dengkil, District of Sepang, State of Selangor.
Encumbrances	N/A
Tenure	Freehold
Gross Floor Area	895,675 sq. ft.
NLA	323,260 sq. ft.
Acquisition Date	12 December 2024
Acquisition Price	RM320.0 million
Vendor	DPulze Ventures Sdn Bhd (Further details have been disclosed in Other Disclosure Information of this Annual Report)
Appraised Value	RM328.0 million
Valuer	Rahim & Co International Sdn Bhd
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Average Occupancy Rate for the FYE 2025	99.7%
Weighted Average Lease Expiry	ONLA: 2.3 years GRI: 2.3 years

PROPERTY DETAILS

AEON MALL KINTA CITY

Building Details

Address	Persiaran Medan Ipoh (formerly known as Jalan Teh Lean Swee), Taman Ipoh Selatan, 31400 Ipoh, Perak Darul Ridzuan
Description	Three-storey shopping mall comprising two (2) levels of retail lots, one (1) level of car park and cinema and one (1) level of car park and bowling alley at the rooftop – total 1,547 car parking bays
Age of Building	27 years
Existing Use	Shopping mall
Title Information	Geran 72619, Lot 320549, Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan
Encumbrances	Charged to MTB via Presentation No. 37829/2019 registered on 30 September 2019; Private caveat lodged by MTB via Presentation No. 00B10791/2019 on 18 July 2019; Whole land leased to AEON Co. (M) Bhd via Presentation No. 7876/2018 for a period of 10 years commencing on 29 September 2015 and expiring on 28 September 2025, registered on 5 March 2018
Tenure	Freehold
Gross Floor Area	1,069,749 sq. ft.
NLA	530,181 sq. ft. (FYE 2024: 530,181 sq. ft.)
Acquisition Date	31 July 2019
Acquisition Price	RM208.0 million
Appraised Value	RM258.0 million (FYE 2024: RM254.0 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Master Lessee	AEON Co. (M) Berhad

TF VALUE-MART

Building Details

Address	No. 46, Pasaraya TF, Jalan Toh Syahbandar Muda 9, 33300 Gerik, Perak Darul Ridzuan
Description	A single storey hypermarket with 79 car parking bays
Age of Building	10 years
Existing Use	Shopping mall
Title Information	PN 417951, Lot 20102, Town of Gerik, District of Hulu Perak, State of Perak Darul Ridzuan
Encumbrances	N/A
Tenure	Leasehold 99 years, expiring on 3 October 2112
Gross Floor Area	106,595 sq. ft.
NLA	60,895 sq. ft.
Acquisition Date	14 November 2024
Acquisition Price	RM14.8 million
Vendor	Bluebros Hypermarket Sdn Bhd
Appraised Value	RM17.0 million
Valuer	Rahim & Co International Sdn Bhd
Valuation Date	30 June 2025
Property Manager	N/A
Master Lessee	TF Value-Mart Sdn Bhd

PROPERTY DETAILS

HEXTAR CHEMICALS (LOT 5)

Address	Lot 5, Jalan Perigi Nenas 7/3, Phase 1A, Pulau Indah Industrial Park, 42920 Port Klang, Selangor Darul Ehsan
Description	Industrial premises accommodating a single storey warehouse annexed with a double storey office building and guard house with 25 car parking bays and 1 lorry parking lot
Age of Building	23 years
Existing Use	Office space, factory and warehouse
Title Information	PN 12168, Lot 88089 and PN 12170, Lot 88105, both under Mukim of Klang, District of Klang, State of Selangor
Encumbrances	Charged to MTB via Presentation No. 00SC25015/2024 registered on 13 February 2024
Tenure	99 years, expiring on 24 February 2097
Gross Floor Area	112,598 sq. ft.
NLA	112,508 sq. ft . (FYE 2024: 112,508 sq. ft.)
Acquisition Date	14 December 2022
Acquisition Price	RM27.0 million
Appraised Value	RM28.0 million (FYE 2024: RM27.2 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Lessee	Hextar Chemicals Sdn Bhd

TEJU LOGISTICS (LOT 3A)

Address	Lot 3A, Jalan Perigi Nenas 7/2, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan
Description	Industrial premises accommodating a single storey warehouse and guard house, with 4 car parking bays
Age of Building	28 years
Existing Use	Warehouse
Title Information	H.S.(D) 158288, PT 150309, Mukim of Klang, District of Klang, State of Selangor
Encumbrances	Charged to MTB via Presentation No. 00SC24871/2024 registered on 13 February 2024
Tenure	99 years, expiring on 24 February 2097
Gross Floor Area	129,275 sq. ft.
NLA	129,114 sq. ft . (FYE 2024: 129,114 sq. ft.)
Acquisition Date	14 December 2022
Acquisition Price	RM23.7 million
Appraised Value	RM25.0 million (FYE 2024: RM24.1 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Lessee	Teju Logistics Sdn Bhd

TEJU LOGISTICS (LOT 9)

Address	PT154141, Jalan Perigi Nenas 7/3, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan
Description	Industrial premises accommodating a single storey factory/warehouse, guard house, pump house and refuse chamber together with 45 car parking bays
Age of Building	5 years
Existing Use	Factory and warehouse
Title Information	H.S.(D) 163577, PT 154141, Mukim of Klang, District of Klang, State of Selangor
Encumbrances	Charged to MTB via Presentation No. 00SC74884/2024 registered on 30 April 2024; Private caveat lodged by MTB via Presentation No. 00B3056/2024 on 16 January 2024
Tenure	78 years, expiring on 24 February 2097
Gross Gloor Area	109,232 sq. ft.
NLA	108,936 sq. ft. (FYE 2024: 108,936 sq. ft.)
Acquisition Date	14 December 2022
Acquisition Price	RM28.0 million
Appraised Value	RM29.0 million (FYE 2024: RM28.3 million)
Valuer	Rahim & Co International Sdn Bhd (FYE 2024: Nawawi Tie Leung Property Consultants Sdn Bhd)
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Lessee	Teju Logistics Sdn Bhd

SIN CHEE HENG (LOT 35)

Address	No. 35, Jalan CJ 1/1, Kawasan Perusahaan Cheras Jaya, 43200 Cheras, Selangor Darul Ehsan
Description	A single storey detached factory with a mezzanine floor and a four (4) storey office building annexed, with refuse chamber, guard house, Tenaga Nasional Berhad ("TNB") substation and several car parking bays
Age of Building	7 years
Existing Use	Factory and warehouse
Title Information	HS(M) 13156, PT 23677, Tempat of Cheras Jaya, Mukim of Cheras, District of Ulu Langat, State of Selangor
Encumbrances	N/A
Tenure	99 years, expiring on 30 December 2098
Gross Floor Area	67,524 sq. ft.
NLA	66,632 sq. ft.
Acquisition Date	26 February 2025
Acquisition Price	RM22.6 million
Vendor	Sin Chee Heng Sdn Bhd (Further details have been disclosed in Other Disclosure Information of this Annual Report)
Appraised Value	RM23.0 million
Valuer	Rahim & Co International Sdn Bhd
Valuation Date	30 June 2025
Property Manager	Nawawi Tie Leung Property Consultants Sdn Bhd Suite 34.01, Level 34, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Lessee	Sin Chee Heng Sdn Bhd

MESSAGE FROM THE CHAIRMAN

Focus on providing sustainable value to our **stakeholders**

KIP has continued to strengthen its operating results and sustainability performance during the financial year, and I am very pleased with the consistent execution of our strategic priorities and improved performance, delivering for tenants, shoppers and unitholders.

DATUK DR SYED HUSSAIN BIN SYED HUSMAN, PJN. JP
Chairman / Senior Independent Non-Executive Director

DEAR VALUED STAKEHOLDERS,

It is my pleasure to present our maiden Integrated Annual Report for the financial year ended 30 June 2025 ("FYE 2025").

The global economy continued to grow in 2025, despite the ongoing geopolitical uncertainties. Malaysia's economy demonstrated resilience in the face of these global challenges. Gross Domestic Product ("GDP") recorded solid growth of 4.4% in the first quarter of 2025, driven by strong domestic demand, a vibrant recovery in the services, manufacturing and tourism sectors as well as continued strength in private consumption. Meanwhile, inflation remained under control, averaging 1.5% in the first quarter of 2025, slightly lower than the 1.8% recorded in the previous year. Labour market conditions also improved meaningfully, with the unemployment rate declining to 3.0% in May 2025 from 3.3% in June 2024, reflecting stronger hiring activity and growing business confidence in Malaysia. The Overnight Policy Rate ("OPR") was lowered from 3.00% to 2.75% in July 2025, marking the first downward adjustment after five (5) years since July 2020, reflecting a supportive monetary stance conducive to investment and consumption.

Our financial results for FYE 2025 reflect both the challenges of the external environment and the strength of KIP REIT's strategy. KIP REIT has concentrated on delivering consistently for our stakeholders and this is reflected in our financial results, capital position and increased income distribution for unitholders. KIP REIT delivered a net profit after tax ("PAT") of RM115.14 million in 2025, representing a 143.3% increase from financial year ended 30 June 2024 ("FYE 2024"). Our capital position and balance sheet remain strong. Reflecting our confidence in the outlook, the Board has declared a DPU of 6.80 sen, compared to 6.67 sen in FYE 2024. This reflects our ongoing commitment to delivering value to unitholders while maintaining a strong capital position to support future growth.

RECOGNISING LEADERSHIP AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") EXCELLENCE

KIP REIT's continued focus on leadership, transparency, integrity and ethical business practices, has earned us significant recognition throughout the financial year. These accolades are a testament to our unwavering commitment to governance excellence and sustainable value creation. Key awards and milestones achieved during FYE 2025 include: -

These achievements reinforce our position as a responsible and high-performing REIT, and inspire us to continue delivering long-term value to our stakeholders.

The 9th Annual REITs and Real Estate Investment Summit Asia Pacific 2024

Gold award Best Retail REIT (Malaysia)
Less than USD 500 Million in Market Capitalization

Platinum award Best CEO (Malaysia)
Less than USD 500 Million in Market Capitalization

The Star Media, ESG Positive Impact Awards 2024

Gold award

under the Governance, Reporting & Transparency (SME/Mid-Tier) category

FTSE4Good Bursa Malaysia Index

KIP REIT Triumphs at The Edge Malaysia Centurion Club & Corporate Awards 2025

Highest Growth in	Highest Return on	Highest Returns on
Profit After Tax Over Three Years	Equity Over Three Years	Shareholders Over Three Years

APPRECIATION AND ACKNOWLEDGEMENT

I would like to thank our 161 people for their dedication, our tenants and shoppers for their support, and our unitholders for their continued confidence in KIP REIT. I would like to acknowledge the leadership of Valerie Ong and the Senior Management Team who have executed consistently against our strategy and delivered strong results for KIP REIT.

I believe KIP REIT is well-positioned to adapt to emerging risks, and continue to navigate uncertainty, driving profitability and growth. We look forward to another year of creating value for all our stakeholders

Thank you.

Datuk Dr Syed Hussain Bin Syed Husman, PJN.JP
Chairman / Senior Independent Non-Executive Director
10 September 2025

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Delivering sustainable growth and fostering positive impact to **our stakeholder**

Focused on strategic priorities

Our vision is to be a leading REIT with sustainability and community engagement at the forefront of our investment strategies. This vision guides every decision we make, ensuring that our growth is purposeful, responsible and aligned with the evolving needs of our stakeholders.

To achieve this, we continue to focus on balanced growth through AEIs and yield-accretive acquisitions. These strategies not only enhance the value and resilience of our portfolio, but also allow us to deliver consistent returns while adapting to shifts in the retail and property landscape.

At the core of our journey is our commitment to embedding strong Economic, Environmental, Social and Governance ("EESG") practices across our operations. By doing so, we safeguard the long-term sustainability of our business, strengthen stakeholder trust and create real impact on both performance and resilience. This integration of growth strategy and sustainability ensures that we are well-positioned to thrive in an increasingly dynamic environment.

VALERIE ONG PUI SHAN
Executive Director / Chief Executive Officer

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

"

DEAR VALUED STAKEHOLDERS,

I am pleased with KIP REIT's performance in FYE 2025, which reflects our commitment to driving greater sustainable growth and fostering positive impact to our stakeholders. We made meaningful progress against our strategic priorities and it has been particularly exciting to see the business transition from a focus on historic challenges, to concentrating on the opportunities ahead. Our ability to deliver for our stakeholders remains at the heart of everything we do, and I am enormously proud of our people across the country who have supported our tenants, shoppers and partners.

INVESTMENT AND ASSET PERFORMANCE OF KIP REIT

KIP REIT recorded a higher revenue of RM136.13 million for FYE 2025, representing an increase of RM33.97 million or 33.3% compared to the FYE 2024. This growth was primarily driven by higher revenue contribution from seven (7) KIPMalls, as well as rental income from the newly acquired retail properties, namely TF Value-Mart in Gerik, Perak and DPulze Shopping Centre in Cyberjaya and an industrial property in Cheras Jaya, Selangor.

Furthermore, we are pleased to highlight that our average portfolio occupancy rate has improved from 94.1% as at 30 June 2024 to 96.7% as at 30 June 2025. This improvement was mainly attributable to recovery of KIPMall Senawang upon introduction of new tenant namely ST Rosyam and better occupancy rate across all KIPMalls.

In line with the revenue growth, we recorded a 24.4% increase in NPI for FYE 2025 as compared to FYE 2024. This improvement supported a 2.0% increase in our DPU, reaching 6.80 sen in FYE 2025 as compared to 6.67 sen in FYE 2024.

From an asset performance perspective, all properties within KIP REIT delivered solid and stable results. The total market valuation of KIP REIT's property portfolio increased significantly to RM1.49 billion, up from RM1.06 billion in the previous financial year. This increase was largely driven by the inclusion of new properties such as DPulze Shopping Centre, TF Value-Mart, and industrial property Lot 35 at Cheras Jaya, as well as better valuation across all our properties further affirming the quality and resilience of our portfolio.

During the financial year, we continued to adopt our "2+2" rent model strategy, allowing rental revisions every two (2) years instead of being locked into five (5) or six (6) years term. This approach not only provides flexibility to our tenants but also enables us to adjust rental rates more dynamically, thereby ensuring a resilient tenant mix that can adapt to evolving consumer behaviour. We also continued to cultivate strong relationships with nearly 1,200 tenants, supported by a solid tenant base comprising mainly retailers offering essential goods and services.

As at 30 June 2025, our total assets and total liabilities stood at RM1.58 billion and RM0.68 billion respectively, resulting in total unitholders' funds of RM0.89 billion. Our total borrowings were recorded at RM622.78 million, translating to a prudent gearing ratio of 39.5% as at 30 June 2025. Overall, our NAV amounted to RM939.63 million or RM1.18 per unit before income distribution.

Revenue

RM136.13 million

Net Property Income

24.4% increase

Net Asset Value

RM939.63 million

YIELD-ACCRETIVE ACQUISITIONS

During FYE 2025, KIP REIT completed three (3) acquisitions, comprising two (2) retail properties namely DPulze Shopping Centre in Cyberjaya and TF Value-Mart in Gerik, Perak as well as an industrial property in Cheras Jaya, Selangor, amounting to a total cash consideration of RM357.40 million. All acquisitions were strategically selected based on their favourable yield profiles, secured tenancy arrangements and long-term income-generating potential.

These newly acquired assets have broadened the geographic diversification of our portfolio while enhancing the income stability of the REIT. With these additions, our portfolio now comprises 14 properties, including four (4) industrials properties and ten (10) retail malls, with a total NLA exceeding 2.55 million square feet. We are also proud to highlight that our portfolio average occupancy rate stood at 96.7% for FYE 2025, reflecting the resilience and stability of our enlarged asset base.

As part of our strategic expansion, the Trustee entered into three (3) conditional Sale and Purchase Agreements ("SPAs") on 29 August 2024 to acquire three (3) industrial properties located across Bintulu, Port Klang and Johor, with a total purchase consideration of RM75.70 million. These acquisitions are expected to strengthen our industrial asset base and support portfolio diversification.

Subsequently, on 9 April 2025, the Trustee entered into another four (4) conditional SPAs for the acquisition of following retail assets, totalling RM118.00 million: -

- KIPMall Desa Coalfields located in Ijok, Selangor;
- Lotus's Indera Mahkota located in Kuantan, Pahang;
- Three (3) double-storey shop offices with a lower ground car park located in Kuantan, Pahang; and
- A double-storey commercial building located in Kuantan, Pahang.

These acquisitions are aligned with our strategy to enhance income stability while expanding into underserved regions such as the East Coast and Northern regions of Peninsular Malaysia.

Looking ahead, we are confident that KIP REIT will maintain its growth trajectory, leveraging Malaysia's revitalised industrial appeal and strategic role in global supply chain realignment. We remain committed to evaluating yield-accretive investment opportunities that support long-term growth, portfolio resilience and consistent value creation for our unitholders.

AEI

Efficient asset management is essential to maintaining the competitiveness and appeal of our retail properties. Our AEIs focus on optimising returns, preserving asset quality and meeting evolving stakeholder expectations.

In FYE 2025, we completed several AEI projects across our portfolio. A key milestone was the rollout of a comprehensive footfall management system across all retail malls (excluding the newly acquired DPulze Shopping Centre), enabling data-driven leasing and marketing decisions.

Other notable enhancements included upgrades to sanitary facilities and prayer rooms at selected malls, a major facelift at KIPMall Tampoi, escalator and landscaping improvements at KIPMall Bangi, as well as extensive rejuvenation works at KIPMall Senawang which involved new retail and F&B outlets, upgraded air-conditioning and firefighting systems, refreshed entrances, and a dedicated 51,000 sq ft area to house its new anchor tenant, ST Rosyam.

Looking ahead, we remain committed to continuous enhancement of our assets to strengthen long-term value for our unitholders, tenants and communities.

Total Properties

4 industrial properties

KIPMALL

10 retail malls

Occupancy Rate

2.6% increase

Distribution Per Unit

2.0% increase

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Blood Donation Drive

- Masai
- Kota Tinggi
- Melaka
- Senawang
- Bangi
- Kota Warisan
- DPulze

Recycle Initiative

- Tampoi
- Masai
- Kota Tinggi
- Melaka
- Bangi
- Kota Warisan
- DPulze

Ramadan Charity Initiative

- Tampoi
- Masai
- Kota Tinggi
- Melaka
- Senawang
- Bangi
- Kota Warisan
- DPulze

SUSTAINABLE INITIATIVES

At KIP REIT, we emphasise integrating the EESG practices into our operations. Guided by a dedicated Sustainability Working Committee, we have continued to align our sustainability journey with 16 United Nations Sustainable Development Goals ("UNSDGs"). These initiatives reflect our long-term dedication to reducing our carbon footprint, optimising energy efficiency and enhancing community well-being.

To support green mobility, electric vehicle ("EV") charging stations have been installed at all KIPMalls except Senawang. Additionally, measures were introduced to improve toilet hygiene, optimise water usage, and enhance operation efficiency through better monitoring and management practices.

ServeDeck
EV charging stations
Solar expansion
Cooling solutions
Sustainable finance
Real time monitoring
Cyber security

KIP REIT is also accelerating its digital transformation journey through a series of integrated initiatives aimed at enhancing operational efficiency, sustainability and stakeholder value. These include the implementation of ServeDeck Apps to streamline mall operations with centralised management, real-time monitoring and automated processes, as well as the expansion of solar photovoltaic systems to reduce energy costs and environmental impact. KIP REIT is also advancing its sustainability-linked financing framework to align capital strategies with EESG commitments, deepening its collaboration with KJTS Group Berhad to drive energy efficiency across its properties, and continuing to support community-focused programmes that foster social engagement and inclusivity.

Looking ahead, we remain focused on advancing our climate resilience strategy through practical and responsible actions. Wherever feasible, we will implement energy efficiency upgrades across our properties, invest in verified carbon offset projects, and strengthen our risk management by embedding climate-related considerations into our Enterprise Risk Management ("ERM") Framework. We also look forward to adopting IFRS S2 disclosures and are committed to enhancing our data governance infrastructure to ensure that our sustainability reporting is transparent, robust and aligned with global standards.

As our operations increasingly leverage digital solutions to support these initiatives, safeguarding information technology ("IT") systems and data has become equally critical. In compliance with the latest SC's Guidelines on Technology Risk Management, we have formalised and put in place a Technology Risk Management Framework to guide KIP REIT's management of technology risks, technology operations, technology service providers and cybersecurity. We also continued to engage our outsourced IT service provider to strengthen the resilience of our IT infrastructure against cybersecurity risks and continued to provide cybersecurity awareness training for our employees.

FUTURE OUTLOOK 2025

Malaysia's economy is set to stay on solid footing in 2025, with Bank Negara Malaysia ("BNM") projecting GDP growth in the 4.0% to 4.8% range This steady pace is underpinned by healthy domestic demand, a resilient labour market conditions, and sustained investment in major multi-year infrastructure projects. The Malaysian Government's continued infrastructure drive under its national development plans, coupled with initiatives in upgrading suburban connectivity, is anticipated to stimulate growth in the retail and industrial sectors, areas in which KIP REIT has a strong and growing footprint.

On the back of our strong FYE 2025 performance, we're gearing up for an exciting year ahead. KIP REIT is poised to benefit from the full contributions by DPulze Shopping Centre, TF Value-Mart, and the integration of the four (4) newly approved retail assets in high growth suburban catchments. These strategic acquisitions are not just about adding scale but they're about building a base of reliable, recurring income streams that can deliver stability even in changing market conditions. At the same time, our AEI for KIPMall Tampoi is well underway, designed to refresh the tenant mix, elevate the shopping experience, and strengthen long-term asset value.

We're entering financial year ending 30 June 2026 ("FYE 2026") with a healthy portfolio occupancy rate of 96.7% and a solid balance sheet that gives us the flexibility to seize new opportunities. KIP REIT is well-positioned to capture the rising spending power of suburban consumers, while our industrial assets stand to benefit from the growing demand for strategically located industrial properties.

Our inclusion in the FTSE4Good Bursa Malaysia Index reinforces our commitment to sustainable asset management, which will remain a key differentiator in attracting quality tenants and long-term investors. Entering FTSE4Good index also show our "ESG practices" which is recognised internationally and not just commitment towards asset management.

APPRECIATION AND ACKNOWLEDGEMENT

I would like to express my heartfelt appreciation to our dedicated Management team and employees for their unwavering pursuit of excellence in asset and portfolio management, who have significantly contributed to our commendable performance in FYE 2025.

I also extend my sincere gratitude to all stakeholders of KIP REIT including our unitholders, the Manager, the Trustee, property manager, Management teams of various business units, members of the investment community and business partners for their continued support and trust. Your steadfast confidence in our strategy and long-term vision remains integral to our sustained growth.

KIP REIT values the strength of these partnerships and looks forward to continued collaboration as we strive to unlock new opportunities and achieve greater success together.

Valerie Ong Pui Shan
Executive Director / Chief Executive Officer
10 September 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS DIRECTION AND OBJECTIVE

KIP REIT was listed on the Main Market of Bursa Securities on 6 February 2017, with a principal investment policy of investing in income producing real estate for retail, industrial or commercial purposes. It may also invest in other investment properties permissible under the REIT Guidelines or as approved by the SC, including real estate related assets.

During FYE 2025, the Trustee has completed the acquisition of three (3) properties, comprising of two (2) retail properties, namely DPulze Shopping Centre in Cyberjaya and TF Value-Mart in Gerik, Perak as well as an industrial property in Cheras Jaya, Selangor for a total cash consideration of RM357.40 million. This expanded our retail assets from eight (8) to ten (10) shopping malls while our industrial asset increased from three (3) to four (4) industrial buildings.

As at 30 June 2025, KIP REIT's market capitalisation stood at RM666.86 million, with an asset portfolio comprising 14 investment properties collectively valued at RM1,494.00 million. Details of our investment properties are follows: -

Retail Segment	Industrial Segment
Consist of the following ten (10) community-centric malls: - • KIPMall Tampoi • KIPMall Kota Tinggi • KIPMall Masai • KIPMall Senawang • KIPMall Melaka • KIPMall Bangi • KIPMall Kota Warisan • DPulze Shopping Centre • Aeon Mall Kinta City • TF Value-Mart	Consist of four (4) industrial buildings: - **Pulau Indah, Klang** • Hextar Chemicals (Lot 5) • Teju Logistics (Lot 9) • Teju Logistics (Lot 3A) **Cheras Jaya** • Sin Chee Heng (Lot 35)

KIP REIT remains committed to its strategy of enhancing portfolio resilience through targeted expansion in both the retail and industrial segments. In this regard, the Trustee has entered into conditional SPAs to undertake the following on-going proposed acquisitions: -

(i) three (3) industrial properties located in Selangor, Sarawak and Johor for a total purchase consideration of RM75.70 million, aimed at strengthening the industrial asset base and diversifying income streams; and

(ii) four (4) retail properties located in Selangor and Pahang for a total purchase consideration of RM118.00 million to reinforce our retail asset segment.

Investment Objective

The principal investment objective of KIP REIT is to maintain a resilient portfolio which generates consistent and stable income distributions to unitholders, alongside sustainable long-term growth in unit price, distributable income and capital growth while maintaining an appropriate capital structure.

This is achieved by amongst others, the selective acquisition of properties that meets the Manager's stringent investment criteria which includes, properties which are able to generate stable and recurring rental income, are either yield-accretive and/or offer potential for value enhancement.

OVERVIEW OF BUSINESS DIRECTION AND OBJECTIVE (CONT'D)

Investment Policy

The principal investment policy of KIP REIT is to invest directly and/or indirectly in a diversified portfolio of income-producing real estate, with a primary focus on retail, industrial and/or commercial properties such as but are not limited to community-centric shopping malls, warehousing facilities, logistics facilities and manufacturing sites as well as real estate-related assets permissible under the REIT Guidelines.

The Manager continues to maintain a disciplined investment approach aimed at delivering sustainable income and long-term capital growth for unitholders. Nevertheless, in consultation with the Trustee and subject to all applicable laws, regulations and requirements, the Manager may, from time to time, adjust KIP REIT's investment policy to align with evolving market opportunities and the Trust's strategic objectives.

The Trustee shall ensure that it is kept fully informed at all times of any changes to the investment policy. Unless otherwise permitted under relevant laws and requirements, any modification to the Deeds that results in material changes to the stated investment policy must be approved by unitholders through a resolution passed by not less than two-thirds (2/3) of all unitholders present and voting at a duly convened meeting in accordance with the provisions of the Deeds.

Distribution Policy

The Deeds provide that the Manager shall, with the approval of the Trustee, distribute at least 90.0% of KIP REIT's distributable income on a quarterly basis.

REVIEW OF FINANCIAL PERFORMANCE

	FYE 2025 RM'000	FYE 2024 RM'000	YoY Change %
Gross Revenue	136,133	102,159	33.3
Property Operating Expenses	(39,310)	(24,342)	61.5
NPI	96,823	77,817	24.4
Borrowing Costs	(24,927)	(16,689)	49.4
Profit for the Year			
- Realised Profit	51,265	44,467	15.3
- Unrealised Profit	63,870	2,847	2,143.4
Distributable Income	52,723	45,577	15.7
DPU (Sen)	6.80	6.67	1.9
Distribution Yield (%)	8.1	7.4	

Gross Revenue

Gross revenue comprises of rental income and management fee income derived from our 14 investment properties. During the financial year, KIP REIT recorded stronger gross revenue of RM136.13 million, representing a significant increase of RM33.97 million or 33.3%, as compared to RM102.16 million in FYE 2024.

This improvement was mainly attributed to an overall stronger performance from all seven (7) KIPMalls, coupled with additional rental income from three (3) newly acquired assets during the financial year. During FYE 2025, approximately 94.9% of our gross revenue was derived from the retail segment, while the remaining 5.1% came from our industrial segment.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Gross Revenue (Cont'd)

Gross revenue derived from our investment properties are as follows: -

Segments	Region	Properties	FYE 2025 RM'000	FYE 2024 RM'000	YoY Change (%)
Retail	Northern	Aeon Mall Kinta City	18,493	23,027	(19.7)
		TF Value-Mart	861	-	100.0
	Central	KIPMall Senawang	5,501	2,145	156.5
		KIPMall Bangi	15,199	13,454	13.0
		KIPMall Kota Warisan	12,084	4,353	177.6
		DPulze Shopping Centre	22,978	-	100.0
	Southern	KIPMall Tampoi	18,410	18,299	0.6
		KIPMall Kota Tinggi	6,036	5,972	1.1
		KIPMall Masai	18,579	17,951	3.5
		KIPMall Melaka	10,987	9,855*	11.5
Industrial		Hextar Chemicals (Lot 5)	2,189	2,429	(9.8)
		Teju Logistics (Lot 9)	2,283	2,531	(9.8)
		Teju Logistics (Lot 3A)	1,933	2,143	(9.8)
		Sin Chee Heng (Lot 35)	600	-	100.0
Total			**136,133**	**102,159**	**33.3**

* *This has been categorised under Central in FY2024*

Retail Segment

Gross revenue from our retail segment increased by RM34.07 million or 35.8% from RM95.06 million in FYE 2024 to RM129.13 million in the current financial year. This increase was primarily driven by rental income recognised from the newly acquired properties as well as higher rental income derived from all of our KIPMalls as the overall occupancy rates in our KIPMalls increased from 89.2% in FYE 2024 to 93.9% in in FYE 2025.

Gross revenue from the central region increased significantly by RM35.81 million or 179.5% from RM19.95 million in FYE 2024 to RM55.76 million in FYE 2025. The increase was mainly driven by the recognition of rental income amounting to RM22.98 million from our newly acquired shopping mall, DPulze Shopping Centre. In addition, rental income from several KIPMalls in particular, KIPMall Kota Warisan, KIPMall Bangi and KIPMall Senawang also recorded notable improvements due to higher occupancy rates during the financial year, which stood at 99.2%, 87.4% and 85.1% respectively.

Meanwhile, gross revenue from the southern region increased by RM1.93 million or 3.7% from RM52.08 million in FYE 2024 to RM54.01 million in FYE 2025. This growth was mainly driven by the recognition of higher rental income from KIPMall Melaka, KIPMall Tampoi and KIPMall Masai, due to higher occupancy rate of 98.1%, 97.7% and 97.2% respectively, as well as higher rental per square feet upon renewal.

Industrial Segment

Gross revenue derived from our industrial segment declined marginally by RM0.09 million or 1.3% from RM7.10 million in FYE 2024 to RM7.01 million in the current financial year mainly due to the MFRS 16 accounting adjustment recognised. Nevertheless, the impact was partially offset by the recognition of rental income amounting to RM0.60 million from our newly acquired industrial property, Sin Chee Heng (Lot 35).

NPI

KIP REIT recorded higher NPI of RM96.82 million in FYE 2025 as compared to RM77.82 million in FYE 2024, with retail segment contributing the majority at 92.8% of the total NPI. Overall, the portfolio achieved an NPI margin of 71.1%, with the retail and industrial segments having NPI margin of 69.6% and 99.4% respectively.

Compared to properties in the retail segment, industrial properties are able to yield a higher NPI as most property operating expenses such as utilities, maintenance, upkeep and repairs expenses are borne by the tenants.

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Profit for the Year

Our profit increased by RM67.83 million or 143.3% from RM47.31 million in FYE 2024 to RM115.14 million in FYE 2025, mainly due to the better performance of all KIPMalls, income contribution from newly acquired properties as well as higher fair value gain on all investment properties during the current financial year.

In addition, it is worth noting that our realised profit has also increased by RM6.80 million or 15.3% from RM44.47 million in FYE 2024 to RM51.27 million in FYE 2025, driven by the higher NPI during the financial year as discussed earlier. The higher realised profit also resulted in a higher distributable income of RM52.72 million in FYE 2025 as compared to RM45.58 million in FYE 2024.

Income Distribution

In line with our improved performance, total distributable income to unitholders of RM52.72 million in FYE 2025 represents an increase of RM7.14 million or 15.7% as compared to RM45.58 million in FYE 2024. This translates to a distribution yield of 8.1% (FYE 2024: 7.4%) based on KIP REIT's closing unit price of RM0.835 as at 30 June 2025 (30 June 2024: RM0.895).

The details of distributable income declared and paid by KIP REIT for FYE 2025 are as follows: -

	Quarter/ Period Ended	Date Declared	DPU (Sen)	Payment Date
1st Interim	30 Sep 2024	21 Oct 2024	1.522	26 Nov 2024
2nd Interim*	30 Nov 2024	15 Nov 2024	1.180	23 Dec 2024
3rd Interim*	31 Dec 2024	21 Jan 2025	0.480	28 Feb 2025
4th Interim	31 Mar 2025	21 Apr 2025	1.600	30 May 2025
Final	30 Jun 2025	24 Jul 2025	2.018	29 Aug 2025
Total			**6.800**	

Note: -
* *Advance income distribution*

REVIEW OF FINANCIAL POSITION

	30.06.2025 RM'000	30.06.2024 RM'000	YoY Change %
Investment Properties	1,484,820	1,054,523	40.8
NAV			
- Before Income Distribution	939,634	717,126	31.0
- After Income Distribution	894,151	677,629	32.0
Total Assets	1,577,047	1,135,948	38.8
Borrowings	622,776	423,326	47.1
Gearing (%)	39.5	37.3	2.2
No. of Units Issued ('000)	798,630	618,630	29.1
NAV per Unit (RM)			
- Before Income Distribution	1.18	1.16	1.7
- After Income Distribution	1.12	1.10	1.8

KIP REIT's financial position remains healthy as at 30 June 2025, underpinned by a solid portfolio of total assets, which recorded substantial growth of 38.8% year-on-year. The Trustee maintained a prudent capital structure with a gearing ratio of 39.5% as at 30 June 2025, which is well below the 50.0% threshold prescribed under the REIT Guidelines.

Our gearing ratio increased by 2.2% as at 30 June 2025 mainly due to strategic acquisitions undertaken during the financial year. Notwithstanding this increase, KIP REIT continued to manage its debt profile effectively and in compliance with the REIT Guidelines, while preserving balance sheet strength to support future growth.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL POSITION (CONT'D)

Investment Properties

In FYE 2025, the Trustee has completed the acquisition of three (3) properties, comprising of two (2) retail properties, namely DPulze and TF Value-Mart as well as an industrial property, Sin Chee Heng (Lot 35) for a total cash consideration of RM357.40 million.

Upon completion of these acquisitions, all three (3) properties immediately contributed positively to KIP REIT's earnings. In FYE 2025, DPulze, TF Value-Mart and Sin Chee Heng (Lot 35) generated rental income of RM22.98 million, RM0.86 million and RM0.60 million respectively. These acquisitions also mainly contributed to the overall 40.8% increase our investment properties as at 30 June 2025.

All investment properties are subject to independent valuation at least once in each financial year pursuant to Paragraph 10.02 (b)(i) of the REIT Guidelines. Any changes in the portfolio's fair value are recognised in the statement of comprehensive income as a net gain or loss on the revaluation of investment properties.

During FYE 2025, Rahim & Co International Sdn Bhd was appointed to perform an independent valuation for all 14 properties in KIP REIT's portfolio. The independent valuer adopted the income approach (Investment Method) in valuing all investment properties of KIP REIT.

The total market value of KIP REIT's portfolio as at 30 June 2025 stood at RM1,494.00 million (30 June 2024: RM1,061.60 million). A breakdown of the total market value is provided in the table below: -

	30.06.2025 RM'000	30.06.2024 RM'000	YoY Change RM'000
Retail Segment			
KIPMall Tampoi	193,000	181,000	12,000
KIPMall Kota Tinggi	65,000	59,000	6,000
KIPMall Masai	197,000	187,000	10,000
KIPMall Senawang	30,000	25,000	5,000
KIPMall Melaka	66,000	60,000	6,000
KIPMall Bangi	132,000	128,000	4,000
KIPMall Kota Warisan	103,000	88,000	15,000
DPulze Shopping Centre	328,000	-	328,000
Aeon Mall Kinta City	258,000	254,000	4,000
TF Value-Mart	17,000	-	17,000
Industrial Segment			
Hextar Chemicals (Lot 5)	28,000	27,200	800
Teju Logistics (Lot 9)	29,000	28,300	700
Teju Logistics (Lot 3A)	25,000	24,100	900
Sin Chee Heng (Lot 35)	23,000	-	23,000
Total	**1,494,000**	**1,061,600**	**432,400**

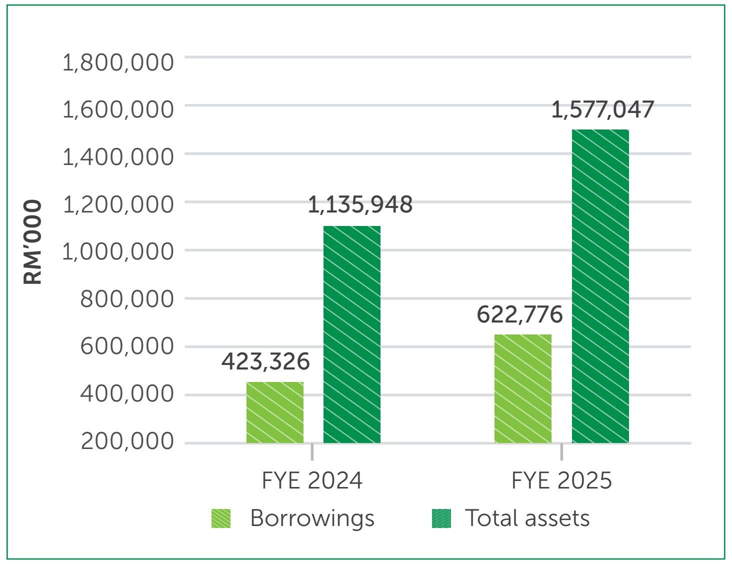
NAV

KIP REIT's NAV after income distribution increased by RM216.52 million or 32.0% from RM677.63 million as at 30 June 2024 to RM894.15 million as at 30 June 2025. Such increase was mainly driven by the acquisition of DPulze Shopping Centre and higher fair value gain during the financial year.

REVIEW OF FINANCIAL POSITION (CONT'D)

Capital Management

The Manager aims to optimise KIP REIT's capital structure by employing an appropriate combination of debt and equity financing to fund any acquisitions and property enhancement while maintaining appropriate gearing level.



There were no material changes to the borrowing structure during FYE 2025. The increase in total borrowings by RM199.45 million during the financial year was mainly attributable to additional bank borrowing undertaken to partially finance the acquisition of DPulze Shopping Centre, TF Value-Mart and Sin Chee Heng (Lot 35).

As at 30 June 2025, KIP REIT's total borrowings stood at RM622.78 million, comprising the drawdown of a short-term revolving credit and medium-term notes. The borrowings were structured with a mix of fixed and floating borrowing rates in the proportion of 39:61, providing us with an intrinsic hedge against potential interest rate volatility.

In line with our commitment to sustainable financing, we also introduced the Sustainability Linked Unrated Medium-Term Note ("SLUMTN") programme, which offers a 0.1% annual rebate upon independent third-party verification of our achievement on pre-agreed Sustainability Performance Targets. These targets are closely aligned with our key ESG and operational metrics, thereby reinforcing prudent capital management while strengthening the integration of our financing strategy with our broader sustainability agenda.

The robust growth in our total assets by RM441.10 million or 38.8% from RM1,135.95 million as at 30 June 2024 to RM1,577.05 million as at 30 June 2025 was primarily driven by the aforementioned acquisitions. Despite the increase in borrowings arising from these acquisitions, KIP REIT's gearing level as at 30 June 2025 was still well below the 50.0% limit as stipulated in the REIT Guidelines, indicating a healthy capital structure in the current financial year.

CASH FLOW AND LIQUIDITY

	FYE 2025 RM'000	FYE 2024 RM'000	YoY Change RM'000
Net cash generated from operating activities	130,542	36,805	93,737
Net cash used in investing activities	(383,994)	(94,657)	(289,337)
Net cash generated from financing activities	275,624	43,411	232,213
Net increase/ (decrease) in cash and cash equivalents	22,172	(14,441)	36,613
Cash and bank balances as at 1 July	34,320	48,761	(14,441)
Cash and bank balances as at 30 June	56,492	34,320	22,172

In FYE 2025, KIP REIT recorded higher net cash generated from operating activities of RM130.54 million as compared to a RM36.81 million in FYE 2024. The increase in operating cash flow was primarily driven by higher rental income, higher tenant deposits received as well as an overall improvement in rental collections during the financial year.

KIP REIT recorded a net cash used in investing activities of RM383.99 million in FYE 2025, primarily stemmed from the acquisition of DPulze Shopping Centre as well as other ongoing AEI aimed at maintaining the competitiveness and income generating capacity on investment properties.

KIP REIT recorded a net cash generated from financing activities of RM275.62 million mainly due to the net proceeds arising from the issuance of new medium-term notes amounting to RM200.00 million during FYE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE BENCHMARKS

Benchmark	FYE 2025	FYE 2024	YoY Commentary
MER (%)[1]	2.5	1.6	MER increased by 0.9% compared to the prior financial year, primarily due to higher management fee rate effective in FYE 2025.
Annual Total Return (%)[2]	1.4	6.8	Total return lowered by 5.4% due to lower closing unit price of 0.835 as at 30 June 2025.
Distribution Yield (%)[3]	8.1	7.4	Distribution yield has increased by 0.7% mainly due to higher distributable income for FYE 2025.
NAV per Unit After Income Distribution (RM)[4]	1.12	1.10	Increase in NAV per unit after income distribution was mainly due to the acquisition of DPulze Shopping Centre and higher fair value gain during the financial year.

Notes:

1. MER is the ratio of expenses incurred in operating KIP REIT to the average NAV of KIP REIT after income distribution.
2. Total return represents the change in unit price during the year plus distribution yield for the year.
3. Based on DPU of 6.80 sen (FYE 2024: 6.67 sen) divided by its closing unit price as at 30 June 2025 of RM0.835 (30 June 2024: RM0.895).
4. NAV per unit is determined by deducting the value of all KIP REIT's liabilities and income distribution paid to unitholders from the total asset value, divided by weighted average number of units issued.

OPERATION REVIEW

Tenant Management

KIP REIT continues to implement a dynamic leasing strategy focused on stable and sustainable income from its community-centric mall portfolio. As at 30 June 2025, total tenancies across all seven (7) KIPMalls and the DPulze Shopping Centre stood at 1,172 tenancies, representing a significant increase of 25.1% from 937 tenancies in the previous financial year. Collectively, these tenants occupied approximately 1,495,338 square feet, equivalent to 97.1% of the total NLA of 1,539,273 square feet.

In addition, KIP REIT has a long-term master lease agreement with Aeon Mall Kinta City until 2030, as well as a long-term triple net master lease agreement with TF Value-Mart up to 2039. These agreements provide strong income visibility as we are able to maintain a 100.0% occupancy rate throughout the respective lease periods.

During FYE 2025, KIP REIT maintained 100.0% occupancy rate in a few assets including, Aeon Mall Kinta City, TF Value-Mart and all four (4) industrial factories. KIP REIT's overall occupancy rate has also improved to 96.7% as compared to 94.1% in the previous financial year.

Retail Tenancy Expiry Profile

KIP REIT is strategically positioned with tenancy durations tailored to the business nature of each tenant, offering longer lease tenures to key and anchor tenants. This diversification across the portfolio efficiently mitigates risk related to tenant concentration.

As at 30 June 2025, the weighted average lease expiry ("WALE") stood at 3.0 years by ONLA, compared to 1.9 years in FYE 2024. By GRI, the WALE was 2.3 years, reflecting an upward trend from 1.6 years in FYE 2024. These increases were mainly attributed to the renewal of major tenancy agreements in a few KIPMalls which expired during the financial year.

The longer WALE aligns with KIP REIT's management strategies and business model which aims to strengthen portfolio stability while optimising rental income through adjustments to rental rates at lease renewals, ensuring that lease agreements remain competitive and reflective of prevailing market conditions and tenant requirements.

OPERATION REVIEW (CONT'D)

Retail Tenancy Expiry Profile (Cont'd)

The majority of lease expirations in FYE 2026 are concentrated by tenancies in KIPMall Tampoi. Nevertheless, our tenant retention strategy proved effective in FYE 2025, achieving a renewal rate of 74.9% for tenants whose leases expired during the year.

Details of the tenancy expiry profile from FYE 2026 to FYE 2030 are presented in the table below: -

	Total Number of Tenancies	ONLA Expiring (%)	GRI Expiring (%)
FYE 2026	483	24.8	31.1
FYE 2027	439	35.3	39.3
FYE 2028	87	12.7	12.6
FYE 2029	3	0.1	0.3
FYE 2030	1	27.1	16.7
Total	**1,013**	**100.0**	**100.0**

Retail Occupancy Rate

In FYE 2025, KIP REIT achieved an average retail portfolio occupancy rate of 94.5%, reflecting a 5.3% increase compared to the previous financial year's rate of 89.2%. The breakdown of the occupancy rate in each retail mall is as follows: -

Properties	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)	FYE 2022 (%)	FYE 2021 (%)
KIPMall Tampoi	97.7	97.4	94.7	80.5	88.5
KIPMall Kota Tinggi	93.1	91.4	89.1	91.4	88.0
KIPMall Masai	97.2	96.2	94.9	91.4	88.9
KIPMall Senawang	85.1	62.9	86.4	83.8	78.2
KIPMall Melaka	98.1	95.3	89.8	78.1	80.1
KIPMall Bangi	87.4	83.9	74.0	70.1	81.9
KIPMall Kota Warisan	99.2	99.5	-	-	-
DPulze Shopping Centre	99.7	-	-	-	-
Total	**94.5**	**89.2**	**86.7**	**80.3**	**83.8**

During FYE 2025, our retail segment's portfolio is predominantly occupied by home decor, gifts, souvenirs and stationery shops, supermarkets, fashion apparel shops and F&B, which collectively represents 70.8% of our total retail segment's ONLA.

In terms of GRI, F&B, fashion apparel shops, home decor, gifts, souvenirs and stationery shops as well as fresh market, collectively contributed 65.4% of our total retail segment's GRI.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW (CONT'D)

Retail Occupancy Rate (Cont'd)

The breakdown by ONLA and GRI for FYE 2025 are as follow: -

Properties	ONLA %	GRI %
Home Decor, Gifts, Souvenirs and Stationery	24.7	12.4
Supermarket	18.5	7.8
Fashion Apparel	15.5	20.8
F&B	12.1	21.4
Fresh Market	4.2	10.8
Entertainment & Leisure	8.6	4.1
Sundry and Services	6.4	4.9
Beauty, Health and Wellness	4.5	7.7
IT/ Electronic/ Digital	3.8	6.7
Furniture/ Show Gallery	0.9	1.1
Timepieces and Jewellery	0.8	2.3
Total	**100.0**	**100.0**

AEI

In FYE 2025, KIP REIT undertook various AEIs as part of its commitment to delivering sustainable and consistent returns to its unitholders. KIP REIT invested a total of RM6.11 million during the financial year on the following: -

(a) Implementation for footfall management system across all retail malls, excluding DPulze Shopping Centre;
(b) Modernisation and improvement of sanitary facility and upgrading of surau at KIPMall Masai, KIPMall Kota Tinggi and KIPMall Tampoi;
(c) Facelift and upgrading work at KIPMall Tampoi including modernisation of retail areas and makeover of mall entrances;
(d) Improvement of escalator and enhancement of landscaping at KIPMall Bangi;
(e) Upgrading and enhancement of the air conditioning system at KIPMall Senawang;
(f) Introduction of the ServeDeck digital facility management platform;
(g) Installation of EV charging stations across all retail malls, excluding DPulze Shopping Centre and KIPMall Senawang; and
(h) Expansion of solar photovoltaic systems across all retail malls, excluding DPulze Shopping Centre.

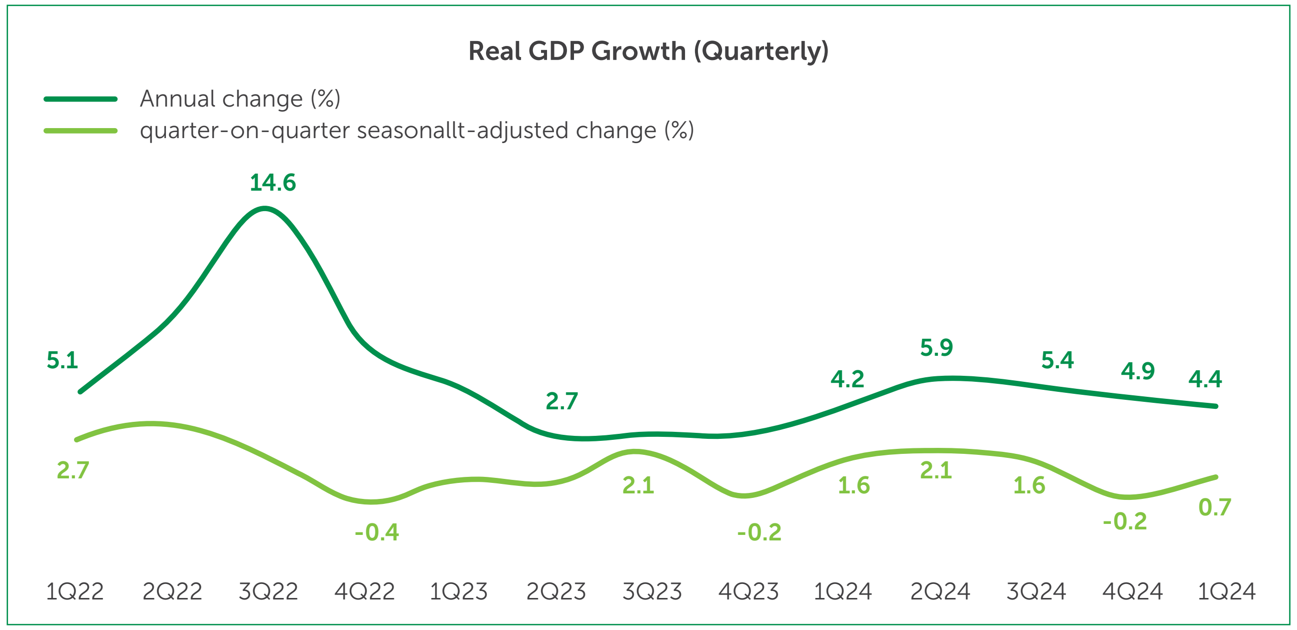
Moving forward, the Manager remains dedicated to preserving and enhancing the condition of its assets to ensure their continued relevance in meeting the evolving needs of consumers. Approved AEIs are implemented with the aim of providing stable and consistent returns to KIP REIT's unitholders in a sustainable manner.

GENERAL MARKET OUTLOOK AND MALAYSIA'S ECONOMY

The global economy continues to face challenges arising from shifting trade policies and uncertainties surrounding tariff developments, as well as geopolitical tensions. As a small open economy, Malaysia's growth prospects will be shaped by these developments.

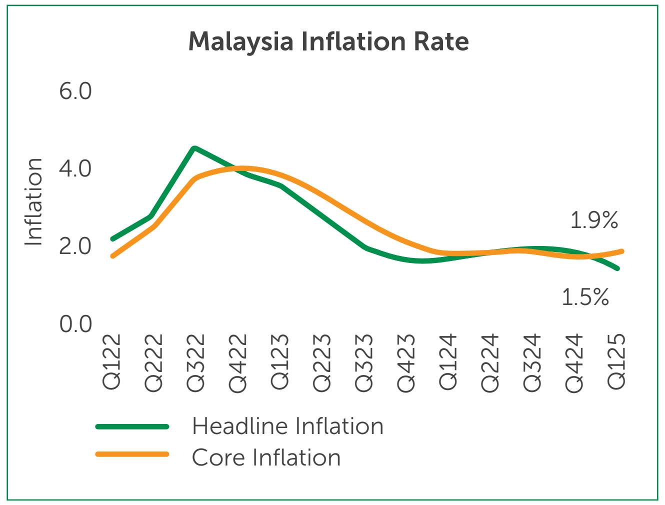
Despite external challenges, Malaysia's economy remains strong, with the Malaysia's economy expanded by 4.4% in the first quarter of 2025, supported by strong domestic demand, recovery in the services, manufacturing and tourism sectors, as well as continued strength in private consumption. BNM projected a GDP growth of 4.0% to 4.8% in 2025, which will be driven by resilient domestic demand, a strong labour market and sustained investment activity from infrastructure projects.

GENERAL MARKET OUTLOOK AND MALAYSIA'S ECONOMY (CONT'D)



[Source: BNM and Department of Statistic Malaysia]

Malaysia's inflation moderated to 1.5% in the first quarter of 2025, down slightly from 1.8% in the previous year. This moderation was mainly attributed to the stabilisation and easing of global commodity prices, reduced supply chain disruptions and continued government subsidies and price control measures on selected items. On the other hand, core inflation rose slightly to 1.9% from 1.8% in 2024, mainly driven by rental inflationary pressure.



[Source: BNM and Department of Statistic Malaysia]

Malaysia continues to navigate challenges from global trade uncertainties and tariff dynamics, including delayed United States tariffs that remain a risk factor into mid of 2025. The Malaysian Government is engaging bilaterally and multilaterally to mitigate adverse trade impacts and secure Malaysia Inflation Rate new trade agreements, aiming to diversify export markets and sustain export growth momentum. These efforts, together with government-led infrastructure developments, underpin a positive outlook for the industrial real estate sector, including logistics and warehouse facilities.

Looking ahead, Malaysia's steady GDP growth, contained inflation and proactive government initiatives create a supportive macroeconomic environment for REITs such as KIP REIT. The Ekonomi MADANI framework, particularly the targeted assistance for B40 households and the broader mass market, is expected to support retail spending and stimulate demand across community-centric malls. The continued focus on economic diversification and infrastructure development presents sustainable opportunities to enhance portfolio resilience and income stability in the evolving property market landscape.

MANAGEMENT DISCUSSION AND ANALYSIS

RETAIL MARKET OVERVIEW

The Malaysia's retail sector is undergoing a structural transformation, driven by the rapid expansion of e-commerce, ongoing digital innovation and evolving consumer lifestyle preferences. Traditional shopping malls are shifting beyond their conventional transactional role to become lifestyle and community hubs, integrating retail with dining, leisure, wellness and social interaction. This evolution is creating a more engaging, experience-driven environment that attracts and retains a broader spectrum of consumers.

E-commerce growth continues to accelerate, underpinned by high internet and mobile penetration, greater digital adoption and shifting purchasing behaviours. The rise of social commerce, omnichannel retail strategies and seamless integration between online and offline platforms is redefining the retail landscape. In this changing environment, suburban retail malls that cater to essential daily needs and foster community engagement remain resilient, providing convenience and social interaction that online platforms cannot fully replicate.

Despite pressures from rising operational costs and cautious consumer sentiment amid global economic uncertainties, domestic retail spending has improved, shifting from prestige to masstige, a transition that corresponds well with the positioning of our retail malls and enhances our competitive advantage. This resilience is supported by government measures such as targeted financial assistance, adjustments to the national minimum wage, inflation control policies and promotional initiatives. The upcoming Visit Malaysia 2026 campaign is also expected to boost tourism-related retail activity, generating positive spillover effects for the sector.

Looking ahead, the integration of technology, data-driven personalisation and customer-centric strategies will be essential in maintaining competitiveness, while the incorporation of diverse lifestyle amenities will remain a key driver of long-term growth in the Malaysia's retail sector.

INDUSTRIAL MARKET OVERVIEW

Momentum in Malaysia's industrial sector remained robust in 2025, driven by sustained manufacturing activity and the continued expansion of e-commerce, which together underpinned strong demand for modern logistics and warehousing facilities. The rapid growth in online retail has intensified the need for efficient distribution and fulfilment centres, encouraging businesses to seek strategically located, technology-enabled industrial spaces that support fast and reliable supply chains.

National strategic initiatives such as the Johor–Singapore Special Economic Zone and targeted tax incentives for flagship developments, including the Smart Logistics Complex, further reinforce Malaysia's standing as a preferred destination for regional supply chain investments.

Furthermore, the ongoing infrastructure enhancements and improved connectivity across key industrial hubs such as Klang Valley, Johor and Penang, have also played a pivotal role in attracting both domestic and foreign investors. These developments have supported steady inflow of foreign direct investment into strategic infrastructure projects such as the East Coast Rail Link and the Johor-Singapore Special Economic Zone. The logistics sector, including last-mile delivery facilities and smart warehouses, has also experienced especially strong demand as supply chain models evolve in response to global trade dynamics.

PROSPECTS

As we progress through 2025, the Malaysia's economy is poised for steady growth, underpinned by strong domestic demand and an anticipated acceleration in GDP growth. Despite ongoing external challenges, supportive government policy measures, including the Ekonomi MADANI framework, demonstrate a clear commitment to enhancing economic resilience. These initiatives are expected to bolster Malaysia's short- to medium-term growth prospects.

On 29 August 2024, the Trustee entered into three (3) conditional SPAs to acquire industrial properties located in Bintulu, Port Klang and Johor, at a total purchase consideration of RM75.70 million. These acquisitions aim to strengthen KIP REIT's industrial asset base and enhance portfolio diversification. The acquisition of the industrial properties located in Bintulu and Johor was subsequently completed on 25 July 2025.

In addition, on 9 April 2025, the Trustee entered into another four (4) conditional SPAs with a total consideration of RM118.00 million, covering prime retail assets including KIPMall Desa Coalfields at Ijok, Selangor, Lotus's Indera Mahkota at Kuantan, Pahang, as well as three (3) double-storey shop offices and a double-storey commercial building at Kuantan, Pahang. These strategic acquisitions align with KIP REIT's focus on expanding our presence in high-growth suburban retail locations such as East Coast and Northern regions of Peninsular Malaysia, enhancing asset quality and driving stable rental income. Our assets in these regions are also poised to benefit from major government infrastructure projects such as the East Coast Rail Link ("ECRL") and the Johor Bahru–Singapore Rapid Transit System ("RTS"), which are expected to stimulate regional connectivity and economic activities.

KIP REIT maintains a positive outlook, underpinned by the strong performance of our existing property portfolio and strategic initiatives to enhance leasing and operational efficiencies which supports income stability and providing flexibility for rental optimisation in line with prevailing market conditions.

With well-planned acquisitions, a people-first culture and ESG-forward operations forming the backbone of our strategy, KIP REIT will continue to identify and evaluate potential growth opportunities in income-producing real estate across the retail, industrial and/or commercial sectors. This strategic direction aims to enable KIP REIT to capitalise on market opportunities and drive sustainable growth in an evolving property landscape.

OUR VALUE CREATION MODEL

At KIP REIT, our value creation model is anchored in a business model that leverages six (6) forms of capital. These capitals are transformed into sustainable value for our stakeholders through the effective application of our key strategic enablers. Collectively, these capitals drive operational performance and efficiency, which ultimately strengthen earnings and support sustainable distributable income to our unitholders. Our capital inputs, along with the corresponding output and outcomes, for FYE 2025 are illustrated below: -

CAPITALS → INPUTS → KEY ENABLERS FOR VALUE CREATION → OUTPUTS → OUTCOMES → TRADE-OFFS

CAPITALS	INPUTS	OUTPUTS	OUTCOMES	TRADE-OFFS
Financial	KIP REIT's operations are financed through a combination of equity, debt as well as rental income generated. • Total Unitholders' Funds: RM894.15 million • Total Borrowings: RM622.78 million • Total Assets: RM1,577.05 million	• Gross revenue: RM136.13 million • NPI: RM96.82 million • Distributable income: RM52.72 million • DPU: 6.80 sen • Distribution yield: 8.1% • Gearing: 39.5%	• Market capitalisation: RM666.86 million • 5-year average total return: 8.7% • Sustainable income distribution of at least 90.0% quarterly	Financial capital may be temporarily drawn upon in the short-term to execute KIP REIT's growth strategy and invest in other capitals in order to support sustainable performance over the medium to long-term.
Manufactured	KIP REIT owns and manages a diversified portfolio comprising ten (10) retail properties and four (4) industrial properties, as outlined in the Property Details section.	• Three (3) new assets were acquired • Retail: 2.13 million sq. ft. of NLA • Industrial: 0.42 million sq. ft of NLA • Average occupancy rate: 96.7%	• Continuous AEI and increase in NLA enhance property value, leading to improved occupancy as well as higher NPI and distributable income.	AEI will entail financial capital in the short-term but will positively influence manufactured capital through improvements in valuation in the medium-term and brand equity in the long-term.
Natural	The Manager is committed to promoting long-term environmental sustainability across KIP REIT's property portfolio by integrating the following sustainability initiatives: - • Installation of solar photovoltaic systems, energy-efficient light-emitting diode ("LED") lighting and EV charging stations • Adoption of sustainable cooling solutions and Water Efficient Product Labelling Scheme ("WEPLS")-rated fittings	• Solar power capacity: 4.55 MWp • Electricity consumption: 8,912.796 Mwp • Water consumption: 216,576 m³ • ESG Positive Impact Awards 2024 • Inclusion in FTSE4Good Bursa Malaysia Index	• Minimised ecological impact and efficient resources management • Advancing towards net-zero emissions • Cost efficiencies contributing to higher NPI and distributable income	While the installation of renewable energy and other sustainability solutions may require short-term investment of financial capital, it is expected to benefit natural, social and relationship, and manufactured capitals over the medium and long-term.
Intellectual	The Manager brings extensive experience in asset management, acquisition strategy and leasing strategy, contributing valuable expertise to the management of KIP REIT. • Robust governance structure and ethical conduct	• Zero corruption and data breach • One (1) whistleblowing case reported but no evidence substantiating the allegation • The Edge Centurion Club 2024 Award	• Business resilience with stronger corporate governance • Strengthened market presence and stakeholders' confidence	Investment in intellectual capital lays the foundation for long-term expansion by enhancing coverage and recognition, contributing to the growth of all capitals. However, such investment requires the short-term use of financial capital.
Social and Relationship	The Manager actively fosters stakeholder engagement through various initiatives: - • Effective, timely and transparent communication and disclosure • Regular interactions with stakeholders • Implementation of 93 corporate social responsibility programmes	• Number of research coverage: 2 • Number of tenants: 1,172 • Total amount invested into communities: RM59,241.53 • Total beneficiaries: 17,248	• Strong long-term relationship with stakeholders • Enhanced tenant satisfaction, supporting stable rental income and distributable income	Building strong stakeholder relationships and upholding corporate governance will enhance all capitals, while social contributions that require financial capital will yield lasting benefits to social and relationship, human and intellectual capitals.
Human	The Manager is supported by a team of skilled and experienced employees, whose expertise contributes significantly to the smooth daily operations of KIP REIT. • Total number of employees: 161 • Amount invested in employee training: RM73,551.90	• Employee turnover rate: 22% • Total training hours: 2,974.5 • Zero grievances reported	• High talent attraction and retention • Increased capability and efficiency of employees	While developing human capital requires financial capital, it enhances human, intellectual as well as social and relationship capitals by strengthening skills, knowledge, morale, leading to improved organisational culture and operational productivity.

KEY ENABLERS FOR VALUE CREATION

Our Operating Landscape

Our Risk and Opportunities

Our Governance

Our Investment Strategies

Our Business Model

KIP REIT focuses on community-centric malls in suburban areas, serving mass markets with diverse local brands across 12 sectors, including food, fashion and entertainment.

Diversified Tenant Base
Essential services and community-focused retailers

Low-cost Operating Model
Efficient mall design keeps costs and risk low

Resilient Income Distribution
Remained financial resilient by sustaining and improving DPU

Community-Centric Malls
Strong relevance via everyday essentials and local loyalty

Stable Occupancy Rates
Mass market positioning and affordable rental structure support retailers' sustainability.

Our Business Activities

KIP REIT invests in income-producing real estate properties used for retail, industrial and/or commercial purposes.

Vision

To be a leading Real Estate Investment Trust with sustainability and community engagement at the forefront of our investment strategies.

Mission

Creating value for our stakeholders to ensure sustainable growth for our KIP REIT community.

Core Values

Know-how

Integrity

People

OUR OPERATING LANDSCAPE

FYE 2025 marked a year of economic resilience for KIP REIT. Despite market challenges and dynamic fluctuations, we remained steadfast as a community-centric REIT, supported by favourable macroeconomic conditions such as rising minimum wage and steady economic growth, which enhanced consumer spending power in Malaysia. At the same time, evolving sustainability trend and accelerating technology adoption created both challenges and opportunities that we were able to capitalise on to strengthen our long-term business sustainability.

Key Trend 1: Macroeconomy

What Happened in FYE 2025

Malaysia's GDP expanded by 4.4% in the first quarter of 2025, driven by strong domestic demand. Such expansion was mainly attributed to resilient household spending and a steady expansion in investment activities, both underpinned by supportive labour market conditions, income-related policy and the progress of multi-year projects in both the public and private sectors. In the external sector, export growth was slower mainly due to lower mining exports. However, this was partially offset by stronger electrical and electronics ("E&E") exports and tourism activity. On the supply side, growth was driven by the services and manufacturing sectors, supported by higher Government services and strong E&E production respectively.

As a result, BNM maintained the OPR at 3.0% throughout FYE 2025, a level held since May 2023. Headline and core inflation averaged 1.5% and 1.9% respectively in the first quarter of 2025, reflecting moderate global costs and the absence of excessive domestic demand pressures.

On 18 October 2024, the Malaysian Government announced the Budget 2025 which is Malaysia's largest ever budget at RM421.00 billion, comprising RM335.00 billion for operating expenditure and RM86.00 billion for development. This is the third budget formulated based on the Ekonomi MADANI framework, focusing on revitalising the economy, catalysing transformative change and improving the overall well-being of the local community. In particular, the Malaysian Government rolled out targeted subsidies, such as fuel subsidies, to cushion households and businesses against rising living costs. The allocation for Sumbangan Tunai Ramah ("STR"), Sumbangan Asas Ramah ("SARA") and Department of Social Welfare was also increased to provide greater support for the local community. A further RM1.00 billion was channelled to broaden efforts in addressing the cost of living, including the expansion of Payung RAHMAH initiative and collaborations with supermarket operators, wholesale markets, retail stores, farmers' markets, cooperatives to stabilise prices of essential goods. To further safeguard livelihoods, the Malaysian Government has announced an increase in the minimum wage from RM1,500 to RM1,700 per month, effective 1 February 2025.

Labour market conditions also strengthened, with the unemployment rate stood at 3.0% in June 2025, marking the lowest level since the pandemic and signalling continued strength in job creation and income stability. Meanwhile, headline Consumer Price Index ("CPI") in June 2025 was recorded at +1.1% year-over-year ("YoY'), marking the lowest level since the pandemic, while the core CPI recorded at +1.8% YoY in June 2025, indicating subdued underlying inflationary pressures.

Externally, FYE 2025 was marked by heightened global market volatility. On 2 April 2025, the United States ("US") Government announced a reciprocal tariff of 24.0% on Malaysia, contributing to increased uncertainties in the global trade environment amid other ongoing trade negotiations and geopolitical tensions. Despite prevailing downside risks in the global economic environment, BNM has reaffirmed its commitment to maintaining a monetary policy stance that supports sustainable economic growth while ensuring price stability.

Key Trend 1: Macroeconomy (Cont'd)

How It Impacts KIP REIT

Malaysia's continued economic growth and stable inflationary environment are expected to have a positive impact on KIP REIT. In particular, strong domestic demand, resilient household spending, coupled with the Malaysian Government initiatives introduced under Budget 2025, are likely to sustain the performance of our tenants and contribute to stable occupancy and rental income across our retail property portfolio. At the same time, the strong performance in manufacturing sector is expected to drive greater demand for industrial and logistics space, which in turn is expected to support KIP REIT's industrial property portfolio performance.

The maintenance of OPR at 3.0% has provided a stable financing environment, allowing KIP REIT to pursue portfolio expansion with greater financial certainty. In addition, the recently announced US tariffs are not expected to have a significant impact, as our retail property portfolio is largely focused on necessity goods, which remain relatively resilient from external trade fluctuations.

Nevertheless, heightened global market volatility due to geopolitical tensions, presents a potential risk to KIP REIT. These conditions may challenge our ability to respond swiftly to emerging opportunities and navigate shifts in the broader operating landscape.

Actions/Strategies

KIP REIT will continue to adopt a proactive and disciplined approach in navigating the evolving economic landscape. Supported by resilient consumer demand and a stable interest rate environment, the Manager remains focused on strengthening tenant engagement, optimising portfolio performance and pursuing acquisition opportunities that align with KIP REIT's long-term value creation strategy.

Meanwhile, the Manager continues to monitor developments in the global economy, particularly risks arising from external trade tensions and financial market volatility. A prudent capital management framework is currently adopted to maintain healthy gearing level, stable financing costs and sufficient liquidity, thereby ensuring responsiveness in capturing investment opportunities and fulfilling operational needs.

FYE 2026 Outlook

Amid prevailing global uncertainties, BNM has revised its projected GDP growth for 2025 to a range of 4.0% to 4.8% on 28 July 2025, down from the earlier forecast of 4.5% to 5.5% published in the Economic and Monetary Review 2024 released on 24 March 2025. In addition, BNM has reduced the OPR by 25 basis points to 2.75% as a precautionary measure to support Malaysia's economic growth in response to the rising external uncertainties and moderate inflation outlook.

Effective 1 July 2025, the scope of indirect taxes was broadened, with sales tax now applies to more goods at 5.0% or 10.0%, while the service tax has been expanded to cover six (6) new categories including financial services, private healthcare, traditional and complementary medicine and allied health services, rental or leasing services, construction services, education services as well as wellness or beauty services. However, certain essential goods remain exempted from sales tax, while Malaysian citizens are exempted from service tax on healthcare and education services.

In addition, the base electricity tariff has increased from 39.95 sen/kWh in Regulatory Period 3 (1 February 2022 to 31 December 2024) to 45.4 sen/kWh in Regulatory Period 4 (1 January 2025 to 31 December 2027), representing a 13.6% increase in the electricity cost. The new electricity tariff structure, which is now based on voltage levels instead of customer activity types (i.e., residential, commercial or industrial), together with the implementation of Automatic Fuel Adjustment ("AFA") and Time of Use ("TOU") scheme, is expected to deliver cost savings for us as most of our malls operate on lower voltage levels. For our high-voltage consumption malls, we will continue to closely monitor and manage our electricity usage effectively.

OUR OPERATING LANDSCAPE

Key Trend 1: Macroeconomy (Cont'd)

FYE 2026 Outlook (Cont'd)

On the external front, the US Government finalised a 19.0% tariff on Malaysia exports, effective from 1 August 2025, while pharmaceutical products and semiconductors remain exempted. Commodity products, including cocoa, palm oil and rubber, may also be exempted from the tariff, subject to further negotiation.

Despite these challenges, the confluence of stable employment, minimum wage growth and contained inflation continues to support real household purchasing power, reinforcing broad-based consumer resilience across both essential and discretionary spending categories. The Malaysian Government also remains committed to lowering the cost of living for through targeted approaches, such as increase of fuel subsidies and one-off cash aid under SARA programme.

In addition, given KIP REIT's retail property portfolio which is largely focused on necessity goods catering to the mass market, the recently announced US tariff is not expected to have a material impact on our performance. Furthermore, our sustainability initiative of installing solar photovoltaic systems and sustainable cooling solutions provided a buffer against the impact of the revised electricity tariff structure. Looking ahead, the upcoming Visit Malaysia 2026 campaign is expected to stipulate tourism-related retail activity, indirectly benefitting our retail segment through increased tourist spending. Nevertheless, the Manager remains vigilant and will continue to monitor both domestic and global developments to mitigate potential risks while proactively seeking opportunities to safeguard long-term value creation for unitholders.

Key Trend 2: Evolving Consumer Behaviour

What Happened in FYE 2025

Retail Group Malaysia Sdn Bhd ("RGM") reported a 5.6% growth in retail sales in the first quarter of 2025, driven by festive spending during Chinese New Year and Hari Raya Aidilfitri, month-long national school holidays as well as increased tourist arrivals due to favourable exchange rate and visa-free entry for visitors from China and India. Specifically, the combined department store and supermarket subsector recorded positive growth of 5.8%, where the department store subsector expanded by 2.7% and the supermarket and hypermarket subsector posted encouraging growth of 3.7%. The F&B establishments also experienced a surge in sales, with cafés and restaurants grew by 6.5%, while take-away outlets, kiosks and stalls recorded a stronger growth of 12.3%.

Despite Malaysia's economic growth, United Overseas Bank's ASEAN Consumer Sentiment Study 2024 highlighted a decline in public confidence due to negative emotions, recession fears, rising household expenses and concerns over financial stability. Consumers are now prioritising essentials such as groceries, education and utilities, while cutting back on insurance, investment and non-essential spending.

At the same time, Malaysian consumers increasingly seek convenient and immersive shopping experiences, driven by continuous technological innovations that are reshaping the retail landscape. Traditionally, online and offline transactions are treated separately and not integrated, leading to a fragmented and poor shopping experience. Therefore, the current evolving consumer preferences point towards a demand for seamless integration of online and physical shopping experiences, especially among Gen-Z consumers. Innovations such as self-checkout kiosks and mobile applications are gaining traction among Malaysian consumers.

In addition, sustainability awareness is on the rise, with Malaysians actively seeking sustainable products. However, price sensitivity remains a factor, as consumers generally expect sustainable alternatives to be competitively priced with other products, although a segment of the market is prepared to pay a premium.

Key Trend 2: Evolving Consumer Behaviour (Cont'd)

How It Impacts KIP REIT

KIP REIT's tenant performance is less influenced by seasonal shopping patterns as our tenants primarily provide daily essential goods. Nonetheless, evolving consumer behaviour, particularly the increasing adoption of digital tools and rising sustainability awareness, is reshaping public's shopping expectations. Consumers are becoming more engaged with retailers that offer seamless digital interactions, whether through promotions, loyalty programmes or app-based conveniences, while also favouring brands that demonstrate environmental responsibility. These shifts present opportunities for KIP REIT's tenants to enhance customer connection and loyalty.

Actions/Strategies

By maintaining our "2+2" rent model strategy, KIP REIT allows rental revisions every two (2) years rather than committing to five (5) or six (6) years term. This structure offers tenants with greater flexibility, enabling more dynamic and timely rental adjustments to support a tenant mix that remains resilient and responsive to evolving consumer behaviour.

To strengthen KIP REIT's competitiveness, we are also actively adjusting tenancy mix by increasing F&B outlets in our retail malls, capitalising on the growing demand for dining and lifestyle experiences

In addition, we have implemented a footfall management system to monitor and analyse consumer behaviour, providing valuable insights that enable more targeted, data-driven leasing strategies and marketing initiatives.

Outlook for FYE 2026

RGM projected 3.1% retail growth for the remaining quarters of 2025, with 2.8% in the third quarter and 3.5% in the fourth quarter, taking into account broader economic challenges. The Manager anticipates that evolving consumer behaviour will have minimal adverse impact on KIP REIT and may, in fact, present favourable opportunities as we continue to undertake AEI initiatives and regularly review our tenant mix to align with the latest market trends and needs. Accordingly, the Manager remains cautiously optimistic on KIP REIT's performance and will continue to maintain consumer engagement through targeted campaigns and stronger tenant partnerships.

Looking ahead, we aim to strengthen our retail portfolio by maintaining a well-balanced tenant mix that caters to evolving customer preferences to enhance our competitiveness. We are transforming our retail malls from traditional retail spaces into vibrant lifestyle destinations, integrating leisure, social engagement and corporate social responsibilities activities. These initiatives are undertaken to elevate the overall shopper experience, foster stronger community connections and sustain footfall growth across our retail malls moving forward.

Key Trend 3: Sustainability and Environmental Concerns

What Happened in FYE 2025

2024 marked a concerning turning point in the global climate trajectory, with the World Meteorological Organisation ("WMO") reporting that the global average surface temperature reached 1.55°C above pre-industrial levels (with a margin of uncertainty of ±0.13°C). This is the first calendar year in which the temperature has exceeded the 1.50°C threshold set in the Paris Agreement, underscoring the urgent call for accelerated climate action.

According to the Malaysia Meteorological Department, the average temperature in Peninsular Malaysia has increased by 0.24°C per decade since 1969. As warming intensifies, Malaysia faces shifting climate patterns with more frequent disasters and extreme weather events such as heat waves, floods, droughts, forest fires and sea level rise. These impacts threaten not only local community but also public health, agriculture and food security, infrastructure, and energy systems, ultimately placing greater strain on the economy and environment. To this end, Malaysia's Ministry of Natural Resources and Environmental Sustainability launched the National Climate Change Policy 2.0 on 30 September 2024, reinforcing Malaysia's commitment and strategies to addressing this pressing environmental challenge.

OUR OPERATING LANDSCAPE

Key Trend 3: Sustainability and Environmental Concerns (Cont'd)

What Happened in FYE 2025 (Cont'd)

On 24 September 2024, the SC also introduced the National Sustainability Reporting Framework ("NSRF") to enhance transparency and accountability on how businesses manage sustainability risks and opportunities, improve business resilience and contribute to the nation's broader sustainability agenda. Following this, Bursa Securities enhanced its sustainability reporting requirements for Main Market and ACE Market listed companies on 23 December 2024, fostering the adoption of the IFRS Sustainability Disclosure Standards as the baseline standards for sustainability reporting in Malaysia.

How It Impacts KIP REIT

With the introduction of NSRF and IFRS Sustainability Disclosure Standards, which KIP REIT will be required to comply with from 31 December 2026 onwards, the Manager expects to further enhance its disclosure practices. Meeting these requirements will necessitate the development and implementation of robust frameworks and infrastructures for sustainability data collection, analysis and reporting. This will involve additional time, cost and Management's effort to ensure accurate and comprehensive disclosures.

Furthermore, investment in sustainability initiatives such as renewable energy adoption and energy efficient measures may require upfront capital expenditure in technology and infrastructure. However, these initiatives are anticipated to deliver long-term benefits in the form of cost-savings, improved portfolio resilience and strengthened investor confidence in KIP REIT's commitment to sustainable value creation.

Actions/Strategies

KIP REIT is committed to the nation's net-zero transition through the implementation of several key initiatives. During FYE 2025, we expanded our solar photovoltaic systems, installed EV charging stations and achieved a full transition to energy-efficient LED lighting across all our seven (7) KIPMalls.

On 5 March 2025, we entered into a 20-year partnership with KJTS Group Berhad for the implementation of sustainable cooling solutions at all seven (7) KIPMalls, targeting an estimated reduction of energy cost by 15.0%.

KIP REIT's dedication to sustainability was further recognised in June 2025 with its inclusion in the FTSE4Good Bursa Malaysia Index.

FYE 2026 Outlook

In Budget 2025, the Malaysian Government introduced several sustainability initiatives, including an allocation of RM300.00 million under the National Energy Transition Facilitation Fund, RM70.00 million in e-rebates for the purchase of energy-efficient electrical equipment, RM10.00 million in incentive for the use of locally assembled completely knocked-down electric motorcycles, as well as various tax relief and deductions to encourage the adoption of sustainable practices. Additionally, the Malaysian Government is planning to implement a carbon tax for iron, steel and energy industries by 2026, aiming to encourage the adoption of low-carbon technologies. Furthermore, a Climate Change Bill is expected to be tabled in Parliament soon, which will act as an umbrella legislation that governs all relevant climate change related issues in Malaysia.

Moving forward, we will continue to strengthen our sustainability commitments by initiating the green building certification process for KIPMall Bangi and KIPMall Tampoi to validate our sustainable operational practices, implementing a paper usage monitoring system to measure reductions in office consumption following the adoption of ServeDeck software, and implementing a compliance framework for IFRS Sustainability Disclosure Standards to enhance sustainability-related financial disclosures and climate risk reporting.

Key Trend 4: Technology and Digital Transformation

What Happened in FYE 2025

According to CyberSecurity Malaysia, a total of 6,888 cyber incidents were recorded in Malaysia during FYE 2025, primarily involving fraud, content-related issue, intrusion and malicious code. This marked a 12.4% increase from 6,128 cyber incidents reported in FYE 2024, highlighting the escalating risks faced by businesses and individuals. This reinforces the importance of strengthening cybersecurity measures to protect against increasingly sophisticated threats.

While digital transformation continues to bring tremendous benefits to Malaysia's economy, cybersecurity threats have grown more severe. To maintain strong cyber hygiene, digitalisation must be accompanied by robust and resilient cybersecurity measures.

In response, the SC revised its Guidelines on Technology Risk Management, effective from 19 August 2024, requiring capital market participants to report near miss incidents, conduct cybersecurity assessments and perform penetration testing before deploying critical systems. Meanwhile, the Malaysian Government also enforced the Cyber Security Act 2024, effective from 26 August 2024, covering key cybersecurity features such as the establishment of National Cyber Security Committee, clear functions and duties of the National Critical Information Infrastructure ("NCII") sector leads, management of cyber security threats and incidents related to NCII, and provisions to regulate cyber security service providers through licencing.

How It Impacts KIP REIT

The growing severity of cybersecurity threats in Malaysia heightens the necessity for KIP REIT to embed robust and resilient measures within our operations. Any lapse in management may lead to cyber incidents that could potentially cause financial losses, legal liabilities and reputational damage, ultimately affecting stakeholders' trust on KIP REIT.

To address these risks, increased operational costs may be incurred for investment in technology infrastructure, system upgrades and skilled cybersecurity professionals. These measures shall reduce the risk of cyber incidents that could disrupt operations or compromise sensitive data.

Meanwhile, the implementation of the SC's revised Guidelines on Technology Risk Management and the enforcement of the Cyber Security Act 2024 are expected to strengthen KIP REIT's cybersecurity framework, providing an additional safeguard against emerging cyber threats.

Actions/Strategies

KIP REIT remains committed to ensuring compliance with applicable rules and regulations by continuously strengthening our internal controls. To this end, the Manager has formalised a Technology Risk Management Framework and carried out an IT disaster recovery exercise, which involved the upgrading of its existing IT system to enhance resilience.

In addition, we continued to engage our outsourced IT service provider to strengthen the resilience of our IT infrastructure. Cybersecurity awareness trainings were also conducted for all employees, covering IT security best practices, data handling procedures, data protection measures and the identification of potential cyber threats.

FYE 2026 Outlook

Through Budget 2025, the Malaysian Government has taken significant steps to enhance the nation's cybersecurity in response to the rising frequency and severity of cyber threats. Key measures include an allocation of RM20.00 million to expand the role of the National Fraud Response Centre, supported by the launch of the National Fraud Portal which is designed to facilitate the automatic detection of suspicious transactions to combat online fraud more effectively. Besides, legislative enhancements through amendments to the Penal Code (Act 574) and the Criminal Procedure Code (Act 593) empower enforcement agencies with greater authority to take more effective action against mule account syndicates.

Aligning with the enactment of the Cyber Security Act 2024, the National Cyber Security Agency will be further strengthened through an additional budget allocation of RM10.00 million and the addition of 100 new staff positions. Collectively, these measures are expected to reinforce Malaysia's cyber resilience, safeguard national's cybersecurity environment and enhance public trust and confidence in the digital economy.

OUR RISKS AND OPPORTUNITIES

The Manager adopts an ERM system to conduct regular risk management reviews and evaluate significant risks in terms of their likelihood and potential impact based on the approved risk appetite set by the Board. This enables the Manager to address potential risks effectively while also capitalising on any opportunities that could create value for KIP REIT's stakeholders and bring KIP REIT to greater heights. Appropriate measures are implemented to mitigate the likelihood or impact of identified risks.

The following section provides a summary of key risks and corresponding opportunities associated with KIP REIT's portfolio: -

Principle Risks	Impact on Business	Mitigation Measures	Opportunities
Portfolio Risk	Weak monitoring, poor portfolio diversification and unsuitable tenant mix may lead to asset underperformance. Consequently, inaccurate investment decisions, inadequate due diligence and overreliance on anchor tenants could also result in low customer traffic, non-performing return on investment, ultimately impacting KIP REIT's overall profitability.	Investment Steering Committee ("ISC") regularly assesses and reviews the performance of KIP REIT's asset portfolio. Where necessary, ISC will make appropriate recommendations to the Board, supported by relevant input from independent valuers and due diligence from the Investment Working Group. Complex Managers also meet on a monthly basis to discuss the performance of each mall. The Management continuously tracks tenancy mix while the General Manager sets and monitors goals to optimise the performance of asset portfolio.	• Enhance portfolio returns through tenant mix optimisation. • Pursue asset acquisitions in high-growth markets to expand total asset value and diversify income sources.
Competition Risk	KIP REIT is exposed to competitive risks as some of our malls are located in areas with many competitors targeting a similar customer base. An inability to remain competitive in attracting customers, coupled with a poor understanding of local demand and inadequate mall facilities, may reduce customer traffic, leading to revenue loss and a weakening of brand presence.	The Management is actively adjusting tenancy mix by increasing F&B outlets in order to strengthen competitiveness. In addition, the Management continuously monitors commercial developments within operational areas and assess the needs for improvement works, such as AEI, to maintain and enhance our malls' relevance and customer appeal.	• Improve tenant mix and mall offerings to attract more customers, strengthen brand positioning and capture grater market share.
Reputational Risk	Perceived lack of independence from related parties, non-compliance with disclosure requirements, and inconsistent stakeholder communications could lead to negative stakeholder perception, regulatory concerns or miscommunications, ultimately impacting stakeholders' confidence in KIP REIT.	The Management implements segregation of duties by assigning two (2) separate sets of personnel to oversee related party transactions, thereby upholding independence and minimise potential conflicts of interest. Consistent communication is also prioritised, with the Board members being fully briefed prior to Annual General Meetings ("AGMs") and/or Unitholders' Meetings ("UMs") or investor relations events. All external communications are guided by the approved Communications Policy, while communication memos and debrief sessions are regularly issued and conducted at mall level to reinforce alignment and consistency across all stakeholders.	• Reinforce investor confidence and build the reputation as a trustworthy and well-governed REIT through transparent and consistent stakeholder communication.

Principle Risks	Impact on Business	Mitigation Measures	Opportunities
Tenancy Documentation Risk	Incomplete or inaccurate records of tenancy agreements could negatively impact the Manager's ability to enforce its legal rights. Poor safekeeping of the tenancy agreements may also expose sensitive information such as tenants' personal data, rental terms and business arrangements to unauthorised access, leading to potential breaches of confidentiality and misuse of information.	Copies of properly executed tenancy agreements are securely stored in office with digital copies being maintained on a shared folder for ease of reference. To ensure accuracy and completeness, a checklist is in place to ensure that relevant supporting documents of tenancy agreements are systematically collected and filed. Furthermore, the status of tenancy agreement signing is monitored monthly with updates reported in the Complex Managers meetings to ensure timely follow-up and proper record-keeping.	• Enhance compliance and governance through systematic record-keeping and timely recording.
Tenancy Agreement and Compliance Risk	Weaknesses in legal vetting may result in contracts executed with unfavourable or non-enforceable terms. In addition, the absence of proper monitoring of tenant performance may hinder the Manager's ability to detect breaches or non-compliance of tenancy conditions by tenants. Collectively, these gaps may expose the Manager to financial losses, disputes, reputational risks and reduced operational effectiveness.	A standard tenancy agreement approved by the Trustee is in place to ensure consistency and enforceability of terms. Any deviation from this agreement is considered on a case-by-case basis and requires the Manager's approval, with negotiations conducted between the tenant and the Manager. Meanwhile, tenant compliance is monitored monthly by the Complex Managers, such as punctuality of payments, encroachment and cleanliness. Where non-compliance is identified, notices will be issued. The Complex Manager further reinforces oversight through quarterly operational audits to ensure effective monitoring and follow-up.	• Improve tenant performance through regular monitoring and feedback, enabling proactive issue resolution and maintaining high operational efficiency. • Support strategic decision-making with data on tenant performance and contract terms, thereby facilitating portfolio optimisation, tenancy mix adjustments and long-term growth planning.
Tenancy Renewal Risk	Absence of proper tracking of renewal dates will result in late or missed notices being issued to tenants, as well as a lack of enforcement in vacating tenants with expired agreements. These weaknesses may lead to unauthorised occupation of premises, hinder legal action against non-compliant tenants and cause opportunity costs by delaying the entry of potential tenants who better fit the desired tenancy mix.	Prior to tenancy expiry, tenants are approached six (6) months ahead with notice of renewal followed by negotiation for renewal rates to ensure timely commitments. The notice of renewal is also formalised to require tenants to notify their intention to renew on the Property Management System ("PMS") to minimise the risks of error. Double rental shall be chargeable upon expiry of tenancy to deter tenants from holding over and not renewing their agreements.	• Improve occupancy stability through proactive renewal engagement. • Replace underperforming tenants with strategically aligned tenants to optimise long-term rental yield.

OUR INVESTMENT STRATEGIES

The Manager, through the ISC, aims to increase the overall income and value of investment properties of KIP REIT by adopting the following investment strategies: -

OUR INVESTMENT STRATEGIES

Active Asset Management and Enhancement

- Executing proactive leasing and cost management strategies to maximise returns for unitholders.
- Leveraging local expertise in areas of operation to provide for optimised rental income, net lettable space and occupancy rates.

Acquisition Growth

- Sourcing of yield accretive retail assets to provide sustainable income and capital appreciation in line with KIP REIT's investment strategies.

Capital and Risk Management

- Optimising capital structure to maximise unitholders' returns.
- Adopting an appropriate mix of debt and equity in financing acquisitions and to manage financing and refinancing risks.

Sustainability and Governance

- Powering sustainable economic growth.
- Championing integrity and transparency.
- Pioneering the net-zero transition.
- Enriching human capital and social ecosystems.

SUSTAINABILITY STATEMENT 2025

REPORTING SCOPE AND BOUNDARY

SUSTAINABLE GROWTH, REAL IMPACT.

About Our Sustainability Report

KIP Real Estate Investment Trust ("**KIP REIT**") is pleased to present its 8th Sustainability Report for the financial year ending 30 June 2025 ("**SR2025**").

At KIP REIT, we recognise that sustainable growth delivers real impact beyond financial performance. Our approach balances responsible asset management and strong occupancy rates with environmental stewardship and community empowerment. We are committed to reducing our carbon footprint, enhancing energy efficiency, and implementing social initiatives that create lasting positive impact, ensuring our business achieves sustainable growth in an evolving market.

This SR2025 highlights our progress and achievements as we drive sustainable growth with real impact. We showcase our key accomplishments while transparently addressing sustainability-related risks and opportunities that have shaped our operations. Our comprehensive sustainability framework clearly maps value creation strategies across economic, governance, environmental and social dimensions, demonstrating how our integrated approach drives real impact through core business practices while advancing our environmental and social goals.

As we advance our sustainability journey, we invite all stakeholders to join us in building a sustainable future that harmonises business success with environmental stewardship and social responsibility. Together, we can create lasting value and real impact for our investors, communities, and the planet.

Reporting Framework

This SR2025 has been prepared by **KIP REIT Management Sdn. Bhd.** ("**REIT Manager**") on behalf of KIP REIT. In our commitment to transparency and excellence, we have aligned our reporting with leading industry standards and regulatory frameworks, including:

- Bursa Malaysia Securities Berhad's ("**Bursa Malaysia**") Main Market Listing Requirements ("**MMLR**")
- FTSE4Good Bursa Malaysia Index
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance ("**MCCG**")
- Task Force on Climate-related Financial Disclosures ("**TCFD**")
- Global Reporting Initiative ("**GRI**") Standards 2021
- United Nations Sustainable Development Goals ("**UNSDGs**")

Reporting Period

This SR2025 covers the entire financial year from 1 July 2024 to 30 June 2025 ("**FY2025**"), unless explicitly stated otherwise. It presents three-year comparative data for key metrics where available, establishing meaningful trend analysis that enables stakeholders to more effectively evaluate our performance trajectory and progress against established sustainability goals.

Reporting Boundary

Trustee and Management Structure

Pacific Trustee Berhad is acting solely in its capacity as the trustee for and on behalf of KIP REIT ("**REIT Trustee**"), holding all properties under portfolio of KIP REIT ("**KIP REIT Portfolio**") in trust as part of its legal obligation to our unitholders.

The operational management structure of KIP REIT follows a tiered approach, with the REIT Manager serving as the management company overseeing investment strategy and governance, while **Nawawi Tie Leung Property Consultants Sdn. Bhd.** is appointed by REIT Manager as the property manager of KIP REIT ("**Property Manager**") through a formalised agreement established with the concurrence of the REIT Trustee.

Asset Classification Framework

KIP REIT Portfolio is strategically categorised into two distinct asset classes:

- **Managed Assets:** Community-focused shopping centres and retail properties owned by KIP REIT and operated through the Property Manager, serving as vibrant neighbourhood commercial hubs
- **Leased-Out Assets:** Properties owned by KIP REIT and leased to tenants under long-term tenancy agreements, generating recurring rental income

Management Delegation Structure

To ensure operational efficiency and specialised management, our Property Manager has implemented a bifurcated management approach that strategically allocates resources according to asset type requirements.

For **Managed Assets** management, KIP Property Services Sdn. Bhd. ("**Service Provider**") has been appointed by the Property Manager to handle and oversee the complex ecosystem of day-to-day operations, tenant relations, marketing initiatives, customer experience programs, footfall optimisation, and comprehensive facility maintenance.

Meanwhile, **Leased-Out Assets** management is directly administered by the Property Manager through its specialised teams with expertise in long-term lease management.

Sustainability Reporting Scope

This SR2025 encompasses a focused reporting framework that primarily addresses **Managed Assets** and their sustainability performance. It excludes **Leased-Out Assets** from standard reporting metrics except where explicitly specified. All sustainability indicators, metrics, targets, and benchmarks apply exclusively to our **Managed Assets** portfolio.

Within the **Managed Assets** category, all environmental performance data for DPulze Shopping Centre has been excluded from FY2025 reporting due to the recent acquisition completion on 12 December 2024. This exclusion allows for proper integration and operational stabilisation, with comprehensive data collection for this property scheduled to begin in the financial year from 1 July 2025 to 30 June 2026 ("**FY2026**").

Human Capital Reporting Structure

Due to the unique financial arrangement whereby KIP REIT directly reimburses the Service Provider for all employee compensation (including salaries, allowances, annual bonuses and benefits), this SR2025 considers Service Provider's employees as integral members of the KIP REIT workforce.

For comprehensive transparency in human capital reporting, employee data is presented through three complementary perspectives:

- **REIT Manager's Employees:** Personnel directly employed by KIP REIT Management Sdn. Bhd.
- **Service Provider's Employees:** Staff employed by KIP Property Services Sdn. Bhd.
- **Group Consolidated View:** Combined workforce data encompassing both REIT Manager's and Service Provider's employees

Throughout this SR2025, the term "**Group**" specifically denotes the consolidated entity comprising both the REIT Manager and the Service Provider, providing stakeholders with a holistic view of KIP REIT's human capital profile and sustainability performance.

Additionally, KIP REIT operates exclusively within Malaysia with no international workforce. Our organisation also does not have employees with disabilities. Therefore, sustainability parameters related to global workforce diversity and disability inclusion metrics are not applicable to KIP REIT's current operational context.

Materiality Expansion and Data Recalibration

In FY2025, our materiality assessment process identified three additional sustainability priorities, increasing our total material topics from 15 to 18. Certain material topics has also been renamed to better reflect their strategic significance and operational scope. Comprehensive details of this materiality assessment refinement can be found on page 83.

In our commitment to accuracy and transparency, we have also recalibrated certain performance metrics where necessary to ensure methodological consistency or to incorporate enhanced data interpretation approaches. All such recalibrations are explicitly identified throughout the relevant sections of SR2025.

Forward-Looking Statements

This SR2025 contains certain forward-looking statements regarding KIP REIT's financial position, operational results, and business strategies that we believe to be reasonable at the time of publication.

Such forward-looking statements identified through expressions like "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "should", "target", "will" and etc. should be viewed with appropriate caution, as they do not constitute guarantees of future operational or financial results and are subject to various uncertainties and potential risks that could significantly impact KIP REIT's actual performance.

Actual outcomes could differ materially from projections due to numerous factors, including but not limited to global, national and regional economic conditions, evolving social and market dynamics, regulatory changes and any unforeseen events outside the control of KIP REIT. It is important to thoroughly evaluate these potential variances when assessing the information and projections presented in SR2025.

REPORTING SCOPE & BOUNDARY

Board Responsibility Statement

The board of directors of KIP REIT ("**Board**"), represented by the board of directors of the REIT Manager, acknowledges its responsibility to ensure the integrity and accuracy of this SR2025.

After thorough collective review and contribution to this SR2025, the Board has determined that this SR2025 comprehensively addresses all material sustainability issues impacting KIP REIT's value creation capabilities and fairly presents a balanced representation of our sustainability performance.

The Board confirms that this SR2025 was approved for publication on 10 September 2025.

Statement of Assurance

For FY2025, KIP REIT strengthens its sustainability governance framework by appointing Deloitte PLT to conduct independent limited assurance on select sustainability performance indicators. This external verification represents a significant milestone in our sustainability journey, enhancing the credibility and reliability of our non-financial reporting.

The comprehensive Independent Limited Assurance Report issued by Deloitte PLT can be found on page 260, providing stakeholders with transparent verification of our sustainability metrics.

Feedback

We greatly value your feedback, as it is essential for enhancing our sustainability practices and reporting methods. Your insights help ensure that our future sustainability reports remain relevant and impactful. We encourage you to share your thoughts, questions, or comments regarding our sustainability statement, initiatives and performance.

To engage with our sustainability team, please reach out to us through the following channels:

KIP REIT Management Sdn. Bhd.

Email : info@kipreit.com.my
Phone : +603 6259 1133

We are committed to fostering open communication with our stakeholders and look forward to your valuable input.

KIP REIT PORTFOLIO

Managed Assets

Southern Region

Johor
1. KIPMall Tampoi
2. KIPMall Masai
3. KIPMall Kota Tinggi

Melaka
4. KIPMall Melaka

Central Region

Seremban
5. KIPMall Senawang

Selangor
6. KIPMall Bangi
7. KIPMall Kota Warisan
8. DPulze Shopping Centre

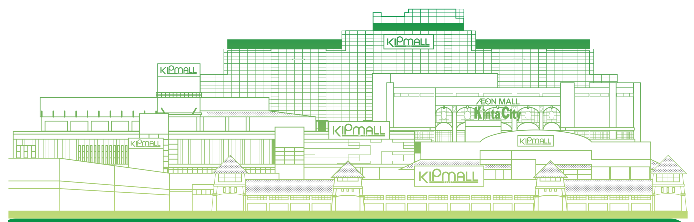
Leased-Out Assets

Central Region

Selangor
1. Lot 35, Kawasan Perusahaan Cheras Jaya
2. Lot 5, Pulau Indah Industrial Park, Port Klang
3. Lot 3A, Taman Perindustrian Pulau Indah, Port Klang
4. Lot 9, Taman Perindustrian Pulau Indah, Port Klang

Northern Region

Perak
5. AEON Mall Kinta City
6. TF Value-Mart



SUSTAINABILITY JOURNEY

2018

- Published the first Sustainability Statement
- Disclosure on Environment, Social and Governance ("**ESG**") areas

2020

- Identified 9 stakeholder groups and disclosed in-depth stakeholder engagement table
- Identified ESG sustainability matters
- Incorporated ESG strategies and integrated 8 UNSDGs accordingly into 5 capitals

2022

- Integrated ESG into day-to-day management operations
- Established the Sustainability Working Committee chaired by Chief Sustainability Officer comprising all Heads of Departments
- Conducted first Materiality Assessment and identified 10 Material Sustainability Matters
- Realigned the REIT Manager's ESG initiatives and reconfirmed 8 UNSDGs

2023

- Developed an ESG Framework
- Established a Sustainability Policy
- Conducted Materiality Reassessment and identified 15 Material Sustainability Matters
- Realigned the REIT Manager's ESG initiatives and reconfirmed 7 UNSDGs

2024

- Performed data collection for all 15 Material Sustainability Matters identified
- Conducted the first Internal Audit review for ESG process to provide assurance on the Sustainability Statement
- Aligned to 14 UNSDGs
- Disclosures in accordance with Task Force on Climate Related Financial Disclosures ("**TCFD**")

2025

- Conducted Materiality Reassessment and identified 18 Material Sustainability Matters
- Identified 5 Key Stakeholder Groups
- Conducted the first External Limited Assurance on 8 Common Sustainability Matters
- Aligned to 16 UNSDGs

SUSTAINABILITY HIGHLIGHTS

FTSE4Good Bursa Malaysia Index
ESG Score 3.0
FY2024: 2.5

Joined
CAN Ceo Action Network

Issued
Sustainability-linked Unrated Medium Term Note

41%
Total Property Value
FY2025: RM1.494 Billion

100%
Board of Directors' and Employees' ABAC Training

100%
IT Disaster Recovery Exercise

100%
Operations Assessed for Corruption Risks

0
Complains concerning Breaches of Customer Privacy and Loss of Customer Data

Issued
Climate Risk Policy
Energy Management Policy
Waste Management Policy

41%
KIPMall Melaka Reduction in Water Consumption

9%
Total Waste Disposed to Landfill

103%
Total Waste Recycled

49%
Total Employees

100%
Local Employees

61%
Female Employees

21
Long Service Employees

0
Incident concerning Labour Standards Non-compliance

0
Complain concerning Human Rights Violation

31%
SME Tenants

0
Work-related Fatalities and Injuries

24%
Total Training Hours

> RM73k
Total Amount Invested in Training

100%
Local Suppliers

> RM59k
Total Amount Invested in Community

UNSDGS SCORECARD

Our Commitment to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals ("**UNSDGs**") represent a global framework for addressing the world's most pressing challenges by 2030. At KIP REIT, we recognize that our operations have a direct impact on the communities we serve and the environment we share.

We do not view the UNSDGs as distant aspirations. They are practical guidelines that shape how we develop, manage, and improve our Managed Assets. Through our comprehensive approach to sustainable real estate investment, we have aligned our operations and initiatives with 16 out of 17 UNSDGs, demonstrating our commitment to creating positive impact across multiple dimensions of sustainability.

Our alignment spans from environmental stewardship and energy efficiency to community development and economic growth. This broad engagement reflects our understanding that sustainable real estate investment is not just about green buildings. It is about creating spaces that contribute to thriving communities, support local economies, and operate responsibly across all aspects of our business.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY
Provided support to approximately 5,662 underprivileged community members

2 ZERO HUNGER
Distributed food to approximately 3,853 beneficiaries during Ramadan

3 GOOD HEALTH AND WELL-BEING
Organised 10 blood donation programmes

4 QUALITY EDUCATION
Achieved 2,974.5 training hours for all employees at the Group level

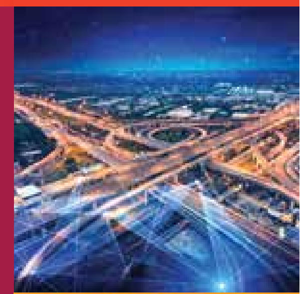
5 GENDER EQUALITY
33% of our Board of Directors and 61% of our employees are female.

6 CLEAN WATER AND SANITATION
KIPMall Melaka recorded with 41% reduction in water consumption

7 AFFORDABLE AND CLEAN ENERGY
Generated 4,782,078 kWh of solar energy

8 DECENT WORK AND ECONOMIC GROWTH
33% increase in the revenue

RM4.2 million invested in Asset Enhancement Initiatives



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
100% purchase with local suppliers.

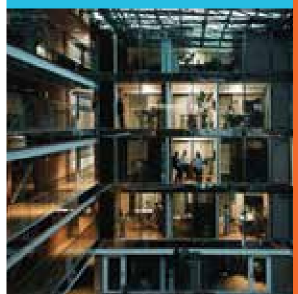
10 REDUCED INEQUALITIES
0 Diversity Policy violations reported in FY2025

11 SUSTAINABLE CITIES AND COMMUNITIES
Installation of solar panels in 7 Managed Assets

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Diverted 195.77 tonnes of our waste away from landfills in FY2025.

13 CLIMATE ACTION
Issued the first Climate Risk Policy

15 LIFE ON LAND
KIPMall Melaka recorded with 54% reduction in paper consumption



16 PEACE, JUSTICE AND STRONG INSTITUTIONS
0 corruption cases reported in FY2025

17 PARTNERSHIPS FOR THE GOALS
Joined the CEO Action Network membership

SUSTAINABILITY GOVERNANCE

KIP REIT

BOARD OF DIRECTORS

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Member	Member
MR CHIAM TAU MENG	DATUK MOHAMED ARSAD BIN SEHAN	DATUK DR SYED HUSSAIN BIN SYED HUSMAN, PJN. JP

SUSTAINABILITY STEERING COMMITTEE

Chief Sustainability Officer (Head)	Chief Financial Officer (Member)	Chief Operating Officer of Southern Region (Member)	Legal and Compliance Manager (Member)
ONG PUI SHAN (VALERIE)	LIM BOON BOON	MOHD NIZAM BIN HJ. ABD. HAMID	NORTHON LEE TZE SIANG

SUSTAINABILITY WORKING GROUP

Senior Executive, Legal and Sustainability (Head)	Chief Operating Officer of Central Region (Member)	Senior Shopping Mall Manager, KIPMall Tampoi (Member)	Group Human Resource Manager (Member)
LOO KEAT SEONG (SCOTT)	DESMOND LEE KHIM LEONG	LIANG FOOK SHENG (DANNY)	YAU OI KAM (LINDA)

SUSTAINABILITY WORKING GROUP

REIT Manager
- Finance Unit
- Legal Unit
- Compliance Unit
- Sustainability Unit
- Information Technology (IT) Unit
- Human Resources Unit

Service Provider
- Finance Unit
- Leasing Unit
- Operations Unit
- Human Resources Unit
- Mechanical and Electrical (M&E) Unit

Seated (from left): *Northon Lee, Valerie Ong, Mohd Nizam*
Standing (from left): *Scott Loo, Lim Boon Boon, Linda Yau, Danny Liang, Desmond Lee*

SUSTAINABILITY GOVERNANCE

Governance Structure

KIP REIT institutionalises sustainability through a structured governance framework designed to ensure accountability, transparency, and effective execution of sustainability initiatives. This framework is designed to align sustainability priorities with our overall business strategy, ensuring that ethical conduct, risk management, and long-term value creation remain at the forefront of our operations.

Our sustainability governance operates through a multi-tiered structure, delineating roles and responsibilities across different levels of leadership and management.

The following governance structure illustrates the hierarchy and interaction between these key bodies, providing a transparent overview of how KIP REIT steers its sustainability agenda from strategic oversight to operational execution.

Roles and Responsibilities

BOARD OF DIRECTORS

At the apex of KIP REIT's sustainability governance framework, the Board of Directors ("**BOD**") holds ultimate accountability for setting the strategic tone and overarching direction of KIP REIT's sustainability agenda. This responsibility reflects our unwavering commitment to upholding the highest standards of integrity, transparency, and responsible business conduct. The BOD ensures that governance practices anchored in strong ethical principles serve as the foundation for embedding sustainability goals and objectives into the REIT's long-term corporate strategy. In fulfilling this role, the BOD rigorously reviews and approves key sustainability strategies, comprehensive policies, and material sustainability matters that are critical to KIP REIT's sustainable growth. It also oversees the outcomes of materiality assessments, which prioritise sustainability issues based on their significance to stakeholders and potential impact on the business, thereby guiding focused resource allocation and risk management.

The BOD actively supervises stakeholder engagement processes to ensure meaningful dialogue with investors, tenants, regulators, and other key parties, enabling KIP REIT to better anticipate and manage sustainability risks and opportunities. Furthermore, the BOD continuously monitors the progress and performance against established sustainability targets, ensuring that these objectives are met within agreed timelines. This oversight extends to integrating sustainability considerations into the REIT's broader strategic planning, balancing economic returns with environmental stewardship and social responsibility. Through these comprehensive responsibilities, the Board fosters a culture of accountability and leadership for sustainability that permeates all levels of the organisation, reinforcing KIP REIT's position as a responsible and forward-looking real estate investment trust.

To support the BOD in executing its sustainability mandate effectively, KIP REIT has established dedicated governance bodies, including the Sustainability Steering Committee ("**SSC**") and the Sustainability Working Group ("**SWG**"). These committee and working group collaborate closely to oversee, guide, and implement sustainability initiatives, ensuring that Environmental, Social, and Governance ("**ESG**") considerations are systematically integrated into decision-making frameworks and operational practices across KIP REIT.

SUSTAINABILITY STEERING COMMITTEE

The SSC, chaired by the Chief Sustainability Officer and comprising key senior managers such as the Legal and Compliance Manager, the Chief Operating Officer of Southern Region and the Chief Finance Officer, is primarily responsible for the strategic oversight of ESG matters. Its scope includes:

- Reviewing and recommending the ESG framework, policies, and sustainability strategies to the BOD for approval
- Advising the BOD on emerging sustainability trends, risks, and opportunities, including climate-related issues
- Ensuring compliance with relevant regulations and sustainability reporting standards.
- Developing ESG goals, targets, and key performance indicators ("**KPIs**") aligned with KIP REIT's environmental and stakeholder requirements
- Monitoring and reporting on sustainability performance to the BOD
- Facilitating communication between the BOD and management on sustainability topic
- Leading efforts to embed a culture of sustainability, including initiatives to reduce environmental impact and enhance social value
- Overseeing the integration of sustainability into business operations and tracking performance against set targets

Essentially, the SSC functions as the strategic steering body that sets direction, ensures regulatory alignment, and monitors overall sustainability performance at a high level.

SUSTAINABILITY WORKING GROUP

At the operational level, the SWG operates under the SSC and is tasked with translating the strategic directives of the BOD and SSC into actionable programs and projects. Its members include the Senior Executive, Legal and Compliance (Head), the Chief Operating Officer of Central Region, the Senior Shopping Mall Manager of KIPMall Tampoi and the Group Human Resource Manager. The SWG's scope covers:

- Managing material sustainability matters on a day-to-day basis
- Developing and updating sustainability policies, procedures, and targets in line with the strategic direction set by the SSC
- Coordinating and driving sustainability initiatives across KIP REIT's portfolio and business units
- Engaging with stakeholders, including property manager, to embed ESG considerations into operational practices
- Monitoring progress of sustainability initiatives and reporting findings to the SSC.
- Supporting the preparation of sustainability disclosures and reports aligned with Bursa Malaysia's guidelines, GRI Standards, and other frameworks.

The SWG acts as the execution arm, translating strategic ESG goals into concrete actions, managing risks and opportunities at the operational level, and ensuring continuous improvement in sustainability performance.

COLLABORATION AND GOVERNANCE

Together, the SSC and SWG collaborate closely through quarterly meetings, where they review ESG matters, assess progress against targets, and address emerging sustainability issues. This structured interaction ensures alignment between strategic oversight and operational execution, enabling KIP REIT to maintain a dynamic and responsive sustainability governance framework that supports its long-term value creation and commitment to responsible business practices.

This clear delineation of roles between the SSC's strategic governance and the SWG's operational management strengthens KIP REIT's ability to integrate sustainability into all aspects of its business effectively.

OPERATIONAL UNITS

At the operational level, the SWG is further empowered by the expertise and resources of KIP REIT's two key operational arms: the REIT Manager and the Service Provider.

Each of these entities is structured with specialised units including Finance, Legal, Compliance, Sustainability, Information Technology, Human Resources, Leasing, Operations, and Mechanical & Electrical ("**M&E**") that provide targeted technical expertise and drive the execution of sustainability initiatives within their respective domains.

By leveraging the capabilities of these specialised units, KIP REIT ensures that sustainability practices are embedded at the ground level. This approach enables the effective management of assets, proactive tenant engagement, and the pursuit of operational efficiency, all while upholding KIP REIT's sustainability objectives.

SUSTAINABILITY GOVERNANCE

Sustainability-linked KPIs

KIP REIT underscores its unwavering commitment to sustainability by embedding comprehensive KPIs into the collective scorecards of its Executive Directors, senior management, and all operational divisions. These collective scorecards function as a collaborative, team-based performance appraisal system, where employees are evaluated not solely on individual accomplishments but also on their collective contributions towards achieving KIP REIT's sustainability goals. This approach fosters a culture of shared responsibility and collective ownership of sustainability outcomes across the entire organisation.

The sustainability KPIs incorporated into these scorecards are carefully aligned with KIP REIT's material ESG priorities, reflecting KIP REIT's strategic focus areas. The performance against these KPIs is directly tied to the funding and distribution of annual bonus pools within each Department, thereby creating a clear and tangible link between sustainability performance and remuneration for both executive management and employees. This linkage ensures that sustainability is not an abstract goal but an integral part of KIP REIT's performance and reward system.

Specifically, the sustainability KPIs for KIP REIT encompass a broad spectrum of critical initiatives. These include the systematic integration of sustainability practices into the day-to-day management of KIP REIT's property portfolio, with Executive Directors tasked to identify relevant ESG measures and promote sustainability initiatives. To ensure accountability and measurable progress across the organisation, each department has been assigned specific sustainability targets that align with our overarching ESG objectives:

Finance Department	• Conduct finance-related trainings
Operation Department	• Reduce energy consumption • Reduce water consumption • Reduce total wasted generated • Increase waste recycle rate
HR Department	• Increase the training hours
Sustainability Department	• Develop and implement key sustainability policies, including Climate Risk Management, Energy Management, and Waste Management

By embedding sustainability KPIs within its performance management and compensation frameworks, KIP REIT not only reinforces accountability and drives continuous improvement but also signals to stakeholders its commitment to sustainable value creation. This integrated approach ensures that sustainability considerations are deeply woven into the fabric of KIP REIT's strategy, operations and culture, ultimately contributing to long-term resilience, stakeholder trust, and positive environmental and social impact.

Driving Sustainable Growth through Governance and Incentives

KIP REIT's robust sustainability governance framework, seamlessly integrated with performance-linked remuneration, reflects its unwavering dedication to embedding ESG principles at the heart of its business. By clearly defining responsibilities from the BOD down to operational teams and fostering close collaboration between strategic oversight and day-to-day execution, KIP REIT ensures sustainability is a core driver of all decision-making and operational activities.

Embedding sustainability KPIs into collective scorecards and compensation mechanisms not only drives accountability but also empowers every member of the organisation to actively contribute toward achieving KIP REIT's sustainability ambitions. This comprehensive and cohesive approach enhances operational resilience, builds lasting stakeholder confidence, and positions KIP REIT as a leader in responsible real estate investment. Ultimately, it demonstrates KIP REIT's commitment to creating sustainable, long-term value for investors, tenants, communities, and the environment, ensuring that growth and responsibility go hand in hand.

SUSTAINABILITY FRAMEWORK AND POLICIES

Our Vision	To be a leading Real Estate Investment Trust with sustainability and community engagement at the forefront of our investment strategies			
Core Values	Know-How	Integrity		People
	POWERING SUSTAINABLE ECONOMIC GROWTH	CHAMPIONING INTEGRITY AND TRANSPANCY	TRANSFORMING LOW CARBON ASSETS	ENRICHING HUMAN CAPITAL AND SOCIAL ECOSYSTEMS
	Dedicated to driving sustainable economic and operational performance, creating long-term value for stakeholders through efficient operations, innovation, and continuous improvement.	Upholding the highest standards of corporate governance, anti-corruption measures, effective risk management and robust data privacy and security practices, ensuring transparency, integrity, and protection of stakeholders' interests.	Committed to environmental sustainability, integrating climate resilience, energy efficiency, responsible resource use, effective waste management, and responsible water stewardship to minimize our environmental impact and contribute to a healthier, more sustainable planet.	Creating a socially responsible environment that prioritizes occupational safety and health, embraces diversity, upholds human and labour rights, invests in human capital development and ensures responsible supply chain management, fostering equality, well-being and sustainable development.
Material Sustainability Topics	• Economic Performance • Operational Performance	• Corporate Governance and Anti-Corruption • Cyber Security and Data Privacy • Risk Management	• Climate Resilience • Energy Efficiency and GHG Management • Water Stewardship • Waste Management • Responsible Resource Use	• Human Rights and Labour Standards • Diversity, Equity and Inclusion • Human Capital Development • Employee Wellness and Wellbeing • Strategic Partnership • Occupational Safety and Health • Supply Chain Management • Community Investment and Development
UN SDGS	8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	6, 7, 11, 12, 13, 15	1, 2, 3, 4, 5, 8, 9, 10, 12
Stokeholder Groups	Unitholders and Investment Community; Business Partners	Regulators; Shoppers and Employees	Property Manager; Tenants	Employees; Media
Our Alignments	GRI	BURSA MALAYSIA	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABILITY FRAMEWORK AND POLICIES

KIP REIT's Sustainability Framework is the foundation for embedding responsible and forward-looking sustainability practices across our operations and investment strategies. This framework is both comprehensive and adaptive, ensuring that sustainability is not a standalone initiative but an integral part of our value creation and risk management processes.

KIP REIT's Strategic Visions: Pillars of Sustainable Growth

At the heart of our framework are four interdependent pillars, each representing a strategic vision that guides all our sustainability initiatives and policies. These visions define our commitment to fostering a sustainable future while delivering consistent returns for our unitholders.

ECONOMIC PILLAR

VISION 1
Powering Sustainable Economic Growth

Economic performance and resilience at KIP REIT are intrinsically linked to the long-term sustainability of our assets, tenants and the communities we serve. Recognising that real estate investment extends beyond financial returns, we proactively address operational and market risks while supporting sustainable economic development within our portfolio and value chain.

We collaborate with tenants, property managers and local partners to identify operational efficiencies, promote responsible business practices, and encourage innovation that drives shared value. By integrating sustainability considerations into our investment decisions and asset management, we aim to future-proof our properties, enhance income stability for our unitholders, and contribute to the economic vitality of the communities in which we operate.

Our commitment to sustainable economic growth is reflected in prudent financial management, transparent reporting, and the pursuit of strategic investments that generate long-term benefits for all stakeholders. Through these efforts, KIP REIT seeks to set a benchmark for resilience and sustainable value creation in the Malaysian REIT sector.

GOVERNANCE PILLAR

VISION 2
Championing Integrity and Transparency

At KIP REIT, robust governance is fundamental to building trust, managing risk, and ensuring long-term organisational resilience. We recognise that effective governance extends beyond compliance, shaping our culture and influencing every decision we make. Our commitment is reflected in the continuous strengthening of our internal controls, risk management processes, and ethical standards.

We actively engage our Board of Director, Senior Management, and employees in upholding integrity and transparency through clear policies on anti-bribery and corruption, whistleblowing, conflicts of interest, cyber security and data privacy. By fostering a culture of integrity, accountability and transparency, we can anticipate and address emerging risks, safeguard stakeholder interests, and maintain regulatory compliance.

Through transparent communication, rigorous oversight, and ongoing capacity building, KIP REIT aims to set a benchmark for ethical conduct and governance excellence within the Malaysian REIT industry.

ENVIRONMENTAL PILLAR

VISION 3
Pioneering the Net Zero Transition

KIP REIT is committed to leading the transition toward a low-carbon, resource-efficient future. We recognise the significant role the real estate sector plays in addressing climate change and environmental challenges. Our strategy is focused on integrating environmental stewardship into every facet of our operations and investment lifecycle.

We work closely with tenants, service providers and industry partners to implement energy-efficient technologies, reduce greenhouse gas emissions, and advance sustainable waste and resource management practices. Regular assessments of climate-related risks and opportunities inform our approach, ensuring our portfolio's resilience and alignment with national and global sustainability goals.

By prioritising innovation, continuous improvement, and transparent environmental reporting, KIP REIT strives to be at the forefront of environmental leadership, supporting the net zero transition and delivering value for all stakeholders.

SOCIAL PILLAR

VISION 4
Enriching Human Capital and Social Ecosystem

We believe that the strength and sustainability of KIP REIT are rooted in the well-being of our people and the communities we serve. Our social strategy is designed to foster a diverse, inclusive and supportive environment for employees, tenants and local stakeholders.

We actively promote diversity, equity, and inclusion, uphold human rights and labour standards, and invest in health, safety, and wellness initiatives. Through regular engagement and collaborative partnerships, we seek to understand stakeholder needs and deliver targeted community development programmes that create lasting positive impact.

By nurturing talent, supporting social resilience, and championing community investment, KIP REIT aims to contribute meaningfully to the broader social ecosystem, ensuring that our growth is shared and sustainable.

Sustainability Policies: Translating Vision into Action

KIP REIT's sustainability ambitions are operationalised through a suite of structured policies that provide clear direction, measurable targets, and a foundation for continuous improvement. These policies are designed to ensure that our sustainability commitments are embedded across all business units and activities, supporting the resilience and long-term value of our portfolio.

Sustainability Policies	Purposes
Sustainability Policy	Strategic ESG vision and governance architecture
Climate Risk Policy	Identify, assess, and manage climate-related risks
Energy Management Policy	Operationalise emissions reduction and energy efficiency
Waste Management Policy	Institutionalise responsible waste management across operations

Building a Sustainable Future with Purpose

KIP REIT's comprehensive Sustainability Framework and interlinked policies demonstrate an unwavering commitment to embedding ESG principles throughout our operations, investment strategies, and stakeholder relationships. By integrating robust governance, forward-looking climate risk management, systematic energy optimisation, and responsible waste practices, we ensure that sustainability remains central to our value creation efforts.

Looking ahead, KIP REIT is dedicated to building on this foundation by exploring green building certifications and enhancing climate risk analytics to deepen our understanding of evolving environmental challenges. We will continue to align with stakeholder expectations and regulatory developments, maintaining transparent communication and delivering sustainable growth that benefits unitholders, tenants, communities and future generations.

STAKEHOLDER ENGAGEMENT

At KIP REIT, we take a stakeholder-inclusive approach, recognising the importance of ongoing engagement with our diverse stakeholder groups to build strong, trust-based relationships. Through regular and meaningful dialogues, we gain deeper insights into their needs and expectations, enabling us to identify risks and opportunities that help maximise value creation for all stakeholders involved. We maintain open communication channels tailored to each stakeholder group, ensuring transparency and responsiveness that support our commitment to sustainable growth and long-term success.

Stakeholders	Why We Engage	How We Engage	Channel and Frequency of Engagement	Key Focus Areas
Employees	We engage our employees to build a motivated and high-performing workforce that drives our long-term success. Active communication and collaboration empower them to grow while contributing meaningfully to our strategic objectives.	• Townhall sessions • Employee induction and onboarding programs • Annual performance reviews and feedback mechanisms • Employee engagement surveys • Learning and development programs • Employee wellness and recreational activities • Grievance and whistleblowing channels	• **Channel:** In-person event **Frequency:** Annually • **Channel:** In-person sessions **Frequency:** Ongoing for new hires • **Channel:** One-on-one meetings **Frequency:** Annually, with ongoing feedback throughout the year • **Channel:** Online survey platforms **Frequency:** Bi-annually • **Channel:** Workshops, online courses, and seminars **Frequency:** Ongoing, with specific programs scheduled throughout the year • **Channel:** In-person events **Frequency:** Annually • **Channel:** Confidential online forms and dedicated channels **Frequency:** Available at all times for immediate access	• Competitive Remuneration and Benefits • Work-Life Balance and Mental Wellness • Health and Safety Assurance • Inclusivity, Diversity, and Equal Opportunities • Transparent Communication and Leadership Visibility
Tenants	We engage our tenants to ensure satisfaction, operational alignment, and lasting relationships that strengthen portfolio resilience. Their success directly fuels our growth and optimises performance.	• Tenant satisfaction surveys • Regular meetings • Operational briefings and memos	• **Channel:** Online survey platforms **Frequency:** Annually • **Channel:** In-person **Frequency:** As and when required • **Channel:** In-person meetings and emails **Frequency:** As and when required	• Rental Terms and Renewals • Operational Support and Responsiveness • Facility Cleanliness, Safety, and Maintenance • Marketing Support and Customer Footfall Initiatives • Business Continuity Protocols
Property Manager	We engage our property managers to safeguard daily operational excellence and long-term asset value. Their performance directly shapes tenant satisfaction, compliance, and portfolio success.	• Operational briefings • Facility inspections • Performance evaluations	• **Channel:** Virtual meetings **Frequency:** Monthly • **Channel:** On-site **Frequency:** Monthly • **Channel:** In-person meetings **Frequency:** Annually	• Contract Review Meetings • Routine Site Visits • Feedback Channels • Performance Monitoring
Business Partners	We engage our business partners to drive innovation, operational efficiency, and responsible practices. Strong, trust-based collaboration supports our strategic initiatives and competitive advantage.	• Regular meetings • Participation in industry events • Timely communication and updates	• **Channel:** In-person or virtual meetings **Frequency:** As and when required • **Channel:** Industry forums, conferences, networking events **Frequency:** As and when required • **Channel:** Emails **Frequency:** As and when required	• Strategic Partnership and Growth Opportunities • Transparent and Consistent Communication • Sustainable and Responsible Business Practices • Operational Excellence and Support • Risk Management and Compliance • Market Access and Industry Engagement

Stakeholders	Why We Engage	How We Engage	Channel and Frequency of Engagement	Key Focus Areas
Shoppers and Local Communities	We engage shoppers and local communities to create safe, inclusive, and vibrant environments that reflect their needs and aspirations. This strengthens loyalty, supports local development, and enriches the overall experience.	• Enhancing shopper experience and satisfaction • Ensuring safety and accessibility • Fostering community inclusion and empowering local economic growth	• **Channel:** Online surveys, and social media **Frequency:** Ongoing, and as and when required • **Channel:** Onsite safety inspections, emergency drills, and collaboration meetings with local authorities **Frequency:** Monthly facility inspections, bi-annual emergency drills, and ongoing accessibility reviews • **Channel:** Community events, wellness workshops, cultural festivals, partnerships with NGOs and local artists, social media campaigns, local vendor markets and pop-up stalls **Frequency:** Monthly community events, ongoing marketing and support initiatives and ongoing partnership activities	• Safe, Clean, and Accessible Environment • Tenant Mix Relevance and Shopping Experience • Local Businesses and Economic Growth • Community Engagement and Social Inclusion • Transparency and Responsiveness to Feedback
Unitholders and Investment Community	We engage unitholders and investment community to ensure transparency, build trust, and sustain confidence in KIP REIT's growth. Their feedback guides our strategic direction and strengthens market reputation.	• Unitholder forums and voting platforms • Investor and analyst engagement • Regulatory Disclosures	• **Channel:** AGM, EGM, Bursa announcement, and media release **Frequency:** Annually, quarterly and as scheduled • **Channel:** Investor roadshows and analyst briefings **Frequency:** Quarterly and as scheduled • **Channel:** Bursa Malaysia announcements **Frequency:** As and when required	• Financial Performance and Distribution Stability • Portfolio Growth and Asset Management • Capital Management and Risk Mitigation • Corporate Governance and Regulatory Compliance • Sustainability and ESG Integration • Market Outlook and Strategic Direction
Media	We engage the media to ensure accurate, balanced coverage that amplifies our corporate narrative. Transparent communication enhances credibility and protects our reputation.	• Press conferences and briefings • Media relationship management • Content collaboration	• **Channel:** In-person or virtual press events with prepared statements and media kits **Frequency:** Quarterly, and as and when required • **Channel:** Emails and spokesperson availability Frequency: As and when required • **Channel:** Editorial partnerships, articles and interviews • **Frequency:** As and when required	• Financial Performance Trends • Portfolio Diversification and Occupancy Rates • Macroeconomic Impacts on Retail Performance and Capital Structure • Property Acquisitions, Divestments, or Enhancements • Strategic Expansion Plans
Regulators	We engage regulators to ensure compliance, uphold governance, and align with evolving sustainability standards. Proactive dialogue mitigates risks and reinforces stakeholder trust.	• Scheduled regulatory submissions • Participation in regulatory dialogues and consultations • Engagement with regulators	• **Channel:** Online **Frequency:** Quarterly and Annually • **Channel:** In-person or virtual meetings **Frequency:** As scheduled • **Channel:** In-person or virtual meetings **Frequency:** As and when required	• Regulatory Compliance • Audit Preparedness • Internal Training and Awareness • Regulatory Relations

MATERIALITY ASSESSMENT

In the evolving landscape of the REIT sector, there is an increasing focus on transparency and accountability in sustainability practices, driven by heightened stakeholder expectations and regulatory demands. At KIP REIT, we recognise the critical importance of integrating sustainability into our core operations and strategic initiatives. Our approach to identifying and prioritising key sustainability matters is fundamental to enhancing our Environmental, Social, and Governance ("**ESG**") performance and driving long-term value creation.

Our material matters represent the issues that are most critical to our business and stakeholders, guiding us in the development of strategies and initiatives that maximise shared value creation. Recognising the critical role of sustainability in shaping risks and opportunities for our business, we identify our material matters by shortlisting key issues across the ESG spectrum. These matters are prioritised based on their significance to our stakeholders and their impact on our business.

In FY2025, we conducted a validation exercise to reaffirm the relevance of our material matters. This review confirmed that while many identified issues remain pertinent, we have made some adjustments to our material matters to better reflect evolving stakeholder expectations and industry trends. The updated list of material matters will serve as the foundation for our reporting, communications, and disclosures for our Sustainability Statement.

An enhanced assessment is scheduled for FY2027, during which we will transition from a single materiality approach to a double materiality framework. This shift aims to align our practices with the latest sustainability trends and reporting standards. The comprehensive assessment will consider both inside-out and outside-in perspectives, enabling us to identify a list of ESG material issues that are most pertinent to KIP REIT and our stakeholders.

Stakeholder Engagement and Materiality Assessment Process

Our stakeholder engagement and materiality assessment exercise in FY2025 involved a structured approach to ensure alignment with our business strategy and the evolving sustainability landscape. The process consisted of the following key steps:

01 Review of Stakeholder Groups and Sustainability Matters

We began by reviewing our existing list of stakeholder groups and material matters to assess their alignment with KIP REIT's strategic objectives and current market trends. This review included an evaluation against relevant sustainability reporting frameworks and industry standards to ensure comprehensive coverage of key issues.

Stakeholder Mapping

Internal Stakeholders

- Employees

External Stakeholders

- Tenants
- Property Manager
- Business Partners
- Shoppers and Local Communities
- Unitholders and Investment Community
- Media
- Regulators

Sustainability Matters

Economic

- Economic Performance
- Operational Performance

Governance

- Corporate Governance and Anti-Corruption
- Cyber Security and Data Privacy
- Risk Management

Environment

- Climate Resilience
- Energy Efficiency and GHG Management
- Water Stewardship
- Waste Management
- Responsible Resource Use

Social

- Human Rights and Labour Standards
- Diversity, Equity and Inclusion
- Employee Wellness and Wellbeing
- Human Capital Development
- Strategic Partnership
- Occupational Safety and Health
- Supply Chain Management
- Community Investment and Development

In response to the evolving expectations of our stakeholders, regulatory developments, and our internal strategic objectives, we recognise the necessity to revise certain material sustainability matters for FY2025. Following a thorough materiality assessment, we have increased the number of identified material sustainability matters from 15 to 18. This expansion aims to provide enhanced clarity, address emerging ESG challenges, and ensure greater alignment with global sustainability frameworks. By making these updates, we are committed to strengthening our sustainability initiatives and better serving the interests of our stakeholders.

Key Revisions

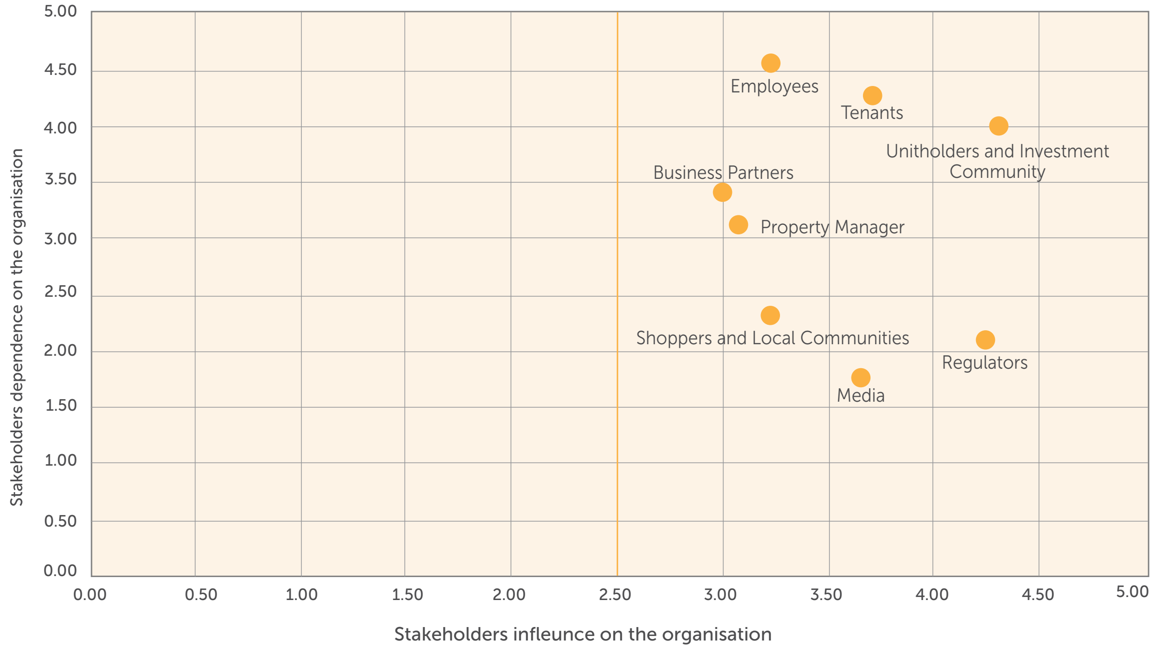
- Disaggregation of "Employee Health, Safety and Wellbeing" into "**Occupational Safety and Health**" and "**Employee Wellness and Wellbeing**".
- Revision of "Diversity and Inclusion" to "**Diversity, Equity and Inclusion**".
- Introduction of "**Strategic Partnership**" as a new material sustainability matter.
- Expansion of "Climate Resilience and Energy Efficiency" into two distinct matters: "**Climate Resilience**" and "**Energy Efficiency and GHG Management**".
- Expansion of "Data Security and Privacy" to "**Cyber Security and Data Privacy**".

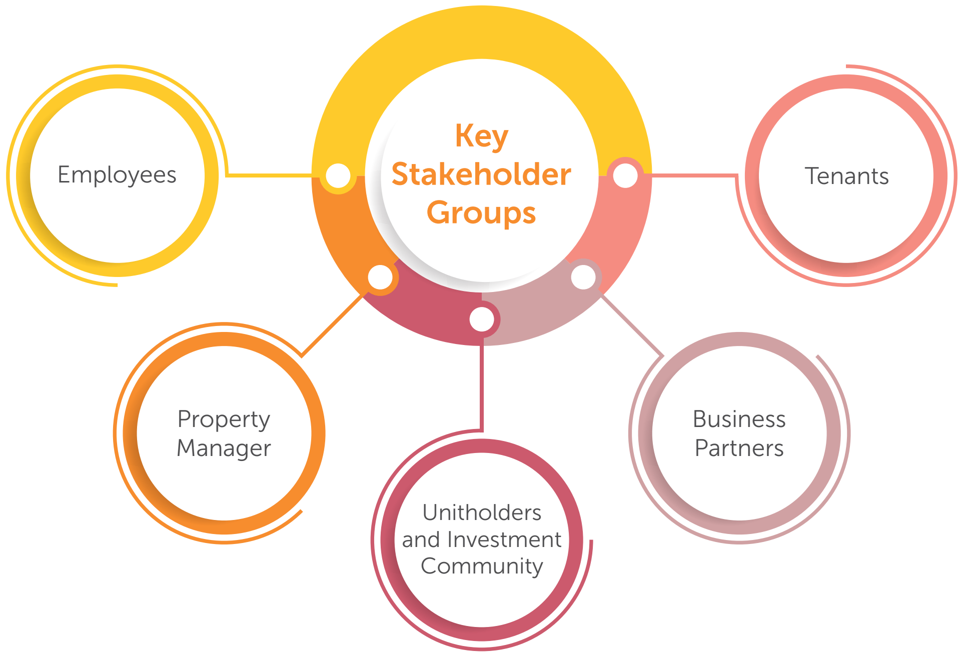
MATERIALITY ASSESSMENT

02 Stakeholder Prioritisation and Engagement

In line with our commitment to effective stakeholder engagement and accelerating global climate and sustainability challenges, we acknowledge the critical importance of identifying key stakeholder groups that significantly influence and depend on KIP REIT. Following the rating process, we conducted a comprehensive analysis of the Stakeholder Influence-Dependency Matrix. This analysis enabled us to identify the stakeholder groups that exhibit the highest levels of influence and dependence on our operations.

Stakeholder Prioritisation Matrix





To gain a deeper understanding and appreciate the significance of our sustainability issues, we conducted a survey with our Key Stakeholder Groups. This engagement enables us to develop targeted strategies that maximise value creation for all stakeholders involved, ensuring that our sustainability initiatives are aligned with their expectations and concerns.

ENGAGEMENT STRATEGY

STEP 01 – Design Survey

Develop a comprehensive survey that includes targeted questions addressing key sustainability issues, utilises rating scales to assess the importance of each sustainability issue on a scale of 1 to 5, and incorporates open-ended questions to gather additional feedbacks and suggestions from Key Stakeholder Groups.

STEP 02 – Distribute Survey

Share the survey with identified Key Stakeholder Groups through emails to ensure broad participation.

STEP 03 – Collect Responses

Gather completed surveys, ensuring a robust response rate to enhance the reliability of the data.

STEP 04 – Follow-up Engagement

Conduct follow-up communications with Key Stakeholder Groups who have not yet completed the survey, providing reminders and encouraging their participation to ensure comprehensive feedback and representation of diverse perspectives.

STEP 05 – Continuous Engagement

Plan for ongoing engagement with Key Stakeholder Groups beyond the survey. This could include regular updates on sustainability initiatives, opportunities for further feedback, and invitations to participate in future discussions or workshops.

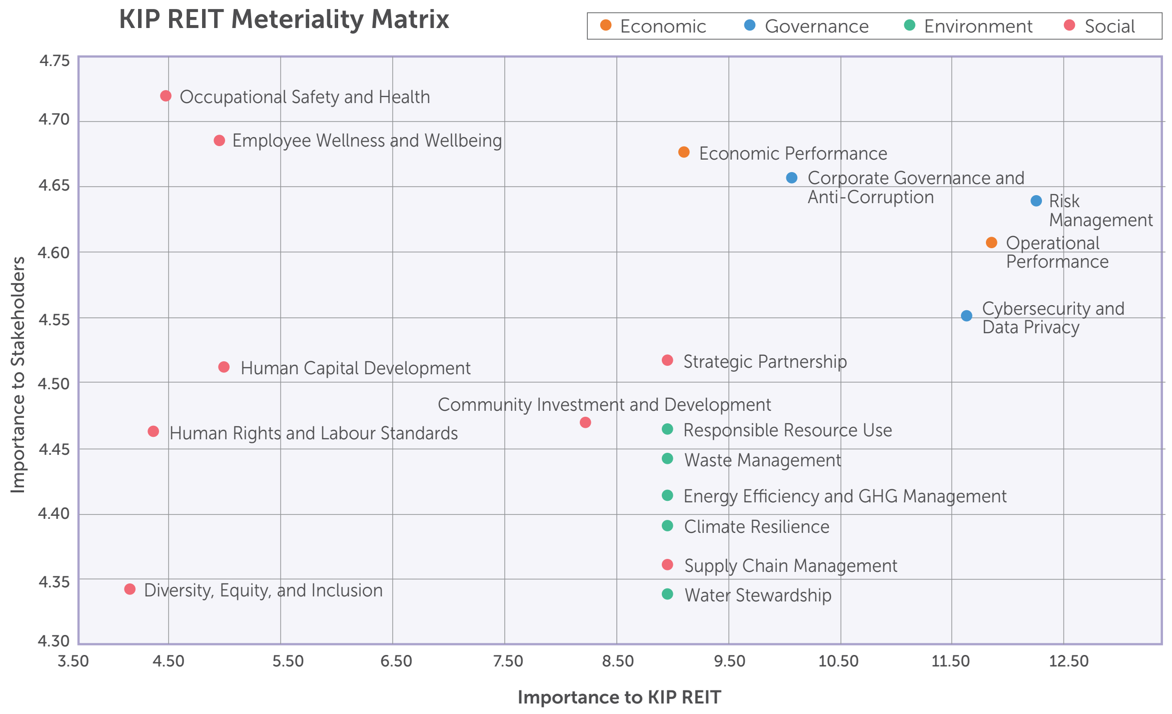
03 Impact Assessment

In FY2025, the Sustainability Steering Committee ("**SSC**"), the Sustainability Working Group ("**SWG**") and the Risk Management Working Group ("**RMWG**") collectively conducted an impact assessment to evaluate the potential impact and likelihood of occurrence for each identified material sustainability matters. This assessment utilised our Enterprise Risk Management ("**ERM**") framework to guide the evaluation of KIPR REIT's identified risks associated with each material sustainability matters.

MATERIALITY ASSESSMENT

04 Consolidation of Materiality Matrix and Validation

The outcomes of the stakeholder engagement and impact assessment were consolidated into a Materiality Matrix, which illustrates the significance of each sustainability sustainability matter from both KIP REIT's perspective and that of our stakeholders. This Materiality Matrix was presented to the SSC for validation and subsequently approved by our Board of Directors on 24 July 2025.



Materiality Matrix Tier			
Rank	Tier	Pillar	Material Sustainability Matters
1	High	Governance	Risk Management
2		Economic	Operational Performance
3		Governance	Cyber Security and Data Privacy
4		Governance	Corporate Governance and Anti-Corruption
5		Economic	Economic Performance
6		Social	Strategic Partnership
7	Medium	Environment	Responsible Resource Use
8		Environment	Waste Management
9		Environment	Energy Efficiency and GHG Management
10		Environment	Climate Resilience
11		Social	Supply Chain Management
12		Environment	Water Stewardship
13	Low	Social	Community Investment and Development
14		Social	Employee Wellness and Wellbeing
15		Social	Human Capital Development
16		Social	Occupational Safety and Health
17		Social	Human Rights and Labour Standards
18		Social	Diversity, Equity and Inclusion

Relative Importance (Top 5)	
Rank	Material Sustainability Matters
1	Risk Management
2	Operational Performance
3	Cybersecurity and Data Privacy
4	Corporate Governance and Anti-Corruption
5	Economic Performance

The materiality assessment reinforces a clear convergence between internal strategic priorities and stakeholder expectations, particularly in the areas of governance, performance, and digital resilience. The top-ranked material sustainability matters, that are, Risk Management, Operational Performance and Cybersecurity, signal a shared understanding of the importance of maintaining organisational integrity, service continuity, and secure operations in a fast-evolving business landscape. These focus areas are not only foundational to KIP REIT's operational strategy but also essential in building stakeholder trust and reinforcing long-term investor confidence.

Environmental Focus	
Rank	Material Sustainability Matters
7	Responsible Resource Use
8	Waste Management
9	Energy Efficiency and GHG Management
10	Climate Resilience
12	Water Stewardship

The overall ranking clearly demonstrates that environmental sustainability matters consistently fall within the top 10 priorities for KIP REIT and its stakeholders. This alignment reflects a shared recognition of the critical role that environmental issues play in driving long-term value creation, operational resilience, and stakeholder trust.

KIP REIT recognises that integrating environmental stewardship into asset management not only mitigates long-term risk but also supports cost savings, tenant satisfaction, and investor interest. These environmental themes will continue to shape how KIP REIT responds to climate-related expectations and resource efficiency imperatives.

Governance Prioritised	
Rank	Material Sustainability Matters
1	Risk Management
3	Cyber Security and Data Privacy
4	Corporate Governance and Anti-Corruption

The high placement of Corporate Governance and Anti-Corruption further reflects KIP REIT's unwavering commitment to ethical conduct and transparent leadership. As regulatory requirements evolve and scrutiny intensifies, KIP REIT's proactive stance in upholding integrity serves as a strategic differentiator. Prioritising good governance ensures compliance, strengthens stakeholder confidence, and positions us as a resilient and responsible REIT in the Malaysian capital market.

Social Expectations	
Rank	Material Sustainability Matters
6	Strategic Partnership
11	Supply Chain Management
13	Community Investment and Development
14	Employee Wellness and Wellbeing
15	Human Capital Development
16	Occupational Safety and Health
17	Human Rights and Labour Standards
18	Diversity, Equity and Inclusion

While overall social themes ranked lower, there is clear evidence from stakeholder feedback of growing external interest in these people-centric issues. Notably, Strategic Partnership and Supply Chain Management were ranked higher, indicating recognition of their strategic importance within the broader social agenda.

This divergence between company prioritisation and stakeholder concern presents a valuable opportunity for KIP REIT to broaden and deepen its social sustainability focus. As ESG frameworks evolve, softer social metrics such as workplace dignity, inclusivity, employee wellbeing, and community engagement are increasingly influencing brand reputation, employee retention, and stakeholder trust. Proactively addressing these areas will enable KIP REIT to better align with stakeholder expectations and emerging social norms.

VISION 1

Powering Sustainable Economic Growth

ECONOMIC PERFORMANCE

Sustaining robust economic performance by balancing income stability with prudent capital management, while pursuing strategic growth opportunities that enhance asset value and support reliable distributions to unitholders.

8 DECENT WORK AND ECONOMIC GROWTH

GRI | 3-3, 201-1

Concerned Stakeholders

- Employees
- Tenants
- Unitholders and Investment Community
- Media

OUR COMMITMENT AND APPROACH

In today's rapidly evolving business landscape, ESG performance has become more than a reporting requirement. It is now a defining benchmark of corporate resilience, relevance, and long-term success.

At KIP REIT, we recognise that integrating ESG considerations into our corporate strategy is not optional but essential. By embedding sustainability into the way we grow, invest, and manage our assets, we are building an organisation that can withstand market volatility, adapt to regulatory shifts, and respond to the rising expectations of investors, tenants, regulators, and communities alike.

This commitment shapes how we view performance and value creation. For us, ESG is not a parallel agenda. It is a lens through which we evaluate every strategic decision. By proactively identifying risks and opportunities across ESG dimensions, we strengthen our financial performance, reduce exposure to long-term risks, and unlock opportunities for innovation and differentiation. Equally, this approach reflects our responsibility to operate as good corporate citizens, driving positive outcomes for the environment and society while delivering consistent returns to our unitholders.

Our approach to economic performance is anchored on three core priorities: sustainable growth, operational efficiency, and stakeholder value creation. By aligning these priorities with our ESG roadmap, we ensure that our retail portfolio remains competitive, future-ready, and able to generate enduring value. This alignment also enables us to attract and retain top talent, foster stronger relationships with tenants and business partners, and deliver outcomes that balance financial strength with responsible practices.

Ultimately, our ESG commitment is about more than resilience. It is about creating lasting impact. We are focused on demonstrating how sustainability and performance can work together in practice, enabling KIP REIT to thrive today while contributing meaningfully to a low-carbon, inclusive, and sustainable future.

STRATEGIC FRAMEWORK

KIP REIT is committed to achieving consistent and sustainable financial performance through a well-rounded investment and management strategy. This involves:

Investment in High-Yield Properties	Focusing on acquiring and managing properties that promise stable and recurring rental income, ensuring long-term value growth.
Diversified Real Estate Portfolio	Investing in a mix of retail, industrial, and commercial properties to balance risks and optimize returns.
Active Asset Management	Proactively managing leasing and operational costs to maximiSe returns, while leveraging local expertise to enhance property performance.
Strategic Acquisitions	Identifying and acquiring properties that align with KIP REIT's growth objectives and provide potential for capital appreciation.
Robust Capital and Risk Management	Maintaining a balanced mix of debt and equity to support acquisitions and manage refinancing risks effectively, thereby optimizing the overall capital structure for unitholders' benefit.
Tenant Mix Optimisation and Footfall Management	Actively reviewing and enhancing tenant composition and implementing footfall management systems to attract shoppers, anaylse customer behaviour, and maximise rental opportunities.

MONITORING AND REPORTING

KIP REIT employs a thorough and structured approach to monitoring and reporting economic performance, ensuring optimal asset management and sustained growth. Upper management conducts regular review to keep a close watch on financial and operational metrics.

1 Monthly Meeting

- To assess the performance of malls and identify areas requiring asset enhancement
- To address issues and make informed decisions through evaluation process

2 Performance Metrics

- To monitor occupancy rates
- To ensure high tenancy levels which are crucial for maintaining steady rental income

3 Improvement Opportunities

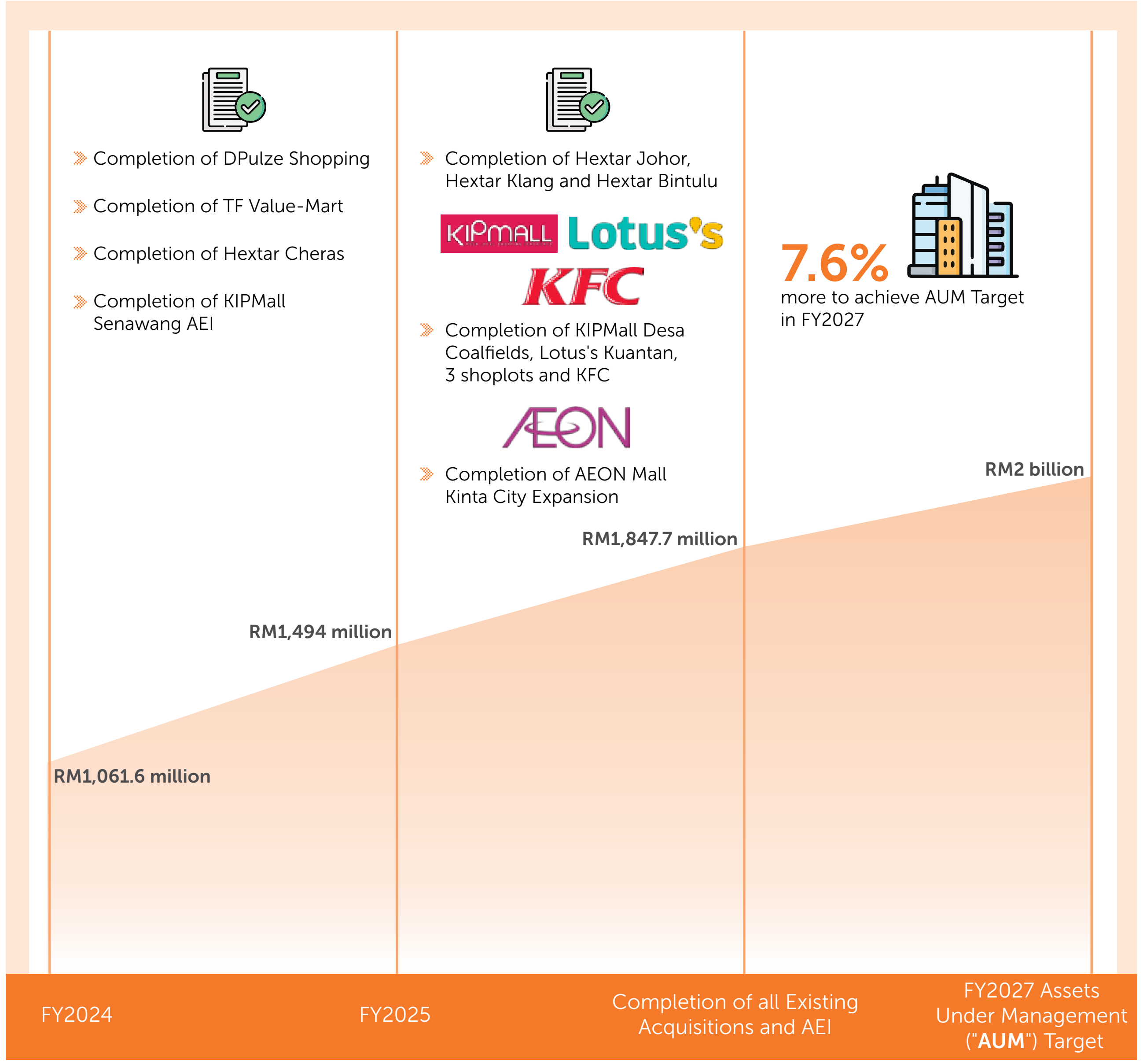
- To seek strategies in enhancing property performance and rental income
- To ensure KIP REIT remains aligned with long-term objectives and provide consistent value to unitholders

This comprehensive approach to monitoring and reporting economic performance underscores KIP REIT's dedication to maintaining financial health and achieving sustainable success.

ECONOMIC PERFORMANCE

STRATEGIC GROWTH AND VALUE CREATION

KIP REIT is dedicated to creating substantial value for its stakeholders through strategic initiatives and acquisitions. Throughout the year, KIP REIT has focused on expanding its property portfolio and enhancing asset quality to drive economic performance and sustainable growth. These efforts are central to our mission of achieving robust financial results and delivering consistent returns.



TRANSCEND FY2027 PROGRESS REPORT

TARGETS FOR TRANSCEND FY2027	KIP REIT's Progress in FY2025
Become the Top 10 M-REIT in Malaysia	**Top 12** (based on market capitalisation as at 30 June 2025)
Grow the asset value to RM2 billion > support by both yield-accretive acquisition and value-enhancing AEI	*Property Value* **RM1.494 billion** (based on valuation value as at 30 June 2025) **Increase 41%** FY2024: RM1.0616 billion

HOW IS OUR PERFORMANCE?

Performance Indicators	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	73,700	83,750	102,159	136,133
Operating costs	16,946	21,598	24,343	39,310
Profit after taxation	75,509	60,792	47,314	115,135
Distribution to unitholders	34,361	36,799	39,497	45,483

KIP REIT delivered a strong rebound in FY2025, with **revenue rising 33% YoY to RM136.1 million**, supported by contributions from newly acquired assets and higher occupancy across existing malls. Over the FY2022 to FY2025 period, revenue almost doubled, reflecting a robust 22.7% CAGR, underscoring the structural growth trajectory of the portfolio.

Operating costs increased by 61% YoY to RM39.3 million, largely due to the enlarged asset base, lifting the cost-to-revenue ratio from 23.8% in FY2024 to 28.9% in FY2025. Even so, **profit after taxation surged to RM115.1 million**, more than doubling from RM47.3 million in FY2024.

Distributions to unitholders **rose steadily to RM45.5 million, up 15% YoY**. Over FY2022 to FY2025, distributions expanded at a 9.8% CAGR, reflecting management's consistent capital return policy. Overall, FY2025 marked a turning point as earnings strength converged with sustainability initiatives and portfolio optimisation, positioning KIP REIT for continued growth and resilient returns.

VISION 1
Powering Sustainable Economic Growth

OPERATIONAL PERFORMANCE

Driving operational excellence through proactive asset management, digitalisation, and tenant engagement to optimise efficiency, strengthen portfolio competitiveness, and deliver consistent long-term value for stakeholders.

8 DECENT WORK AND ECONOMIC GROWTH

GRI | 3-3, 203-1, 203-2

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community

OUR COMMITMENT AND APPROACH

KIP REIT's mission is to deliver stable and sustainable returns by investing in income-generating real estate assets, with a strong focus on retail properties across Malaysia. Achieving this requires more than property management. It demands operational excellence, financial discipline, and proactive asset stewardship.

The REIT Manager, Property Manager and Service Provider plays a central role by ensuring our properties are maintained to the highest standards, attracting quality tenants, and securing consistent income streams. We actively monitor asset performance and operating costs, implementing enhancements where needed to improve efficiency, extend asset lifecycles, and align with evolving market and regulatory expectations.

Tenant engagement is another cornerstone of our approach. Through transparent leasing, ongoing dialogue, and collaborative initiatives, we foster strong relationships that support tenant loyalty, drive footfall, and ensure long-term rental stability.

Our philosophy is to take a long-term view of value creation. Efficient property management not only safeguards immediate returns but also strengthens resilience against market fluctuations and positions the portfolio for sustainable growth. By embedding best practices, promoting accountability, and leveraging data-driven insights, we proactively manage risks and capture opportunities that benefit all stakeholders.

Ultimately, our commitment goes beyond delivering financial results. We aim to build resilient, future-ready retail assets that serve the interests of unitholders, tenants, and the wider communities we operate in.

TENANT ENGAGEMENT

KIP REIT places a high priority on regular tenant engagement as a key strategy for continuous improvement and tenant satisfaction. The REIT Manager, Property Manager and Service Provider are dedicated to maintaining ongoing communication with tenants to understand their expectations and foster an environment conducive to growth and development. To facilitate this, KIP REIT adopts a friendly and approachable contact policy.

- Tenants are encouraged to reach out to the management team directly, with contact numbers shared for easy access.
- Email is also available as an alternative, ensuring tenants have multiple channels to contact the management if needed.
- For prompt contact and swift communication, tenants can also connect with KIP REIT on social media anytime.

Through active engagement with tenants, KIP REIT can identify areas for improvement and implement changes that enhance tenant experience and satisfaction.

This proactive approach not only addresses immediate concerns but also fosters a collaborative atmosphere where tenant feedback directly contributes to operational improvements.

COMMUNITY ENGAGEMENT WITH TENANTS

KIP REIT is deeply committed to community engagement initiatives. These efforts are designed to strengthen relationships with tenants and the broader community. For example, KIP REIT organises various events and activities at the Managed Assets to build a sense of community and belonging, thereby creating a positive and supportive business environment. This initiative highlights KIP REIT's commitment to giving back to the community and celebrating national milestones together.

Through these robust tenant and community engagement strategies, KIP REIT aims to create a dynamic and responsive business atmosphere that supports tenant needs and drives economic performance. By continuously fostering strong tenant relationships and participating in meaningful community activities, KIP REIT ensures that its approach to economic performance is both holistic and sustainable.

INCREASING RENTAL POTENTIAL

KIP REIT adopts a comprehensive and strategic approach to increase rental potential through meticulous tenant selection, footfall management system, and robust Asset Enhancement Initiatives ("**AEIs**"). This dual focus is pivotal to ensuring sustainable income growth and long-term asset value.

This process is designed to maximise property occupancy rates and secure a stable stream of rental income. By choosing tenants who align with our goals and the specific needs of our properties, KIP REIT not only stabilises rental income but also enhances the overall value of its assets. This strategic approach ensures that our properties are occupied by high-quality tenants who contribute positively to the property environment and align with our long-term objectives.

In FY2025, KIP REIT maintained a proactive yet disciplined approach to AEIs, ensuring our property portfolio remains competitive, relevant, and in demand. We invested **RM4.2 million** in targeted AEIs to keep our assets aligned with market trends and responsive to the evolving needs of tenants. These initiatives delivered tangible results, most notably higher occupancy rates, demonstrating our ability to adapt effectively and create value in a dynamic operating environment.

OPERATIONAL PERFORMANCE

WHAT VALUE WE CREATED IN FY2025?

Reopening of KIPMall Senawang

In FY2025, KIP REIT successfully completed the AEI at KIPMall Senawang, marking a key milestone in enhancing operational efficiency, tenant mix, and customer experience. The AEI was carried out between February and September 2024, completed within schedule and budget, reflecting disciplined project execution.

- **Modernisation of mall entrances** (new awnings, signage, air curtain, automatic sliding doors) enhanced accessibility, safety, and comfort for shoppers.
- **Demolition and expansion of retail lots** allowed for improved tenant layouts, while the introduction of anchor tenant ST Rosyam Mart provided the first 24/7 supermarket in KIPMall Senawang, boosting community access to essential goods.
- **Upgrading of firefighting and power supply systems** strengthened compliance, safety, and operational reliability.

Strengthening Operational Excellence with ServeDeck

In FY2025, KIP REIT subscribed to **ServeDeck**, a cloud-based smart operation and management platform, to further enhance the efficiency, transparency, and accountability of our property operations. **ServeDeck** provides a centralised system that integrates work order management, preventive maintenance, asset tracking, vendor operations, and contract management into a single digital platform.

By leveraging **ServeDeck**'s real-time dashboards, reporting tools, and audit trails, we are now able to monitor building performance more effectively, track maintenance activities with precision, and ensure timely resolution of issues.

Enhancing Customer Insights with PeopleTrack

In FY2025, KIP REIT introduced **PeopleTrack**, an AI-powered people counting and shopper analytics solution, to strengthen operational excellence and customer engagement across our retail assets. **PeopleTrack** enables us to capture accurate data on footfall, demographics, dwell time, shopper patterns, and queue analysis, providing a clear picture of how visitors interact with our malls.

By leveraging real-time dashboards and analytics, we can now monitor traffic trends by entrance, zone, or floor, identify peak hours, and track customer dwell time around specific areas. These insights help us refine tenant mix, optimise retail layouts, and design targeted marketing campaigns to enhance shopper experience. In addition, queue monitoring and crowd control features improve service quality and ensure safety by preventing overcrowding.

HOW IS OUR PERFORMANCE?

Performance Indicators	2022	2023	2024	2025
Net Lettable Area ("NLA") (sq ft)				
KIPMall Bangi	255,202	285,454	287,456	292,450
KIPMall Masai	151,836	156,782	156,791	157,531
KIPMall Kota Tinggi	76,297	76,337	78,071	78,071
KIPMall Tampoi	167,139	170,550	170,526	170,526
KIPMall Melaka	187,841	196,822	199,094	202,506
KIPMall Senawang	116,919	117,030	119,767	122,065
KIPMall Kota Warisan [1]	-	-	191,986	192,864
DPulze Shopping Centre [2]	-	-	-	323,260
Average Occupancy Rate (%)				
KIPMall Bangi	70.1	74.0	83.9	87.4
KIPMall Masai	91.4	94.9	96.2	97.2
KIPMall Kota Tinggi	91.4	89.1	91.4	93.1
KIPMall Tampoi	80.5	94.7	97.4	97.7
KIPMall Melaka	78.1	89.8	95.3	98.1
KIPMall Senawang	83.8	86.4	62.9	85.1
KIPMall Kota Warisan [1]	-	-	99.5	99.2
DPulze Shopping Centre [2]	-	-	-	99.7

(1) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore the NLA and Average Occupancy Rate data is unavailable for FY2022 and FY2023.*

(2) *The acquisition of DPulze Shopping Centre was completed on 12 December 2024, therefore the NLA and Average Occupancy Rate data is unavailable for FY2022, FY2023 and FY2024.*

KIPMall Senawang's occupancy **rebounded sharply to 85.1% in FY2025**, recovering from 62.9% in FY2024 when parts of the mall were temporarily closed for AEI works. The successful completion of these upgrades and the introduction of anchor tenant **ST Rosyam** with 24 hours operation signficantly improved the mall's tenant mix and customer draw. With net lettable area expanding to 122,065 sq ft, **KIPMall Senawang** is now better positioned to sustain higher occupancy levels and deliver stronger rental contributions, narrowing the gap with the broader portfolio's consistently high performance.

WHAT IS OUR OUTLOOK?

KIP REIT is investing in major upgrades at **KIPMall Tampoi**, with construction set to complete by February 2026. We are adding new food and beverage outlets, creating better walkways for shoppers, building more covered parking spaces, upgrading the drop-off areas, and redesigning the retail layout.

These improvements will make shopping more convenient and comfortable, attract quality tenants who want to be in a modern facility, and keep **KIPMall Tampoi** competitive in the local retail market. This is part of our ongoing strategy to maintain and improve our properties rather than just collect rent. Instead, we are actively investing to ensure our malls stay relevant and profitable for years to come.

VISION 2
Championing Integrity and Transparency

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Ethical conduct and strong governance are the cornerstones of our sustainability journey, guiding our decisions and reinforcing stakeholder trust.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GRI | 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-2, 205-3

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community
- Media
- Regulator

RISK AND OPPORTUNITY

1 Governance Gaps → Enhanced Anti-Bribery and Corruption

Risk	Opportunity
Inadequate anti-corruption framework exposing KIP REIT to legal risks under Section 17A of the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009, potentially disrupting retail operations, damaging tenant relationships, and undermining investor confidence in governance standards.	Robust anti-bribery and corruption controls transforming compliance into competitive advantage, enhancing operational stability, standardising ethical practices across tenant and vendor relationships, and attracting values-driven retailers.

2 Board Governance → Proactive Risk Leadership

Risk	Opportunity
Insufficient board oversight of anti-corruption measures creating governance vulnerabilities, with risks like bribery in leasing agreements or money laundering through tenant transactions potentially going undetected, leading to regulatory penalties and reputational damage.	Enhanced board governance enabling early risk detection, demonstrating transparency commitment, and appealing to institutional investors while securing better financing terms from governance-focused lenders.

3 Vendor Risks → Competitive Partner Selection

Risk	Opportunity
Inadequate due diligence processes potentially exposing KIP REIT to associations with unethical entities, compromising integrity, and damaging relationships with quality retail tenants.	Rigorous vendor screening cultivating a trusted partner network sharing our ethical standards, reducing operational risks, and enhancing appeal to premium retail brands.

WHY IS THIS TOPIC MATERIAL TO US?

Corporate governance and anti-corruption management is fundamental to KIP REIT's sustainable growth and competitive positioning in the REIT sector. Strong governance frameworks directly impact our ability to attract and retain quality tenants, secure favourable financing terms, and maintain investor confidence.

Under Section 17A of the MACC Act 2009, KIP REIT faces direct legal liability for corruption by associated persons, making robust anti-bribery controls not just best practice but a legal necessity. Governance failures could trigger regulatory investigations, disrupt property operations, and compromise tenant relationships that form the foundation of our revenue streams.

From an investment perspective, institutional investors and lenders increasingly integrate governance quality into their risk assessments and funding decisions. Superior governance standards enhance our access to capital markets and reduce borrowing costs.

WHAT IS OUR COMMITMENT?

KIP REIT maintains an absolute zero-tolerance stance against bribery, fraud, and unethical conduct. We hold ourselves and our partners to the highest standards of integrity, understanding that ethical conduct safeguards our reputation and strengthens stakeholder relationships.

This commitment permeates every aspect of our operations: from tenant negotiations and vendor selections to property management and investor relations. We implement robust controls, conduct regular training, and maintain transparent reporting mechanisms to ensure ethical standards are embedded throughout our organisation.

We actively monitor, assess, and continuously strengthen our anti-corruption framework, creating an environment where ethical decision-making drives operational excellence. Through this unwavering commitment, we protect our stakeholders' interests while positioning KIP REIT as the trusted partner of choice in the REIT sector.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

At KIP REIT, we uphold the highest standards of corporate governance, integrity, and ethical conduct in fund management. Our governance practices are built on transparency, accountability, and responsibility responsibilities, which are essential to sustaining long-term value for unitholders and stakeholders.

The Board of Directors maintains rigorous oversight of our comprehensive anti-corruption framework. This includes regular review and approval of policies that address all forms of corruption – from bribery (encompassing facilitation payments and kickbacks) to money laundering risks in tenant transactions, conflicts of interest, and potential obstruction of justice such as document falsification. Through quarterly reports, the Board of Directors assesses the effectiveness of our anti-bribery and corruption management system.

To preserve institutional integrity, we also regularly assesses KIP REIT's governance frameworks and business practices. This includes monitoring developments in political, economic, technological, and socio-environmental domains, such as digital transformation, cybersecurity, workplace culture shifts, and climate change. These ongoing evaluations enable us to remain agile and resilient in a rapidly evolving landscape.

The Compliance Officer supports effective governance policy implementation. He is responsible for proposing policy enhancements for the Board of Directors' review and approval, ensuring that KIP REIT's governance system remains robust, current, and capable of fostering an ethical and transparent culture. The outsourced Internal Audit function also plays a critical role by assessing the effectiveness of internal controls and risk management processes.

We also extend our governance expectations across the entire value chain. All third-party engagements, including suppliers, contractors, and tenants, will be bound by our Suppliers' Code of Conduct, which includes anti-bribery and compliance requirements. These standards will be reinforced through routine due diligence, annual declarations, and compliance reviews.

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

CORPORATE GOVERANCNE FRAMEWORK

KIP REIT'S CORPORATE GOVERNANCE FRAMEWORK

Assurance

- Internal Auditor
- External Auditor
- Risk, Integrity, and Compliance Function

Governance Structure

- Stakeholders
- Board of Directors
- Company Secretary
- Audit and Risk Management Committee ("ARMC")
- Nomination Committee
- Remuneration Committee
- Managing Director / Chief Executive Officer
- General Management Committee
- Risk Management Working Group
- Investment Steering Committee
- Sustainability Steering Committee
- Business Divisions
- Corporate Support

Compliance

- Trust Deed
- Board Charter
- Terms of Reference
- Code of Conduct
- Companies Act 2016
- Capital Markets and Services Act 2007
- Main Market Listing Requirements
- Malaysian Code on Corporate Governance 2021
- Corporate Governance Guidelines
- Internal Policies, Procedures and Controls
- Discretionary Authority Limits

LEADERSHIP AND CULTURE

CODE OF CONDUCT

Workplace Standard

- *Ethical Culture*
  Promote integrity, respect, and accountability across all operations.
- *Conflict Management*
  Disclose and avoid personal interests in business decisions.

Legal & Regulatory Compliance

- *Market Conduct*
  Adhere to applicable laws and regulations in leasing and vendor agreements.
- *Data Protection*
  Safeguard tenant and customer information under the PDPA.
- *Financial Integrity*
  Prevent money laundering and terrorism financing risks.

External Engagement

- *Anti-Bribery*
  Prohibit improper inducements in all transactions.
- *Gifts Policy*
  Limit acceptable gifts to token value only.
- *Government Relations*
  Maintain transparency in regulatory interactions.
- *Supplier/Vendor Oversight*
  Ensure third parties meet ethical standards.

CORE VALUES

Know-how

Identifying prime investment opportunities, executing strategic asset management, and sustaining long-term stakeholder value.

Integrity

Upholding uncompromising ethics, fostering transparent relationships, and building trust through every action.

People

Valuing every individual, cultivating collaborative excellence, and achieving success through mutual respect.

KIP REIT'S CORPORATE GOVERNANCE FRAMEWORK

ALIGNMENT OF STRATEGY AND PRIORITIES ACROSS THE GROUP

GENERAL MANAGEMENT COMMITTEE

Governance Structure

- Chaired by the Managing Director / Chief Executive Officer
- Including senior executives from each business unit.

Committee Composition

- Led by Managing Director / Chief Executive Officer
- Comprising heads and senior positions of all key operational divisions

Organisational Framework

- Under the leadership of the Chief Executive Officer
- With participation from all department leadership team members

Core Responsibilities

Strategic Leadership

- Execute corporate strategy and business priorities
- Analyse and resolve critical operational challenges
- Monitor industry trends and competitive positioning

Performance Oversight

- Track and report on key business metrics
- Align divisional plans with organisational objectives
- Escalate risks and propose mitigation strategies

Governance and Decision-Making

- Review operational performance against targets
- Recommend corrective actions for underperforming areas
- Implement Board of Directors' or Managing Director's directives with accountability

GROUP GOVERNANCE STRUCTURE AND POLICY & PROCEDURES

- Anti-Bribery and Corruption Policy
- Gift, Hospitality, Donations and Similar Benefits Policy
- Directors' Conflict of Interest Policy
- Employees' Conflict of Interest Policy
- Whistleblowing Policy
- Employee Code of Conduct Policy
- Due Diligence Process
- Sustainability Policy
- Materiality Assessment and Sustainability Management Procedure Policy
- Occupational Safety and Health policy
- Mall Operation Policy (Occupational Safety & Health)

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management Process

- 1. Establishing the Context
- Risk Control Self-Assessment (RCSA)
  - 2. Risk Identification
  - 3. Risk Analysis and Evaluation
  - 4. Risk Treatment
- 5. Monitoring and Review
- 6. Communication and Consultation

Internal Control

- Audit & Risk Management Committee (ARMC)
- Senior Management
- 1st Line of Defence: **Department**
  - Accounts & Finance
  - Information Technology
  - Investor Relations
  - Human Resources & Admin
  - Operations
  - Legal & Compliance
  - Business Development
  - Chief Executive Officer Office
- 2nd Line of Defence: Risk Management Working Function / Group
- 3rd Line of Defence: Internal Audit
- External Audit
- Regulator

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

WHAT IS OUR APPROACH?

KIP REIT adopts a structured, policy-driven, and risk-based approach to governance and anti-corruption. Our approach is reflected across five core pillars:

Safeguards and Whistleblowing

- All employees participate in mandatory annual compliance training sessions, focusing on regulatory compliance and ethical business practices.
- The Compliance Department thoroughly investigates every reported violation, adhering to a standardised protocol that ensures fairness and impartiality. For substantiated cases, appropriate disciplinary measures are imposed, ranging from warnings to termination, depending on the severity of the violation.

Enforcement and Training

- All employees participate in mandatory annual compliance training sessions, focusing on regulatory compliance and ethical business practices.
- The Compliance Department thoroughly investigates every reported violation, adhering to a standardised protocol that ensures fairness and impartiality. For substantiated cases, appropriate disciplinary measures are imposed, ranging from warnings to termination, depending on the severity of the violation.

Governance at the Top

- The Board provides strategic leadership and ethical stewardship.
- The ARMC provides independent oversight on risk, compliance, and control functions.
- Policies are formally reviewed and approved by the Board to ensure accountability and compliance with regulatory requirements.

Accountability Culture

- The Employees' Code of Conduct Policy governs all employees, outlining expectations on integrity, professionalism, confidentiality, anti-bribery, and conflict of interest.
- All new employees undergo a structured induction program covering key policies.

Third-Party Vigilance

- The Anti-Bribery and Corruption ("**ABC**") Policy explicitly prohibits improper payments, including facilitation payments, kickbacks, and any form of bribery in leasing or vendor relationships.
- Enhanced due diligence is implemented for all suppliers and contractors, with particular scrutiny for high-risk categories such as assets enhancement initiatives ("AEI").

Anti-Bribery Management System

Our Anti-Bribery Management System ("**ABMS**") establishes a robust foundation for ethical business practices through comprehensive policies, procedures, and control measures. We have developed this integrated approach to effectively mitigate corruption risks and promptly address any instances of non-compliance or unethical behaviour. Our commitment to the highest standards of corporate governance is demonstrated by embedding anti-corruption and anti-financial crime principles into our daily operations. At the core of our ABMS is a comprehensive Anti-Bribery and Anti-Corruption ("**ABAC**") program that aligns with national anti-corruption efforts and adopts a zero-tolerance approach against all forms of corruption. This systematic approach serves as our primary defence mechanism against corporate liability under subsection 17A (5) of the MACC Act 2009.

Training and Awareness

Our approach to building an ethical culture centres on continuous training and awareness programs designed to reach all stakeholders. We conduct comprehensive mandatory ABAC training sessions for all employees annually, reinforcing our zero-tolerance stance against bribery and corruption. Our consolidated training curriculum covers detailed ABAC policies and procedures, real-world case studies illustrating various forms of bribery and corruption, practical scenarios, and legal implications and regulatory requirements.

To ensure thorough comprehension, we administer post-training assessments requiring a minimum passing score of at least 50%, which not only evaluates understanding but also reinforces the critical importance of adhering to our anti-corruption policies. We also provide specialised anti-bribery and corruption training to our Board of Directors, ensuring our leadership remains well-informed about current anti-corruption practices and policies, enabling them to set a strong ethical example and effectively guide the organisation in upholding the highest standards.

Extending beyond internal stakeholders, our ABMS encompasses all business intermediaries through systematic distribution of our Anti-Bribery and Corruption ("**ABC**") Policy and ancillary anti-corruption policies. This ensures clear communication of our ethical expectations and compliance requirements throughout our business relationships, fostering a culture of integrity across our entire network of partners and vendors.

KEY PERFORMANCE

100%	100%	100%	0
completion rate achieved for Board of Directors' ABAC training	staff completion rate for mandatory ABAC training in FY2025	passing rate achieved on staff ABAC assessment	staff disciplined or dismissed for ABC Policy breaches in FY2025

Enterprise Risk Management Framework

Our Enterprise Risk Management ("**ERM**") Framework incorporates specialised risk assessments and procedures designed to address corruption risks, particularly those associated with intermediaries and high-risk operations. We conduct thorough corruption risk assessments covering all elements and types of corruption, including bribery, comprehensive anti-corruption risk mapping, regular evaluation of operational, geographical, and transactional risks, and third-party and intermediary risk profiling. For operations assessed as "high risk", we implement enhanced procedures addressing all elements and types of corruption including bribery, comprehensive anti-corruption measures tailored to specific risk profiles, enhanced due diligence requirements, and strengthened monitoring and oversight mechanisms.

KEY PERFORMANCE

100%
operations assessed for corruption risks

In alignment with **Bursa Malaysia's Common Indicator C1(b)**, we also systematically assess corruption-related risks across all our operations. We measure our comprehensive coverage through tracking the percentage of operations assessed for corruption-related risks, ensuring that each location undergoes thorough evaluation for all forms of corruption including bribery, facilitation payments, fraud, extortion, collusion, and money laundering. This systematic approach enables us to maintain complete visibility of corruption risks across our operational footprint while demonstrating compliance with the MACC Act 2009 and supporting our sustainability reporting requirements.

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Whistleblowing Channel

Central to our integrity framework is our confidential whistleblowing channel, which serves as a crucial element for maintaining transparency and empowering stakeholders to report concerns without fear of retaliation. Our approach ensures confidential and anonymous reporting capabilities, protection against retaliation for good-faith reporting, multiple reporting channels to accommodate different comfort levels, and prompt and thorough investigation procedures. We maintain comprehensive procedures for addressing reported concerns, including immediate assessment and triage of reports, independent investigation processes, appropriate disciplinary and corrective actions, and regular reporting to Senior Management and the Board.

We recognise that effective anti-corruption efforts require engagement across all levels through regular communication of our zero-tolerance policy, clear guidelines and expectations for all stakeholders, accessible resources and guidance materials, and open dialogue channels for questions and clarifications. This comprehensive ABMS represents our unwavering commitment to ethical business practices and serves as our primary mechanism for preventing, detecting, and addressing corruption in all its forms. Through this integrated approach, we maintain our position as a responsible corporate citizen while protecting our organization, stakeholders, and the broader community from the harmful effects of corruption.

KEY PERFORMANCE

1
whistleblowing disclosures received across all channels

100%
confidentiality maintained

100%
whistleblowing disclosures investigated within 30 days

WHAT IS THE VALUE WE CREATED IN FY2025?

Five years after establishing our foundational governance policies, KIP REIT undertook a comprehensive review and enhancement of our entire corporate governance framework in FY2025. This strategic refresh strengthened our ethical business practices through four key policy upgrades.

Completely Revised Anti-Bribery and Corruption Policy: We overhauled our cornerstone policy to explicitly codify our zero-tolerance commitment while introducing stronger compliance mechanisms and clearer enforcement protocols.

Newly Strengthened Gift, Hospitality, Donations and Similar Benefits Policy: The enhanced policy establishes a "No Gift" principle with specific monetary thresholds and mandatory pre-approval requirements. This eliminates ambiguity around acceptable exchanges and provides unambiguous guidance across all business relationships.

Separate but Complementary Conflict of Interest Policies: We implemented distinct policies for Directors and employees. Directors must formally declare interests annually and quarterly with clear governance protocols, while employees face immediate disclosure requirements for any personal relationships affecting business decisions. This bifurcated approach ensures appropriate governance at both strategic and operational levels.

Substantially Improved Whistleblowing Policy: We enhanced our reporting ecosystem with stronger confidentiality protections, complete anonymity options, explicit anti-retaliation guarantees, and standardised investigation protocols. These improvements foster an organisational culture where ethical concerns can be raised without fear of reprisal.

Together, these policy enhancements demonstrate KIP REIT's proactive commitment to maintaining industry-leading governance standards in the REIT sector.

Anti-Bribery and Corruption Policy

- KIP REIT maintains a zero-tolerance approach to all forms of bribery and corruption, including facilitation payments, kickbacks, and improper advantages in business dealings.
- The ABC Policy explicitly prohibits bribery in any form, including facilitation payments, kickbacks, or improper advantages offered to or received.
- The Board of Directors exercise rigorous oversight through the ARMC which oversees the implementation of ABC Policy and conducts quarterly review to ensure full compliance with the applicable ABC laws and regulations, including Section 17A of the MACC Act 2009.
- Mandatory training programs are conducted annually for all employees, with specialised modules including real-world case studies.
- We conduct due diligence screening for all third-party business partners to assess their integrity, compliance history, and potential corruption risks. This rigorous process includes background checks, financial assessments, and verification of business practices to ensure alignment with our ethical standards and regulatory requirements.

KEY PERFORMANCE

100%
Board oversight of ABAC policies, covering all corruption risks

100%
of business partners bound by strict anti-corruption clauses

0
fines, penalties, or settlements related to corruption in FY2025

Gift, Hospitality, Donations and Similar Benefits Policy

- KIP REIT enforces a strict "No Gift" policy, clearly defining and prohibiting any form of gift, hospitality, donations or similar benefit exchange that could create actual, potential, or perceived conflicts of interest in our property management and investment operations.
- The GHDS Policy establishes an absolute prohibition on all directors, employees, and representatives accepting gifts from tenants, vendors, contractors, or government entities, regardless of value or circumstance, with limited pre-defined exceptions.
- KIP REIT also recognises its responsibility to support the wider community through donations and sponsorships. We provide both financial and non-financial support to approved charitable causes, ensuring that such contributions are used solely for their intended purposes and are not misused as a cover for bribery, corruption, or prohibited political payments.
- To ensure compliance, all permissible business courtesies require pre-approval through our declaration system, maintaining transparency and creating auditable records.

KEY PERFORMANCE

0
GHDS policy violations reported in FY2025

3
gift declarations exceeding value of RM500 threshold

0
political contributions

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Conflict of Interest Policy

- KIP REIT has established rigorous protocols for identifying and managing conflicts of interest across all levels of the organisation. All directors and employees must complete annual declarations disclosing any personal or family relationships with tenants or vendors, financial interests in competitors or partner organisations, and external positions that could influence business decisions.
- When material conflicts are identified, individuals must immediately recuse themselves from decisions involving the conflict, particularly concerning employment, lease approvals, rental terms, contractor selection for shopping mall maintenance, and capital expenditure approvals.
- Our ARMC performs independent evaluations of all declared conflicts, employing external verification processes as needed. Director conflicts are fully disclosed in annual reports, maintaining transparency and stakeholder trust in our governance framework.

KEY PERFORMANCE

100%

completion rate of annual directors' conflict of interest declarations in FY2025

0

undisclosed conflicts identified

Employees' Code of Conduct Policy

- Our Employees' Code of Conduct Policy establishes binding ethical standards specifically addressing anti-bribery and corruption risks. It mandates integrity in all business dealings, including transparent vendor selection, ethical procurement processes, and proper handling of gifts and hospitality to prevent corruption.
- All employees receive mandatory training on the Code of Conduct Policy annually.
- Violations of the Code of Conduct Policy result in disciplinary action, including potential termination, with all incidents reported to senior management and relevant authorities where required.

KEY PERFORMANCE

100%

signed acknowledgment from employees

0

non-compliance finding

Whistleblowing Policy

- KIP REIT maintains multiple secure reporting channels for suspected misconduct, supported by robust whistleblower protections including absolute confidentiality and strict anti-retaliation enforcement.
- All reports receive acknowledgment within seven days and undergo thorough investigation using standardised protocols, with resolution completed within 30 calendar days.
- Material cases receive direct oversight from the ARMC to ensure thorough investigation and appropriate resolution.
- During FY2025, we received one disclosure through our whistleblowing channel, which was promptly investigated and resolved according to our established protocols. In response, we implemented comprehensive corrective measures including enhanced internal controls, targeted staff training, and strengthened risk management frameworks. This proactive approach demonstrates our commitment to continuous improvement and regulatory compliance.

SPEAK UP!

- Email your concerns to whistleblower@kipreit.com.my
- Write to KIP REIT's Audit and Risk Committee Chairman and Compliance Officer at:
  KIP REIT Management Sdn. Bhd.
  (acting solely in its capacity as the manager for and on behalf of KIP REIT)
  Unit B-6, Block B, Tingkat 6,
  Menara KIP, No.1, Jalan Seri Utara 1,
  Sri Utara Off Jalan Ipoh,
  68100 Kuala Lumpur.
- Submit to our Whistleblowing Lodgment Form at https://www.kipreit.com.my/whistleblowing/

WHAT IS OUR NEXT INITIATIVE?

In FY2026, KIP REIT will implement several focused initiatives to strengthen its anti-corruption framework. Building on our existing governance structure, we will introduce mandatory anti-bribery and corruption screening for all new vendors and business partners as part of our standard due diligence process. This enhancement addresses a current gap in our procedures and will involve comprehensive background checks, including verification against global sanctions lists and corruption databases.

To complement these efforts, we will develop and implement a clear Suppliers' Code of Conduct that explicitly outlines our zero-tolerance stance on bribery and unethical practices. This Suppliers' Code of Conduct will provide practical guidance tailored to common scenarios in retail property management, defining mutual expectations and standards throughout our supplier relationships.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will implement foundational improvements across our operations. Our immediate goals include achieving full compliance with our new vendor screening requirements and securing commitments from all business partners to adhere to our Suppliers' Code of Conduct. We will monitor progress through regular reviews and adjust our approach as needed to ensure effective adoption.

Medium Term

KIP REIT will seek to expand and refine its ABAC initiatives. This will involve extending our due diligence processes to cover existing vendors and introducing annual integrity declarations for all business partners. We will also enhance our monitoring capabilities through more comprehensive audits and reporting mechanisms.

Long Term

Looking ahead, KIP REIT aims to integrate anti-corruption considerations into all aspects of its operations, from new asset acquisitions to daily property management. By maintaining rigorous standards and continuously improving our processes, we will protect our reputation and deliver sustainable value to all stakeholders.

VISION 2
Championing Integrity and Transparency

CYBER SECURITY AND DATA PRIVACY

Protecting sensitive information, ensuring digital resilience, and upholding the highest standards of data governance are essential to maintaining stakeholder trust in a rapidly evolving technological landscape.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GRI | 2-23, 3-1, 3-3, 418-1

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community
- Media
- Regulator

RISK AND OPPORTUNITY

1 Cybersecurity Gaps ➔ Enhanced Data Protection Framework

Risk	Opportunity
Inadequate cybersecurity infrastructure exposing KIP REIT to data breaches under the Personal Data Protection Act 2010 ("**PDPA**"), potentially compromising tenant and customer information and undermining stakeholder confidence in our technology security standards.	Robust cybersecurity and data privacy controls enhancing operational resilience, enabling early threat detection, and protecting against evolving digital threats.

2 Incident Response ➔ Business Continuity Leadership

Risk	Opportunity
Inadequate cyber incident response protocols potentially prolonging system downtime during security breaches.	Comprehensive cyber incident response capabilities ensuring rapid recovery from security events, demonstrating crisis management excellence, and building stakeholder confidence in our ability to protect business operations during digital disruptions.

3 Third-Party Risks ➔ Secure Digital Ecosystem

Risk	Opportunity
Inadequate cybersecurity due diligence on technology vendors and service providers potentially compromising property management systems and exposing KIP REIT to supply chain cyber attacks.	Rigorous cybersecurity vendor screening establishing a secure digital ecosystem aligned with KIP REIT's security standards, reducing system vulnerabilities and enhancing our appeal to premium retailers seeking advanced data protection capabilities.

WHY IS THIS TOPIC MATERIAL TO US?

KIP REIT's daily operations involve processing and storing substantial volumes of sensitive data, including tenant personal and financial information, vendor contracts, property management systems, and confidential financial transactions. This creates material exposure to cybersecurity risks that could directly impact our financial performance and stakeholder relationships.

The materiality of cybersecurity and data privacy to KIP REIT stems from three critical factors: our extensive data ecosystem across multiple properties and stakeholder relationships, the increasing sophistication of targeted attacks on real estate entities, and evolving regulatory requirements that carry significant compliance costs and penalties.

A cybersecurity incident or data privacy breach would create immediate material impacts, including regulatory fines, legal liabilities, operational disruption across our property portfolio, and potential tenant attrition. Beyond direct financial costs, such events would damage our reputation in competitive leasing markets and could impair our ability to attract and retain quality tenants, directly affecting occupancy rates and rental income that drive our financial performance.

WHAT IS OUR COMMITMENT?

KIP REIT enforces a comprehensive cybersecurity framework with zero tolerance for data privacy breaches across our operations. We place the protection of stakeholder data and digital infrastructure at the forefront of our business priorities, recognising that digital trust is fundamental to our operational integrity.

We are committed to:

- allocate necessary resources to maintain robust cybersecurity infrastructure and data protection systems across our property portfolio
- implement rigorous security controls and data governance practices to prevent cyber incidents and safeguard sensitive information
- conduct regular cybersecurity training programmes that equip our employees with the knowledge and skills necessary to identify and respond to digital threats
- ensure compliance with all relevant data privacy laws, cybersecurity regulations, and industry standards in Malaysia
- maintain secure communication channels for incident reporting and respond to all cybersecurity events promptly to implement corrective and preventative measures

CYBER SECURITY AND DATA PRIVACY

WHAT IS OUR APPROACH?

Cybersecurity and Data Privacy Management System

Our Cybersecurity and Data Privacy Management System establishes a comprehensive framework for protecting digital assets and safeguarding stakeholder information across all operations. We implement this structured approach to systematically identify cyber threats, control data privacy risks, and continuously enhance our security posture in alignment with regulatory requirements and industry best practices.

Policy

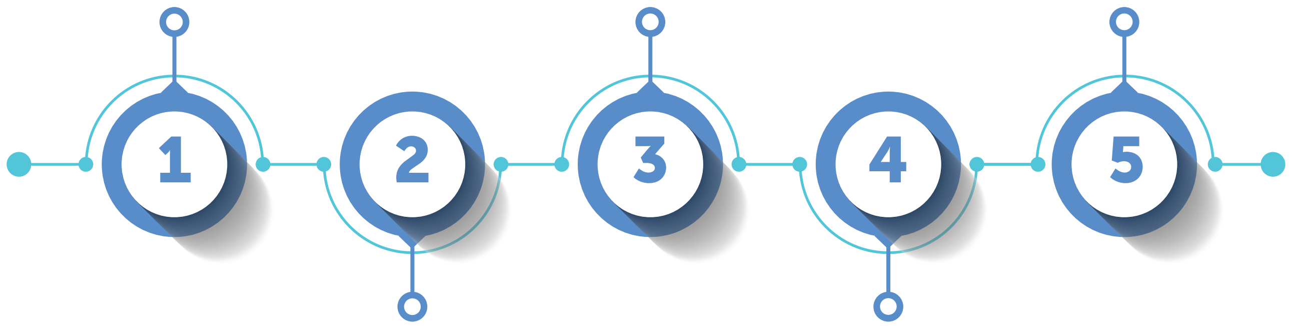
We establish comprehensive cybersecurity and data privacy policies that demonstrate our commitment to protecting sensitive information and set clear security objectives for the entire organisation.

Planning and Implementation

We systematically identify cyber threats and assess data privacy risks to develop targeted security controls and protective measures that safeguard our digital infrastructure and stakeholder information.

Action for Improvement

We implement corrective actions based on evaluation findings to address identified security gaps. We regularly review and update our cybersecurity practices to respond to evolving threat landscapes, regulatory changes, and technological advances.



Organising

We create a structured governance framework with clearly defined roles and responsibilities for cybersecurity and data protection at all levels. We invest in specialised training and competency development to build a digitally aware workforce capable of identifying threats and maintaining secure practices.

Evaluation

We conduct regular security assessments and compliance audits to measure the effectiveness of our cybersecurity initiatives and ensure adherence to regulatory standards. We investigate security incidents and analyse threat intelligence to identify trends and vulnerabilities.

Proactive Cybersecurity Risk Management

KIP REIT implements a multi-layered approach to cybersecurity risk management, integrating threat assessment, vulnerability management, and incident response across all digital operations.

Cybersecurity Training	Infrastructure Management	Business Continuity
Engage external cybersecurity specialists to deliver comprehensive training programs, ensuring all employees possess current knowledge of cyber threats, data protection protocols, and security best practices.	Maintain rigorous software upgrade schedules to ensure all systems remain current with latest security patches and threat protection capabilities.	Conduct annual IT disaster recovery exercises to test system resilience, validate backup procedures, and ensure rapid restoration of critical operations during cyber incidents.

Personal Data Protection Act 2010 Compliance

KIP REIT maintains a comprehensive approach to PDPA compliance that goes beyond basic regulatory requirements to establish robust data protection practices across our operations.

We continuously monitor our data processing activities and stakeholder interactions to determine if we meet the regulatory thresholds that would require formal appointment of a Data Protection Officer ("**DPO**"). This ongoing assessment ensures we remain prepared to fulfil this obligation should our data processing scale or complexity reach the specified criteria.

Recognising that data protection legislation continues to evolve, our in-house legal counsel participates in specialised training programs focused on PDPA amendments and updates, ensuring our organisation maintains comprehensive understanding of new requirements, enforcement trends, and compliance expectations. This proactive approach enables us to interpret and implement regulatory changes effectively across all business units.

Our commitment to PDPA compliance extends to establishing systematic processes for staying informed about legislative amendments and regulatory guidance. We maintain regular communication with legal experts and industry associations to ensure our data protection practices remain aligned with current and emerging requirements. This includes periodic reviews of our data collection, processing, and retention practices to identify areas requiring updates or enhancement in response to regulatory changes.

Guidelines on Technology Risk Management Implementation

KIP REIT has established a structured approach to implementing the Guidelines on Technology Risk Management ("**GTRM**") that demonstrates our commitment to maintaining robust cybersecurity governance. We engage qualified external cybersecurity specialist to conduct comprehensive gap analyses specifically designed to evaluate our current practices against GTRM requirements. These detailed assessments examine our Technology Risk Management ("**TRM**") framework, security controls, incident response capabilities, and governance structures to identify areas requiring enhancement or alignment with regulatory expectations.

To ensure independent validation of our TRM framework, we have engaged Baker Tilly to perform internal audits focusing on Chapters 5 and 6 of the GTRM. The engagement delivered an objective assessment of our TRM framework implementation, identify improvement opportunities, and verify that our framework and supporting policies and procedures align with the requirements outlined in Chapters 5 and 6 of the GTRM.

CYBER SECURITY AND DATA PRIVACY

WHAT IS THE VALUE WE CREATED IN FY2025?

Software Infrastructure Enhancement

During FY2025, KIP REIT significantly strengthened our cybersecurity infrastructure through comprehensive software upgrades and enhanced access controls. The implementation of Multi-Factor Authentication across all employee email accounts has substantially reduced our vulnerability to unauthorised access and credential-based attacks. We established mandatory security protocols requiring personalised passwords for screen locks, automatic sign-out procedures, and quarterly password rotation for email accounts.

The strategic upgrade to our Microsoft Business Premium Package represents a transformational enhancement to our cybersecurity capabilities. We gained advanced identity and access management systems that enable centralised control over user identities and access rights, while enterprise-grade threat protection provides comprehensive defence against viruses and phishing attacks. These integrated solutions offer comprehensive device protection and advanced capabilities to discover, classify, and protect sensitive information in compliance with data protection regulations.

Comprehensive Security Awareness Training Program

KIP REIT also invested in a comprehensive 12-month Security Awareness Training program, covering our Board of Directors and employees from April 2025 to April 2026 to improve our people's ability to recognise and respond to real-world cyber threats.

Through interactive e-learning modules and hands-on phishing simulations with varying difficulty levels, our Board of Directors and employees will develop practical skills in identifying sophisticated social engineering attempts and malicious communications. The randomised delivery of phishing simulations and diverse spam templates ensure that our Board of Directors and employees remain vigilant and cannot predict when tests will occur, creating more realistic training scenarios.

.

We believe that this comprehensive training approach will transform our Board of Directors and employees into active participants in our cybersecurity defence strategy, creating a human firewall that will complement our technical security measures and significantly reduce our exposure to social engineering and human-error-based security incidents.

HOW IS OUR OVERALL PERFORMANCE?

Performance Indicators	2023	2024	2025
Reported Cybersecurity Incidents	0	0	1
Complaint concerning breaches of customer privacy and losses of customer data	0	0	0
IT Disaster Recovery Exercise Completion Rate	100%	100%	100%

During the FY2025, KIP REIT's robust cybersecurity framework demonstrated its effectiveness through our swift detection and containment response to one cybersecurity incident. Our proactive monitoring systems successfully identified the threat early, enabling immediate activation of our incident response protocols. Our comprehensive security measures prevented any data breaches, customer privacy violations, or operational disruptions to our core business functions.

This incident validated the strength of our multi-layered security approach and highlighted the critical importance of our investment in advanced threat detection capabilities. Our rapid response and containment efforts minimised potential damages significantly, demonstrating that our cybersecurity infrastructure operates as designed. We conducted a thorough post-incident analysis and immediately implemented enhanced security measures, incorporating key learnings into our staff training programs and system safeguards to further fortify our defensive capabilities against evolving cyber threats.

Our consistent 100% completion rate for IT disaster recovery exercises across three consecutive years reflects our unwavering commitment to maintaining operational resilience and our preparedness to handle potential cybersecurity challenges effectively.

WHAT IS OUR NEXT INITIATIVE?

Personal Data Protection Act 2010 Compliance Enhancement

KIP REIT will strengthen our data protection framework through comprehensive PDPA compliance initiatives designed to enhance our governance and transparency in personal data management. We will conduct a thorough assessment of our data processing activities to determine if we meet the regulatory thresholds requiring formal appointment of a DPO, and will promptly fulfil this obligation should our operations reach the specified criteria.

To establish clear guidelines for personal data handling across our organisation, we will develop and issue our first comprehensive PDPA policy that outlines our commitment to data protection, defines roles and responsibilities, and establishes standardised procedures for data collection, processing, and retention. This policy will serve as the foundation for consistent data protection practices across all business units and operational activities.

Additionally, we will undertake a comprehensive revision of the privacy statement on our official website to ensure full transparency with stakeholders regarding our data collection practices, usage purposes, and protection measures. This enhanced privacy statement will provide clear, accessible information about individuals' rights under PDPA and our procedures for handling data subject requests.

As part of our comprehensive data protection strategy, we will conduct thorough compliance assessments of our vendors providing footfall analysis and tenant management software services. Given that these systems process substantial volumes of personal data including visitor patterns and tenant information, we will evaluate our vendors' data protection practices, security measures, and PDPA compliance status to ensure they meet our stringent data protection standards and regulatory requirements.

Guidelines on Technology Risk Management Compliance

Building on our existing cybersecurity gap analysis, KIP REIT will implement comprehensive remediation measures to address all identified gaps and achieve minimum compliance with GTRM requirements. This initiative will involve systematically addressing each area where our current practices require enhancement or alignment with regulatory expectations.

Our approach will include updating our TRM framework, strengthening security controls where gaps were identified, enhancing our incident response capabilities, and refining our cybersecurity governance structures. We will work closely with our cybersecurity specialists and audit partners to ensure all remediation efforts meet the stringent standards established by the GTRM guidelines, ensuring robust TRM practices across our operations.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will focus on implementing essential security upgrades to strengthen our digital resilience. Immediate priorities include achieving full deployment of multi-factor authentication across all critical systems and conducting our first organisation-wide cybersecurity awareness training program. Progress will be tracked through implementation reviews and participation metrics, allowing for timely adjustments to ensure effective adoption.

Medium Term

Building on these foundations, we will enhance our security posture through more advanced protective measures. This phase will include the implementation of continuous monitoring systems for critical data assets, expansion of our incident response capabilities, and refinement of third-party risk assessments. We plan to introduce annual security audits and advanced employee training simulations to maintain vigilance across the organisation. These efforts will be supported by ongoing investments in security infrastructure proportionate to our operational growth.

Long Term

Looking ahead, KIP REIT aims to fully integrate cybersecurity and data protection considerations into all aspects of our business operations and decision-making processes. Our vision includes developing a mature security culture where protection measures evolve seamlessly with technological advancements and threat landscapes. By maintaining rigorous yet practical standards, continuous staff engagement, and strategic partnerships with security experts, we will safeguard our digital assets while supporting sustainable business growth. This long-term commitment ensures we protect stakeholder interests and maintain trust in an increasingly digital real estate landscape .

VISION 2
Championing Integrity and Transparency

RISK MANAGEMENT

Effective risk management strengthens resilience, supports informed decisions, and protects stakeholder interests in a dynamic environment.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GRI | 2-24, 2-25, 3-3

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community
- Media
- Regulator

WHY IS THIS TOPIC MATERIAL TO US?

Risk Management stands as the cornerstone of KIP REIT's operational resilience and long-term value creation. As Malaysia's property investment landscape faces evolving market dynamics, interest rate volatility, and economic uncertainties, our ability to identify, assess, and mitigate risks directly determines our capacity to deliver consistent returns to unitholders.

The REIT structure inherently amplifies risk materiality: our obligation to distribute at least 90% of distributable income means we cannot retain substantial cash buffers, making proactive risk management essential for maintaining distribution stability. Property-specific risks including tenant concentration and lease expiry profiles directly impact our revenue streams, while market risks such as interest rate fluctuations significantly affect our financing costs and property valuations.

Our stakeholders depend on our risk management capabilities to protect their investments and interests. Effective risk management enhances our credit profile, reduces borrowing costs, attracts quality tenants, and maintains investor confidence, directly supporting our competitive positioning in the Malaysian REIT sector.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to maintaining a comprehensive, forward-looking risk management framework that anticipates challenges and protects stakeholder value across all market conditions. We embed risk considerations into every strategic decision, from property acquisitions and capital allocation to tenant management and financing strategies.

We proactively monitor market trends, interest rate movements, and regulatory developments, adapting our strategies to navigate evolving risk landscapes. Through regular stress testing, scenario planning, and comprehensive insurance coverage, we prepare for various market conditions while maintaining operational flexibility.

Our risk governance structure ensures Board-level oversight, management accountability, and transparent reporting to stakeholders. We continuously enhance our risk management capabilities, positioning KIP REIT as a resilient, reliable investment vehicle that consistently delivers value while safeguarding stakeholder interests across market cycles.

WHAT IS OUR APPROACH?

KIP REIT employs a comprehensive, enterprise-wide risk management framework that integrates seamlessly with our strategic planning and operational processes. Built upon the internationally recognised Three Lines of Defence model, our approach ensures clear accountability, robust controls, and effective oversight across all organisational levels.

We implement a systematic process of risk identification, assessment, treatment, and monitoring that spans financial, operational, strategic, and emerging risks including climate-related exposures. Our framework incorporates industry best practices tailored to the unique risks facing Malaysian REITs.

Risk Governance and Oversight

Risk governance is anchored by our Board of Directors, which serves as the highest authority in reviewing and approving our risk management policies while fostering a culture of risk awareness throughout the organisation. The Board is supported by our Audit and Risk Management Committee ("**ARMC**"), which oversees our overall risk management strategy, evaluates framework effectiveness, and ensures alignment with business goals and risk appetite.

Our Three Lines of Defence model provides structured risk management across the organisation. The first line comprises our operational departments - Finance, Human Resources, Operations, Legal & Compliance, and Strategic Investment & Corporate Affairs - who own and manage risks within their respective areas. The second line is our Risk Management Working Group ("**RMWG**"), which facilitates risk assessments, establishes methodologies, and monitors exposures across the organisation. Our Internal Audit function forms the third line, providing independent assurance on governance, risk management, and control processes.

Integration and Continuous Enhancement

Risk management is embedded into our decision-making processes through regular risk assessments, quarterly risk registers, and comprehensive reporting to the ARMC. We maintain dynamic risk appetite statements that guide our investment decisions, leverage policies, and operational strategies, ensuring risks remain within acceptable parameters while supporting growth objectives.

Our approach emphasises proactive risk identification through scenario planning, stress testing, and continuous market surveillance. Enhanced by external auditor oversight and regulatory compliance, we leverage technology-enabled monitoring systems to validate our assessments. This integrated approach enables us to anticipate challenges, respond swiftly to emerging threats, and maintain operational resilience while protecting unitholder value.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT PROCESS

Establishing the Context

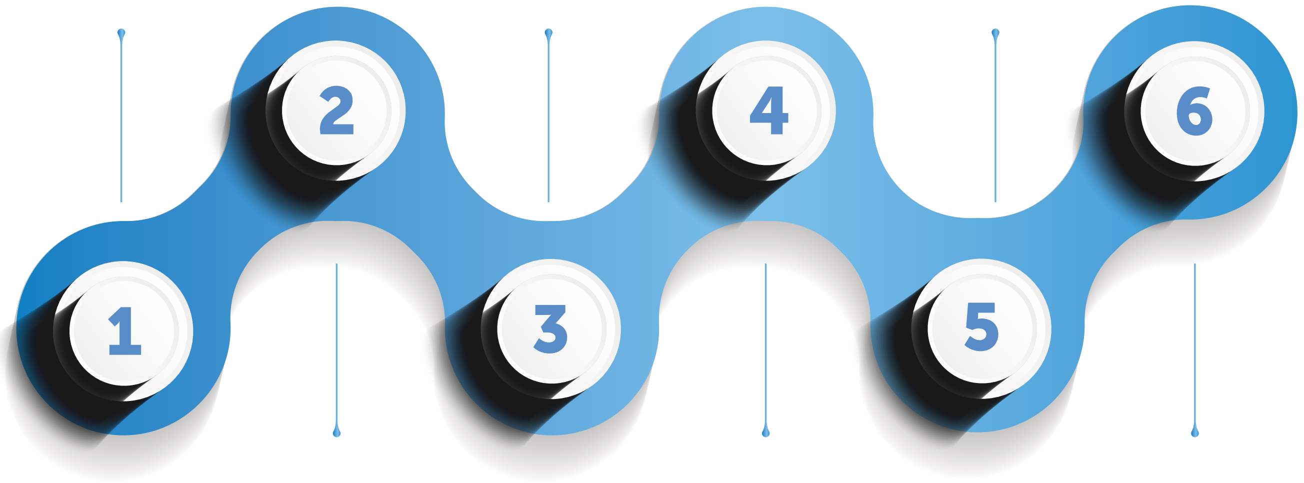
- Define risk management scope and parameters
- Set risk appetite and evaluation criteria covering reputational, financial, and regulatory factors
- Align stakeholder understanding of risk objectives

Risk Identification

- Comprehensively identify business function risks through management meetings and desk research
- Foster collaborative, transparent risk recognition across all levels

Risk Analysis and Evaluation

- Analyse likelihood and impact of identified risks on strategic objectives
- Evaluate existing control effectiveness and determine residual risk ratings
- Prioritise risks based on significance to performance and reputation



Risk Treatment

- Develop and assess risk mitigation strategies and treatment options
- Prioritise and implement risk treatment plans to manage or reduce risk exposure
- Ensure proactive preparedness for challenges and opportunities

Communication and Consultation

- Engage stakeholders at all levels for clear risk understanding
- Maintain ongoing dialogue to foster risk awareness culture
- Encourage collaborative approach to risk management

Monitoring and Review

- Continuously monitor framework effectiveness and KRIs
- Regularly assess strategy relevance and performance
- Adapt to emerging risks and changing risk environment

ENTERPRISE RISK MANAGEMENT MATRIX

KIP REIT employs a comprehensive risk matrix within our ERM Framework to systematically categorise and evaluate each identified risk. Our risk assessment methodology incorporates both likelihood and impact dimensions, where likelihood rating determines the probability of risk occurrence, and impact rating measures the potential magnitude of consequences should the risk materialise.

We utilise a dual evaluation approach that combines qualitative assessments (based on management experience and predefined criteria) with quantitative measurements involving numerical values and Key Risk Indicators ("**KRIs**"). This integrated methodology enables us to maintain objectivity in risk evaluation while incorporating contextual expertise. The risk matrix provides a standardised framework for prioritising risks, allocating resources effectively, and implementing proportionate mitigation strategies aligned with our risk appetite and strategic objectives.

Key Risk Categories

KIP REIT's risk landscape encompasses several critical categories that require continuous monitoring and management. Our Strategic Risks include political risk exposure, asset valuation fluctuations, financial reporting accuracy, budgeting and forecasting precision, and compliance with medium term note ("**MTN**") covenants, all of which directly impact our ability to execute strategic initiatives and maintain stakeholder confidence.

Personnel Risks focus on staff turnover and employee engagement challenges that could affect operational continuity and organisational capability. Our Operational Risks encompass occupational safety and health considerations alongside potential misconduct by employees, vendors, or third parties that could disrupt business operations or damage our reputation.

Compliance and Technology Risks include regulatory compliance obligations and information technology vulnerabilities that could expose us to legal, operational, or financial consequences. Additionally, Environmental Risks covering climate-related impacts and pollution concerns are increasingly material to our property portfolio performance and long-term sustainability. Each category requires tailored risk management strategies that align with our overall risk appetite and business objectives.

VISION 3
Pioneering the Net Zero Transition

CLIMATE RESILIENCE

Implementing sustainable operational practices and maintaining environmental stewardship to protect stakeholder value and ensure long-term resilience in an era of accelerating climate change.

13 CLIMATE ACTION

GRI | 3-3, 201-2

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community
- Media
- Regulator

RISK AND OPPORTUNITY

1 Physical Climate Risks → Enhanced Asset Resilience

Risk	Opportunity
Increasing frequency and severity of floods, extreme heat, and storms in Malaysia threaten property integrity, disrupt operations, and lead to higher maintenance costs, insurance premiums, and potential tenant attrition.	Proactive climate adaptation measures – such as flood-resistant infrastructure, improved drainage systems, and heat-mitigating building designs – can enhance asset durability, reduce downtime, and attract tenants seeking resilient properties.

2 Climate Transition Risks → Future-Proofed Asset Value

Risk	Opportunity
Rapid shifts toward low-carbon technologies and sustainable building practices may render conventional properties obsolete, creating stranded assets with declining market values and limited tenant appeal as occupiers increasingly prioritise carbon-neutral spaces and sustainable operations.	Early adoption of smart building technologies, carbon-neutral systems, and sustainable design features can position properties as preferred assets for climate-conscious tenants and investors, ensuring long-term competitiveness and value preservation in the evolving real estate market.

3 ESG Regulatory Evolution → Compliance and Capital Advantage

Risk	Opportunity
Evolving climate disclosure mandates, carbon pricing mechanisms, and mandatory sustainability reporting requirements in Malaysia may impose significant compliance costs, regulatory penalties, and investor scrutiny on properties failing to meet environmental benchmarks.	Proactive pursuit of green building certifications, comprehensive ESG reporting aligned with the International Financial Reporting Standards ("**IFRS**"), and transparent climate risk disclosures can ensure seamless regulatory compliance and secure preferential access to ESG-focused investment capital.

CLIMATE CHANGE AS CATALYST: SHAPING KIP REIT'S SUSTAINABLE FUTURE

In an era of unprecedented environmental transformation, climate change has emerged as one of the most defining challenges of our time, fundamentally reshaping how businesses operate, compete, and create value. For KIP REIT, operating at the intersection of Malaysia's dynamic real estate sector and the global shift toward sustainability, climate change represents both a critical risk to manage and a strategic opportunity to capture. Our approach recognises that addressing climate challenges is not merely an environmental imperative but a business necessity that directly impacts our portfolio performance, stakeholder relationships, and long-term value creation.

Understanding Our Climate Risk Landscape

Physical Climate Risks: Safeguarding Assets in a Changing Environment

Malaysia's unique geographical position and tropical climate expose KIP REIT's portfolio to an increasingly severe array of physical climate hazards. The country faces escalating risks from severe flooding, extreme rainfall events, rising temperatures, and more frequent weather disruptions that threaten the very foundation of our business operations. These physical manifestations of climate change pose direct threats to our properties' structural integrity, disrupt operational continuity, and compromise tenant safety across our portfolio.

The financial implications of these physical risks are substantial and multifaceted. Asset damage from extreme weather events can result in significant repair costs and insurance claims, while operational disruptions lead to business interruptions that affect rental income stability. Increased maintenance requirements due to more demanding environmental conditions strain operational budgets, and diminished tenant satisfaction from climate-related disruptions can impact retention rates and property valuations. These interconnected effects create a cascade of financial consequences that can materially affect our ability to deliver consistent returns to unitholders.

Recognising the severity of these threats, KIP REIT has implemented a comprehensive approach to physical climate risk management. **Our strategy focuses on proactive identification and assessment of vulnerabilities across our portfolio, enabling us to implement targeted resilience measures that protect both our assets and the communities we serve. This forward-thinking approach ensures that our properties can withstand the increasing intensity and frequency of climate-related events while maintaining operational excellence.**

Transition Risks: Adapting to the Low-Carbon Economy

The global transition toward a low-carbon economy is accelerating at an unprecedented pace, driven by evolving regulatory frameworks, shifting market expectations, and rapid technological advancements. This transformation presents KIP REIT with significant transition risks that require strategic adaptation across all aspects of our operations. Regulatory frameworks worldwide are becoming increasingly stringent, with mandatory climate disclosures, carbon pricing mechanisms, energy efficiency mandates, and stricter environmental standards becoming standard practice rather than optional considerations.

These regulatory shifts demand fundamental changes in how we approach operational strategies, make investment decisions, and allocate capital resources. Compliance with emerging regulations requires substantial investments in monitoring systems, reporting capabilities, and operational upgrades. Simultaneously, failure to adapt to these new requirements could result in financial penalties, restricted access to capital markets, and diminished competitive positioning within the real estate sector.

The transition risks extend beyond regulatory compliance to encompass changing market dynamics and stakeholder preferences. Tenants and investors are increasingly prioritising sustainable, energy-efficient, and green-certified buildings when making occupancy and investment decisions. This shift in preferences makes sustainability not just an operational consideration but a key driver of competitive advantage, tenant retention, and market differentiation. Properties that fail to meet evolving sustainability standards risk becoming stranded assets with diminished marketability and reduced valuations.

CLIMATE RESILIENCE

Meeting Evolving Stakeholder Expectations

Today's investment landscape is characterised by heightened stakeholder expectations for transparency, accountability, and meaningful climate action. Investors, regulators, tenants, and community members now demand transparent, consistent, and comparable reporting on climate-related risks and opportunities. This shift reflects a broader recognition that robust climate risk management is fundamental to sound corporate governance, financial stability, and long-term business resilience.

KIP REIT's commitment to meeting these expectations goes beyond compliance to encompass proactive risk stewardship and market leadership. Our comprehensive approach to climate disclosure and stakeholder engagement reinforces our dedication to accountability while building trust and confidence in our business operations. This alignment with stakeholder expectations not only meets current demands but positions us favourably for future regulatory developments and market shifts.

The integration of climate considerations into our governance framework ensures that climate risks and opportunities receive appropriate attention at the highest levels of decision-making. This top-down commitment to climate stewardship demonstrates our recognition that climate change is not a peripheral concern but a core business issue that requires board-level oversight and strategic integration.

> We believe climate action is not only an environmental imperative but a business necessity, shaping how KIP REIT builds resilience, captures opportunities, and creates shared value.
>
> **Valerie Ong**
> Executive Director / CEO

Transforming Challenges into Strategic Opportunities

While climate change presents significant risks, it also creates substantial opportunities for innovation, operational efficiency, and value creation. **KIP REIT's strategic focus on sustainability initiatives yields tangible benefits that extend far beyond risk mitigation. Our investments in energy efficiency improvements, renewable energy adoption, green building certifications, and sustainable asset management practices reduce our environmental footprint while simultaneously enhancing operational performance and financial returns**.

These sustainability initiatives generate multiple value streams that strengthen our competitive position. Cost savings from reduced energy consumption and improved operational efficiency directly impact our bottom line, while enhanced tenant experiences from more comfortable and sustainable buildings improve satisfaction and retention rates. Additionally, our commitment to sustainability opens access to favourable financing options, including sustainability-linked loans and green bonds, which can reduce our cost of capital and improve financial flexibility.

Our sustainability strategy also positions KIP REIT to capitalise on the growing demand for environmentally responsible real estate investments. As environmental, social, and governance considerations become increasingly important to institutional investors, our proactive approach to sustainability enhances our attractiveness to capital providers and supports premium valuations for our properties.

Building a Culture of Sustainability Excellence

Recognising that successful climate action requires organisation-wide commitment, KIP REIT is fostering a comprehensive culture of sustainability throughout our operations. This cultural transformation involves equipping our team with the necessary skills and knowledge through targeted training programs while encouraging innovative thinking that drives sustainable practices across all levels of our organisation. By empowering our employees to contribute meaningfully to our sustainability goals, we create a shared sense of purpose that enhances our overall effectiveness in addressing climate challenges.

Our commitment extends beyond internal capabilities to encompass strategic partnerships with industry stakeholders, governmental bodies, and non-governmental organisations. These collaborations enable us to leverage collective expertise and resources, facilitating the development of innovative solutions that address both current and future climate-related challenges. Through active engagement in industry dialogue and best practice sharing, we contribute to a broader movement toward sustainability within Malaysia's real estate sector.

Supporting National Climate Objectives

KIP REIT's sustainability strategy aligns with and actively supports Malaysia's national climate goals, including the ambitious 2050 carbon neutrality target. Our initiatives contribute to the country's broader decarbonisation efforts while positioning our portfolio to thrive in a low-carbon economy. This alignment with national objectives not only demonstrates our commitment to being a responsible corporate citizen but also ensures that our strategy remains relevant and supportive of long-term policy directions.

By integrating our business objectives with national climate goals, we create synergies that benefit both our operations and the broader community. Our investments in sustainable infrastructure and practices contribute to Malaysia's green building stock, support the development of sustainable supply chains, and demonstrate the commercial viability of climate-positive real estate investments.

Ensuring Continuous Evolution and Leadership

As we look toward the future, KIP REIT remains committed to continuously refining our sustainability strategy to ensure alignment with evolving scientific insights, regulatory frameworks, and market dynamics. Our approach to climate resilience represents more than a response to external pressures: it embodies a strategic imperative that underpins our long-term vision for sustainable growth and market leadership.

The integration of climate considerations into our core operations and decision-making processes ensures that sustainability remains central to our business strategy rather than a peripheral consideration. This comprehensive approach safeguards our assets while positioning KIP REIT to play a pivotal role in fostering Malaysia's transition to a resilient, low-carbon economy.

Through our unwavering dedication to sustainability and climate resilience, KIP REIT aims to lead by example, inspiring transformation across Malaysia's real estate sector and demonstrating that environmental responsibility and financial performance are not only compatible but mutually reinforcing. Our commitment extends beyond protecting and enhancing unitholder value to encompass our responsibility to the communities and environments in which we operate, ensuring that our success contributes to a more sustainable and resilient future for all stakeholders.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to developing and implementing a comprehensive climate resilience framework that minimises climate-related disruptions and safeguards the safety and continuity of our operations. We place the protection of our assets, tenants, and communities at the forefront of our business priorities, recognising that climate resilience is fundamental to our operational integrity and long-term sustainability.

We are committed to:

- **allocate** necessary resources to maintain robust climate adaptation infrastructure and resilience systems across our property portfolio to withstand physical climate risks
- **implement** rigorous climate risk assessment and monitoring practices to prevent climate-related incidents and safeguard our assets, tenants, and surrounding communities
- **conduct** regular climate resilience training programmes that equip our employees with the knowledge and skills necessary to identify, assess, and respond to climate threats and extreme weather events
- **ensure** compliance with all relevant climate disclosure requirements (including but not limited to the Task Force on Climate-Related Financial Disclosures ("**TCFD**")), environmental regulations, and sustainability standards in Malaysia while supporting national climate objectives
- **maintain** comprehensive emergency response protocols for climate incidents and respond to all climate-related events promptly to implement corrective and preventative measures that enhance portfolio resilience

CLIMATE RESILIENCE

WHAT IS OUR APPROACH?

KIP REIT actively participates in sustainability-related associations and initiatives, demonstrating our leadership in climate management and contributing to public policy discussions.

As a member of the CEO Action Network, an informal network of CEOs from leading Malaysian businesses focused on sustainability advocacy and capacity building, we collaborate with industry leaders to drive sustainable development initiatives and share best practices. Our involvement enables meaningful dialogue on climate-related challenges and opportunities, ensuring our collective efforts contribute to effective public policy and regulatory frameworks that support a sustainable future.

SUSTAINABILITY GOVERNANCE AND MANAGEMENT FRAMEWORK

Board-Level Climate Governance

The Board of Directors maintain ultimate responsibility for climate-related governance, ensuring that sustainability considerations are embedded into the organization's strategic direction and risk management frameworks.

Strategic Direction and Policy Approval

- Reviewing and approving KIP REIT's climate strategy, including long-term sustainability roadmaps and transition pathways
- Setting enterprise-wide sustainability targets and key performance indicators aligned with science-based methodologies
- Ensuring alignment with evolving regulatory requirements, investor expectations, and international best practices including TCFD recommendations

Risk Oversight and Capital Allocation

- Overseeing the integration of environmental, social, and governance ("**ESG**") considerations into business strategy formulation and asset management decisions
- Approving significant capital investments in climate adaptation, mitigation technologies, and sustainable infrastructure
- Evaluating the effectiveness of risk management frameworks, including climate-related financial disclosures in line with IFRS S2 requirements

Performance Monitoring and Accountability

- Receiving reports on sustainability performance metrics, including greenhouse gas emissions, energy efficiency improvements, and climate risk exposure assessments
- Monitoring progress against established sustainability targets and ensuring corrective actions are implemented where necessary
- Ensuring transparency and accuracy in climate-related financial disclosures and external reporting

Sustainability Steering Committee

The Sustainability Steering Committee ("**SSC**") comprises senior leaders across asset management, operations, finance, legal and risk management functions, chaired by the Executive Director/Chief Executive Officer ("**CEO**"), ensuring cross-functional integration of sustainability considerations.

Strategic Implementation Responsibilities

- Developing detailed implementation plans for Board-approved sustainability policies and strategies
- Establishing operational guidelines and performance monitoring systems to track progress against sustainability targets

Resource Allocation and Investment Oversight

- Evaluating and prioritising climate-related capital expenditure proposals, including energy efficiency retrofits, renewable energy installations, and climate adaptation infrastructure
- Developing business cases for sustainable building technologies, green building certifications, and resilience planning initiatives
- Monitoring return on investment for sustainability-related capital expenditures and operational improvements

Sustainability Working Group (SWG)

The Sustainability Working Group ("**SWG**"), comprising human resources, operational and technical managers, is responsible for day-to-day implementation of sustainability initiatives across KIP REIT's property portfolio.

Climate Risk Management and Adaptation

- Conducting detailed climate risk assessments for each Managed Asset, including physical risk for flood exposure, temperature stress, and extreme weather events
- Developing and executing climate adaptation strategies, including infrastructure resilience planning, emergency preparedness protocols, and operational adaptation measures
- Implementing transition risk management measures, including regulatory compliance monitoring, sustainable building certifications, and stakeholder engagement initiatives

Performance Measurement and Reporting

- Establishing clear accountability through department-specific sustainability targets tied to executive remuneration and performance evaluation systems
- Collecting, analysing, and reporting environmental performance data, including Scope 1, 2, and 3 greenhouse gas emissions, energy consumption, water usage, and waste management metrics
- Conducting third-party audits of environmental performance data to ensure accuracy and reliability for external reporting and compliance purposes

Integration and Accountability Mechanisms

Decision-Making Integration

Cross-functional working groups ensure climate considerations are systematically integrated throughout organizational operations, from asset acquisition due diligence to property management protocols and supply chain oversight. This integration enables proactive identification and mitigation of potential climate-related disruptions while capturing value-creation opportunities.

Reporting and Review Cycles

- Quarterly operational reporting from SWG to SSC on sustainability performance metrics and emerging risks
- Quarterly SSC reports to the Board covering strategic progress, performance against targets, and material climate-related developments
- Annual comprehensive sustainability reporting aligned with international frameworks including TCFD, IFRS S2, and relevant local regulatory requirements

Continuous Improvement Framework

The governance structure incorporates regular review mechanisms to ensure evolving climate-related risks and opportunities are appropriately addressed through updated policies, procedures, and strategic responses. This includes annual governance effectiveness reviews and periodic benchmarking against industry best practices and regulatory expectations.

CLIMATE RESILIENCE

CLIMATE RISK ASSESSMENT AND STRATEGIC APPROACH

To ensure robust strategic planning under climate uncertainty, KIP REIT has developed three distinct climate scenarios that span the range of potential future outcomes, enabling us to stress-test our portfolio resilience and identify strategic opportunities:

Net Zero Target 2050 ("NZT2050")	Decarbonization Net Zero 2050 ("DNZ2050")	Nationally Determined Contributions ("NDCs")
1.4°C Scenario	1.4°C Scenario	2.6°C Scenario
This scenario assumes successful global coordination to achieve net-zero emissions by 2050, characterised by rapid deployment of clean technologies, comprehensive carbon pricing mechanisms, and strong policy support for decarbonisation. Under this pathway, we anticipate accelerated demand for sustainable real estate, enhanced green building premiums, and significant transition risks for non-compliant assets.	This scenario models an aggressive technology-driven decarbonization pathway, emphasising breakthrough innovations in renewable energy, energy storage, and building efficiency technologies. This environment would create substantial opportunities for early adopters of cutting-edge sustainable building technologies while potentially stranding conventional real estate assets.	This scenario reflects current global commitments under the Paris Agreement without additional policy acceleration, representing a "business-as-usual" trajectory with limited climate action. While transition risks remain moderate, this pathway significantly increases physical climate risks including extreme weather events, flooding, and temperature stress affecting our retail properties.

Risk Level Indicators: None, Low, Moderate, Significant, Severe

Time Horizon: Short-term Up to year 2030; Medium-term 2030–2040; Long-term 2040–2050

Primary Risk Driver		Potential Impacts	Time Horizon	Risk Level in 3 scenarios: NZT 2050 (1.4°C)	DNZ 2050 (1.4°C)	NDCs (2.6°C)	Future Mitigation Measures
Physical Risk							
Extreme Cold	Cold days and extreme cold may become more frequent and/or severe.	Increased heating demand may result in higher electricity costs and potentially raise Scope 1 emissions if fuel oil or natural gas boilers are used.	Medium-term, Long-term	None	None	None	• Ongoing maintenance will ensure that air heating systems and generators are functioning properly and suitable for both local and changing climate conditions. • Retrofits and designs will take into account the welfare of staff, tenants, visitors, and customers in these environments.
Extreme Heat	Hot days and extreme heat may become more frequent and/or severe.	Rising temperatures and more frequent heat waves are likely to cause health issues and increased operational expenses with respect to electricity costs.	Short-term, Medium-term	Low	Low	Moderate	• Ongoing maintenance of air-cooling systems and generators to ensure they are in good working order and suitable for local and changing climate conditions. • Implement health and safety initiatives to safeguard individuals from extreme heat risks, including necessary work restrictions during peak temperature hours. • Retrofit buildings to enhance energy efficiency and resilience against climate variations.
Fluvial flooding	Damage to assets located in high flood risk areas	Rising exposure of assets to more severe river floods leading to increased operating costs, including repair expenses and business interruptions.	Short-term, Medium-term	Low	Low	Moderate	• Develop effective flood control measures, including the installation of flood gates and drainage infrastructure as necessary to mitigate flood risks. • Ensure that platform levels are assessed against updated flood maps for all new designs and redevelopment projects to maintain safety standards. • Implement comprehensive flood emergency response plans and conduct regular drills to ensure preparedness and effective response during flood events.
Coastal Flooding	Properties in coastal areas may face ongoing and gradual sea-level rise.	The increase in assets at risk from coastal flooding drives up capital costs for flood control infrastructure. As exposure to flooding hazards grows, the demand for effective mitigation measures and resilient infrastructure becomes more critical.	Short-term, Medium-term	None	None	None	• Monitor national initiatives aimed at mitigating the risks associated with coastal flooding. • Develop and implement effective flood control measures whenever deemed necessary to protect vulnerable areas. • Ensure that flood emergency response plans are not only established but also actively practiced and executed to enhance community preparedneTransition Risk
Thunderstorms	Properties may encounter frequent occurrences of thunderstorms	Severe thunderstorms can cause significant structural damage and power outages, leading to increased operating costs due to business interruptions, repair expenses, and higher insurance premiums.	Short-term, Medium-term	Low	Low	Moderate	• Verify all structures can withstand higher wind speeds by reinforcing roofs and improving drainage systems to mitigate damage from heavy rainfall and flying debris. • Strengthen operational resilience by conducting frequent inspections of backup power systems and critical infrastructure to ensure functionality during severe thunderstorms. • Develop and regularly test comprehensive business continuity and emergency response plans that address prolonged power outages, equipment failures, and staff safety protocols during extreme weather events.

CLIMATE RESILIENCE

Primary Risk Driver		Potential Impacts	Time Horizon	Risk Level in 3 scenarios			Future Mitigation Measures
				NZT 2050 (1.4°C)	DNZ 2050 (1.4°C)	NDCs (2.6°C)	
Physical Risk							
Urban Fires	Under dry conditions, high winds, urban density, human activity, aging infrastructure, and climate change may lead to increased fire occurrence and damage at properties.	The rising risk of urban fires can result in significant property damage, increased insurance premiums, and prolonged business interruptions. As fire hazards become more prevalent, businesses may face higher operating costs due to repairs and loss of revenue during fire events. Additionally, the need for enhanced fire prevention measures and resilient infrastructure becomes critical to safeguard assets and ensure community safety.					• Conduct regular fire risk assessments to identify vulnerable properties and test coordinated emergency response plans with local fire services for effective incident management. • Enhance building codes to require fire-resistant materials and designs, while investing in advanced fire detection and suppression systems for commercial properties. • Design and monitor landscaping to prevent vegetation encroachment to structures, and include fire breaks (e.g., service roads) between outside vegetation and buildings. • Develop and implement public education programs on fire prevention, alongside landscaping strategies that include firebreaks, such as service roads, to create defensible spaces. • Perform routine inspections of electrical systems and critical infrastructure to reduce ignition risks and ensure operational safety during fire events. • Strengthen operational resilience by carrying out annual fire evacuation drills and conducting frequent inspections of fire equipment and critical infrastructure to ensure functionality during fire emergencies.
Transition Risk							
Regulatory requirements	Regulatory changes regarding sustainable practices and environmental protection can significantly elevate compliance risks and costs for KIP REIT and its tenants.	Changes in laws and regulations on sustainability can increase compliance risks and costs for KIP REIT and its tenants, impacting operations and financial performance. Adapting to these evolving standards is crucial for maintaining competitiveness and ensuring environmental responsibility.					• Implement regular reviews of regulatory compliance to stay updated on evolving sustainability laws and minimise potential risks. • Monitor regulatory changes and facilitate timely adaptations in operations and reporting practices. • Engage with stakeholders, including local authorities and community organizations, to foster collaboration and transparency in meeting regulatory obligations. • Conduct periodic audits of compliance measures to identify gaps and implement corrective actions, ensuring ongoing alignment with regulatory requirements.

Primary Risk Driver		Potential Impacts	Time Horizon	Risk Level in 3 scenarios			Future Mitigation Measures
				NZT 2050 (1.4°C)	DNZ 2050 (1.4°C)	NDCs (2.6°C)	
Transition Risk							
Carbon pricing	The price on greenhouse gas ("**GHG**") emissions may be effective through policy implementation, leading to higher operational expenses for KIP REIT and tenants.	Carbon pricing could lead to increased operational expenses for KIP REIT and its tenants, as costs associated with emissions may be passed on. This could affect profitability and necessitate adjustments in financial strategies to manage these expenses effectively.					• Implement energy efficiency upgrades across properties and transition to renewable energy sources to lower GHG emissions and reduce exposure to carbon costs. • Develop lease clauses that share carbon pricing costs between KIP REIT and tenants, incentivising collaborative emission reduction efforts. • Establish carbon cost reserves and explore sustainability-linked financing to offset potential expense increases from emission pricing. • Launch education programs to help tenants adopt low-carbon operations through energy audits and shared sustainability targets. • Track and monitor evolving carbon policies and ensure timely compliance with reporting requirements. • Invest in verified offset projects to neutralise unavoidable emissions while long-term reduction strategies are implemented.
Innovation and technological advancements	The proactive adoption of innovative technologies is essential for sustaining a competitive edge in the industry; neglecting this strategy could lead to obsolescence and significant operational vulnerabilities.	Failing to adopt evolving technologies can lead to a significant competitive disadvantage, as more innovative competitors may capture market share. This neglect can also result in increased operational costs due to inefficiencies and reduced tenant satisfaction, ultimately impacting revenue.					• Implement a comprehensive technology adoption strategy to integrate emerging proptech solutions across all properties, enhancing operational efficiency and tenant experience. • Develop partnerships with innovative startups and research institutions to foster collaboration and accelerate the implementation of technologies. • Launch continuous training programs for staff to ensure they are equipped with the necessary skills to utilise new technologies effectively. • Launch continuous training programs for staff to ensure they are equipped with the necessary skills to utilise new technologies effectively.

CLIMATE RESILIENCE

Primary Risk Driver		Potential Impacts	Time Horizon	Risk Level in 3 scenarios			Future Mitigation Measures
				NZT 2050 (1.4°C)	DNZ 2050 (1.4°C)	NDCs (2.6°C)	
Transition Risk							
Change in tenant behaviour	Changes in tenant behaviour, driven by sustainability awareness, may lead to increased demand for eco-friendly spaces and pressure for greener practices.	As tenants increasingly prioritise eco-friendly features, properties lacking green certifications may face higher vacancy rates and reduced attractiveness. This trend could also lead to increased operational costs to retrofit buildings to meet tenant expectations. Additionally, failure to adapt to these changing preferences may result in reputational damage and decreased competitiveness in the market, ultimately affecting long-term profitability.					• Obtain green building certifications to enhance property appeal and meet tenant expectations for eco-friendly spaces. • Adapt property designs to include flexible, multifunctional spaces that can accommodate evolving tenant needs and preferences for sustainability. • Implement surveys and feedback channels to understand tenant preferences and adapt offerings, ensuring alignment with their sustainability goals. • Collaborate with environmental organisations to stay informed on best practices and innovations in sustainability, enhancing property management strategies.
Behavioural trends and social changes	Shifts in social attitudes towards sustainability may reduce investor confidence in KIP REIT, impacting fundraising efforts if initiatives are perceived as inadequate.	Stakeholders' perceptions significantly influence KIP REIT's fundraising capabilities, particularly when sustainability initiatives are perceived as lacking. Negative views on sustainability can deter potential investors and partners, ultimately hindering KIP REIT's ability to secure necessary capital for growth and development.					• Regularly communicate sustainability initiatives and progress to stakeholders, showcasing commitment and accountability. • Involve investors and partners in sustainability discussions to understand their concerns and expectations, fostering a collaborative approach. • Create and implement robust sustainability initiatives that align with industry standards and stakeholder expectations, demonstrating genuine commitment. • Regularly assess stakeholder perceptions and market trends to adapt strategies proactively and address any emerging concerns. • Obtain certifications from recognised sustainability organisations to validate KIP REIT's efforts and enhance credibility.

Primary Risk Driver		Potential Impacts	Time Horizon	Risk Level in 3 scenarios			Future Mitigation Measures
				NZT 2050 (1.4°C)	DNZ 2050 (1.4°C)	NDCs (2.6°C)	
Transition Risk							
Talent attraction and retention	Increased recruitment costs may arise from the need for specialised skills, while potential leadership succession challenges could impact strategic direction if current leaders lack sustainability knowledge.	The shift towards sustainability in the talent pool may lead to increased recruitment costs for KIP REIT as they seek candidates with specialised skills in sustainable practices. Additionally, this shift could heighten leadership succession risks if existing leaders lack the necessary expertise in sustainability, potentially impacting strategic direction.					• Provide ongoing sustainability training for current employees to enhance their skills and knowledge. • Promote KIP REIT's commitment to sustainability in recruitment efforts to attract like-minded candidates. • Collaborate with organisations, universities and training programs to develop a pipeline of talent skilled in sustainable practices. • Develop a robust succession plan that includes identifying and mentoring future leaders with sustainability expertise.

PERFORMANCE MEASUREMENT AND MONITORING

Metric Category	Key Performance Indicators	Unit of Measurement	Reporting Scope
Energy Management			
Electricity Consumption	Grid-sourced electricity	GJ	KL HQ Office and all Managed Assets except DPulze Shopping Centre
Renewable Energy	On-site renewable generation	GJ	All Managed Assets except DPulze Shopping Centre
Fuel Consumption	Direct fuel usage	GJ	REIT Manager and Service Provider
Greenhouse Gas Emissions			
Scope 1 (Direct Emissions)	Direct emissions from operations	$tCO2e$	REIT Manager and Service Provider
Scope 2 (Indirect Energy)	Purchased electricity emissions	$tCO2e$ and $tCO2e/m^2$	All Managed Assets except DPulze Shopping Centre
Scope 3 (Other Indirect)	Employee commuting, business travel	$tCO2e$	REIT Manager and Service Provider
Resource Management			
Water Consumption	Common area water usage	m^3 and m^3/sqm	All Managed Assets except DPulze Shopping Centre
Waste Generation	Total waste generated	RM	All Managed Assets except DPulze Shopping Centre
Waste Composition	General waste vs recyclables	RM	All Managed Assets except DPulze Shopping Centre
Paper Consumption	Office paper usage	kg	KL HQ Office and all Managed Assets except DPulze Shopping Centre

CLIMATE RESILIENCE

SUSTAINABILITY PERFORMANCE TARGETS (2025-2030)

Performance Area	Target	Impact
Carbon Emissions (Scope 2)	• Minimum 1% reduction versus previous year's GHG emissions	Cumulative 6% reduction by 2030, supporting Malaysia's carbon neutrality goals
Total Energy Consumption	• Minimum 1% reduction versus previous year's total energy usage (excluding tenant consumption)	Enhanced operational efficiency and reduced utility costs across Managed Assets
Water Stewardship	• Minimum 1% reduction versus previous year's common area water consumption	Resource conservation and operational cost optimisation
Waste Management	• Increase recycling rates by 1% versus previous year • Reduce non-recycled waste by 1% versus previous year	Improved waste diversion rates and reduced landfill dependency
Paper Consumption	• Minimum 1% reduction versus previous year's paper usage	Digital transformation and reduced environmental footprint

WHAT IS THE VALUE WE CREATED IN FY2025?

FY2025 marked a pivotal milestone in KIP REIT's sustainability journey with the successful launch of our inaugural **Climate Risk Policy** in April 2025. This comprehensive policy represents a significant value creation initiative that demonstrates our unwavering commitment to responsible environmental stewardship and positions KIP REIT as a forward-thinking leader in the Malaysian REIT sector.

The **Climate Risk Policy** establishes a robust framework for identifying, assessing, and managing climate-related risks across all our Managed Assets. This systematic approach enables us to evaluate both physical climate risks and transition risks while implementing scenario analyses using 1.5°C, 2°C, and 3°C warming scenarios to ensure our portfolio's long-term resilience.

The policy's implementation has enhanced our operational value through comprehensive risk assessment methodologies, vulnerability assessments, and risk prioritisation frameworks that safeguard our Managed Assets against extreme weather events and evolving regulatory landscapes. Furthermore, our commitment to integrating climate resilience measures, sustainable building practices, and smart building technologies across our Managed Assets strengthens our competitive positioning while reducing operational costs and environmental impact.

This groundbreaking policy aligns KIP REIT with national climate objectives under Malaysia's NCCP 2.0 framework and positions us to meet the increasingly stringent ESG criteria demanded by institutional investors. The establishment of robust monitoring and reporting mechanisms, including specific KPIs for climate risk management and transparent stakeholder communication, enhances our credibility and attracts sustainability-focused investment capital.

For detailed insights into our climate risk management strategies and their implementation across our Managed Assets, scan the QR code at right to access the complete **Climate Risk Policy** document and discover how we are building resilience for tomorrow's challenges.

WHAT IS OUR NEXT INITIATIVE?

As a Group 2 entity under the Securities Commission Malaysia's classification, KIP REIT's mandatory IFRS S2 compliance takes effect in FY2027.

Recognising the strategic importance of preparation, our readiness initiatives focus on conducting detailed gap analyses of current reporting practices against IFRS S2 requirements, enhancing data governance infrastructure for robust climate-related metrics collection and verification, and investing in team capabilities through specialised training programs. This foundation building ensures we develop the technical expertise necessary to meet future regulatory demands.

Our approach to climate risk management has begun integration within our ERM framework, allowing us to identify and mitigate key climate-related risks. Through this evolving ERM framework, KIP REIT is progressively prioritising climate-related risks and integrating climate resilience considerations into the design, development, and management of our Managed Assets. We are committed to enhancing this integration more comprehensively before conducting the double materiality assessment in FY2027.

To complement this technical preparation, we maintain regular stakeholder engagement to understand information needs and expectations, while actively participating in industry forums to learn from peers and stay current with evolving market expectations. This engagement approach ensures our preparation remains aligned with stakeholder requirements and industry developments.

Our approach balances regulatory compliance with value creation, ensuring that enhanced sustainability reporting capabilities support both external disclosure requirements and internal strategic decision-making. This positions KIP REIT to meet evolving sustainability expectations in Malaysia's real estate investment sector while contributing to the nation's broader climate objectives.

DIVE DEEPER INTO OUR SUSTAINABILITY JOURNEY

page 130

Energy Eciency and GHG Management

Discover our carbon reduction strategies and energy optimisation initiatives

page 148

Water Stewardship

Learn about our water conservation and management initiatives

page 156

Waste Management

Explore our recycling efforts and waste management initiatives

page 164

Responsible Resource Use

See how we optimize resources across our portfolio

VISION 3
Pioneering the Net Zero Transition

ENERGY EFFICIENCY AND GHG MANAGEMENT

Driving energy efficiency and reducing greenhouse gas emissions through innovative solutions and responsible practices, strengthening cost competitiveness while supporting the transition to a low-carbon economy.

7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

GRI | 3-3, 302-1, 305-1, 305-2, 305-3, 305-4

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Unitholders and Investment Community
- Regulator

RISK AND OPPORTUNITY

1 Climate Regulatory Compliance → Access to Green Financing

Risk	Opportunity
Mandatory emissions reporting requirements and evolving climate regulations potentially increasing operational costs, compliance burdens, and financial penalties for non-compliance.	Proactive energy efficiency initiatives and comprehensive greenhouse gas ("**GHG**") management enabling access to green financing and regulatory advantage in emerging climate policy frameworks.

2 Rising Energy Costs → Operational Resilience

Risk	Opportunity
Escalating electricity tariffs increasing operational expenses and reducing net operating income.	Strategic energy efficiency investments and renewable energy integration reducing operational costs and enhancing energy security.

3 Stakeholder Expectations → Market Differentiation

Risk	Opportunity
Inadequate energy and emissions performance failing to meet investor ESG requirements, tenant sustainability expectations, and community environmental standards, potentially impacting asset valuations and market competitiveness.	Excellence in energy efficiency and GHG management strengthening ESG credentials, attracting sustainability-focused tenants and investors, commanding premium rents, and enhancing long-term asset values.

WHY IS THIS TOPIC MATERIAL TO US?

Energy Efficiency and GHG Management are material to KIP REIT because they directly influence our operational performance, financial resilience, and long-term sustainability. As a retail-focused REIT, energy consumption represents one of our most significant operating costs. Improving efficiency in areas such as lighting, air conditioning, and building systems reduces utility expenses, delivering both immediate cost savings and long-term value creation for unitholders.

Our commitment extends beyond financial benefits to meaningful environmental impact. Real estate contributes significantly to global carbon emissions, and we recognise our role in addressing this challenge. By reducing energy consumption and GHG emissions across our Managed Assets, we actively support Malaysia's climate goals while demonstrating corporate responsibility.

This focus strengthens our ESG credentials, opening doors to green financing, sustainability-linked loans, and ESG-focused investors who increasingly prioritise environmentally responsible investments. Strong energy performance builds stakeholder confidence and enhances our market positioning.

Proactive energy management also shields us from future risks. With environmental regulations tightening and electricity costs rising, early action on efficiency protects against compliance challenges and volatile energy expenses while ensuring our properties remain competitive and valuable.

Ultimately, advancing Energy Efficiency and GHG Management is not just an environmental necessity. It is a strategic imperative that enhances our competitiveness, builds stakeholder trust, and reinforces our role as a responsible and future-ready REIT.

WHAT IS OUR COMMITMENT?

KIP REIT is dedicated to embedding energy efficiency and emissions management into every aspect of our operations. We recognise that sustainable energy practices require consistent action, clear targets, and measurable progress. Our approach combines smart systems with disciplined execution to deliver both environmental and financial results across our portfolio.

We are committed to:

- **implement** comprehensive energy monitoring systems to track consumption patterns and identify optimisation opportunities across all our Managed Assets
- **establish** emissions reduction targets aligned with national climate commitments and international best practices
- **conduct** regular energy audits and implement data-driven efficiency measures to continuously improve our environmental and financial performance
- **maintain** transparent reporting of our energy consumption, GHG emissions, and reduction progress to demonstrate accountability and drive continuous improvement

ENERGY EFFICIENCY AND GHG MANAGEMENT

WHAT IS OUR APPROACH?

1

We enhance our Energy Efficiency and GHG Management by actively decrease our reliance on non-renewable energy by implementing solar panels on our rooftops over the period.

All our Managed Assets (except DPulze Shopping Centre) are installed and equipped with a solar photovoltaic ("**PV**") system that generates solar energy.

We advance our Energy Efficiency and GHG Management strategy by systematically reducing reliance on non-renewable energy sources. A key pillar of this effort is the deployment of rooftop solar PV systems across all our Managed Assets (except DPulze Shopping Centre), transforming our shopping malls into active generators of clean, renewable energy.

2

Our journey began in 2019 with the rollout of solar PV systems across our Managed Assets (except KIPMall Kota Warisan and Dpulze Shopping Centre).

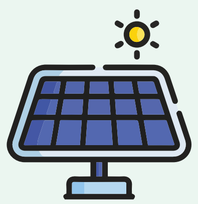
The initial phase focused on evaluating technical feasibility, energy cost savings and integration with existing building infrastructure.

Rather than viewing solar as a standalone initiative, we embedded it within our broader energy framework supported by monitoring system that enables energy and performance tracking.

3

We expanded our solar capacity in recent years by leveraging the benefits of the **Net Energy Metering** ("**NEM**") programme introduced by the **Sustainable Energy development Authority** ("**SEDA**").

Throughout this process, we collaborated with qualified engineering, procurement, construction and commissioning ("**EPCC**") contractor to ensure high standards of design, installation and regulatory compliance.



Solar Panel

4

With our substantial **RM10,609,956 investment** across our Managed Assets (except KIPMall Kota Warisan and DPulze Shopping Centre) from the initial stage, we are now enhancing and expanding our solar capabilities at KIPMall Tampoi and KIPMall Masai with an **additional RM900,000 investment**.

In support of our commitment to reducing carbon emissions and enhancing energy efficiency across our Managed Assets, we have further upgraded and **installed 144.585 kWp PV system at KIPMall Tampoi and 289.17 kWp PV system at KIPMall Masai** to harness clean, renewable energy to offset daily electricity consumption.

5

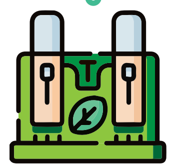
The successful implementation of these systems contributes meaningfully to our Scope 2 GHG emissions reduction efforts and reflects our commitment in energy efficiency.

This enhancement phase involves:

- replacing first generation panels with high efficiency PV system;
- modernising inverter systems to maximise energy conversion
- implementing advanced monitoring capabilities for performance optimisation
- expanding total solar generation capacity

6

This initiative not only lowers our carbon footprint but also provides long-term energy cost stability, reducing exposure to volatile electricity tariffs. The solar PV systems allow us to displace a meaningful portion of grid electricity consumption, directly contributing to national renewable energy targets and global climate action goals.



Chiller Plant

1

As part of our ongoing commitment to sustainable energy practices and climate responsibility, we have appointed **KJ Technical Services Sdn Bhd** (one of the subsidiaries of KJTS Group Berhad) ("**KJTS**") to conduct a comprehensive energy audit across our Managed Assets (except DPulze Shopping Centre), with a focus on assessing overall energy performance and efficiency.

Upon completion of this detailed assessment in December 2024, KJTS identified significant potential for additional energy efficiency improvements, projecting energy savings of at least 14.5% through targeted retrofitting measures by installing new chillers, new chilled water pumps, new condenser water pumps, new cooling towers and a centralised control system across our Managed Assets.

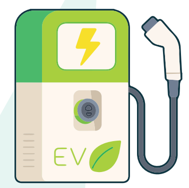
2

Our approach is anchored in data-driven decision making and continuous performance monitoring. The audit delivered actionable insights that enabled us to adopt a proactive energy management framework – one that emphasises real-time tracking of consumption, early detection of inefficiencies, and targeted interventions to optimise operations while reducing energy costs.

In parallel, the upgraded chiller plant infrastructure now facilitates daily tracking and reporting of GHG emissions, giving us the capability to measure, manage, and mitigate our environmental impact with far greater precision.

3

This integrated approach demonstrates that energy efficiency is not only an environmental imperative but also a strategic driver of long-term value creation. By combining operational savings, enhanced resilience, and reduced emissions, KIP REIT is positioning itself as a forward-looking REIT capable of delivering both financial returns and sustainability leadership.



EV Charging Infrastructure

1

We equipped KIPMall Tampoi, KIPMall Masai, KIPMall Kota Tinggi, KIPMall Melaka, KIPMall Bangi and KIPMall Kota Warisan with new EV charging bays, where each mall now features two to three charging bays through an innovative partnership with **Carput Zap Network Sdn Bhd.**

2

This approach serves dual purposes: enhancing customer experience for electric car owners and encouraging wider adoption of sustainable mobility among our tenant and visitor communities.

3

This initiative positions us as forward-thinking destinations that actively contribute to reducing transportation-related emissions and it supports adopting electric vehicles, reducing carbon emissions and local pollution which reflects our commitment to energy stewardship and carbon management

ENERGY EFFICIENCY AND GHG MANAGEMENT

The transformation started with KIPMall Tampoi, KIPMall Masai and KIPMall Kota Tinggi, where were completed in 2019.

The upgrades continued with KIPMall Bangi and KIPMall Senawang, which were completed in 2024, while works at KIPMall Melaka and KIPMall Kota Warisan are currently in progress.

We have implemented a comprehensive lighting system upgrade across our Managed Assets with the energy efficient LED lightings as part of the initiative to drive energy efficiency improvements, reduce carbon emissions, and contribute to a more sustainable operating environment.

This progressive lighting retrofit goes beyond simply upgrading fixtures. It delivers brighter and safer environments, lowers maintenance costs, and significantly improves energy performance. By cutting electricity consumption and reducing carbon emissions, the initiative creates measurable environmental benefits while enhancing the shopping experience.

KEY ENERGY SAVING INITIATIVES

- Maintaining a controlled mall temperature
- Staggering operational hours for escalators and essential machinery to minimise energy consumption
- Ensuring timely maintenance on machinery and equipment that use high electricity consumption
- Turning off unnecessary or unused air conditioning units to prevent electricity wastage
- Installation of smart meters for tracking purpose

WHAT IS THE VALUE WE CREATED IN FY2025?

Chiller Plant

During FY2025, KIP REIT made significant strides in optimising energy use across our retail portfolio through the implementation of energy audits and targeted retrofit works in partnership with KJTS. These efforts translated directly into measurable efficiency gains and cost savings.

The energy audit identified substantial opportunities for improvement, projecting efficiency gains of at least 43% from targeted retrofitting measures. Leveraging KJTS's zero-capex implementation model, we were able to capture these improvements without upfront capital commitments. Instead, savings are shared, ensuring that both environmental and financial value is realised immediately. With electricity tariffs set to rise in July 2025, this arrangement not only mitigates cost pressures but also enhances long-term operational resilience.

Across all retail assets under review, the average cost of cooling production **decreased from RM0.667/RTH to RM0.57/RTH – a 15% improvement in efficiency**. This optimisation allows us to deliver the same annual cooling output of 9.6 million RTH using significantly less energy input.

The financial impact is equally compelling. Cooling costs across the portfolio declined by **over RM1.0 million annually**, representing an **overall savings margin of 14.5%**. Site-level performance was particularly notable at KIPMall Tampoi (29% savings), KIPMall Melaka (17.8%), and KIPMall Senawang (11.7%), underscoring the scalability of these solutions across diverse asset profiles.

Note: All financial and performance projections above are based on analysis provided as at 30 June 2025.

ENERGY EFFICIENCY AND GHG MANAGEMENT

Solar Panel

The installation of upgraded PV systems at KIPMall Masai and KIPMall Tampoi marks a significant milestone in KIP REIT's transition toward sustainable energy. These investments transform our malls into producers of clean electricity, reducing dependency on the national grid while unlocking tangible financial, environmental, and strategic value. By embedding renewable energy into our portfolio, we not only safeguard against volatile energy costs but also demonstrate our commitment to measurable climate action and long-term resilience.

At KIPMall Masai, the 289.17 kWp system is designed to generate approximately 356 MWh of clean energy annually, offsetting about 41% of the mall's electricity demand. This translates into an estimated **RM258,722 annual saving** and a **net lifetime benefit of nearly RM5.9 million over 25 years**, with a rapid payback period of just over two years.

At KIPMall Tampoi, the 144.585 kWp system is designed to generate approximately 178 MWh of clean energy annually, offsetting about 46% of the mall's electricity demand. This translates into an estimated **RM129,361 annual saving** and a **net lifetime benefit of about RM2.9 million over 25 years**, with a rapid payback period of almost three years.

Beyond financial returns, the solar upgrades strengthen our reputation as a forward-looking REIT that prioritises both stakeholder value creation and environmental responsibility. With advanced **Jinko solar modules and Huawei smart inverters, and comprehensive annually preventive maintenance**, the systems are built for reliable, high-efficiency performance. Collectively, these initiatives reduce our carbon footprint, improve operational efficiency, and enhance the long-term competitiveness of our malls, positioning KIP REIT as a resilient, future-ready player in Malaysia's real estate landscape.

Note: All financial and performance projections above are based on quotations and analysis provided as at 5 September 2024.

Energy Management Policy

In FY2025, KIP REIT issued its first **Energy Management Policy**, a milestone that demonstrates our firm commitment to responsible energy stewardship and long-term climate action. This policy sets out a structured framework to guide how energy is managed across our retail assets, ensuring accountability, operational efficiency, and measurable performance improvements.

The policy outlines several key commitments:

- **Energy Efficiency**: adopting practices and technologies that improve energy intensity across building operations.
- Renewable Energy Integration: supporting the adoption of on-site renewable solutions such as solar PV systems to diversify energy sources and reduce reliance on grid electricity.
- **Cooling and Equipment Optimisation**: improving the efficiency of chilled water plants, air-conditioning systems, and other major energy-consuming equipment.
- **Sustainable Mobility**: encouraging the use of EV charging infrastructure and other initiatives that reduce Scope 2 and indirect emissions.
- **Monitoring and Reporting**: implementing systems to measure, record, and report energy consumption data in line with ESG disclosure requirements.
- **Stakeholder Awareness**: raising awareness among employees, tenants, and service providers to cultivate shared responsibility for energy conservation.

By formalising these principles, the Energy Management Policy strengthens our ability to mitigate risks from rising tariffs and regulatory requirements, while also positioning KIP REIT to capture opportunities in green financing and ESG-driven investment. It represents not only an environmental commitment but also a strategic enabler that supports portfolio competitiveness, operational cost savings, and long-term resilience. Scan the QR code to read the full policy and our detailed commitments.

ENERGY EFFICIENCY AND GHG MANAGEMENT

EV Charging Infrastructure

In FY2025, KIP REIT, through a zero-capex partnership with Carput Zap Network Sdn Bhd, advanced our commitment to sustainable mobility by rolling out EV charging infrastructure across our Managed Assets (except KIPMall Senawang and DPulze Shopping Centre). This collaboration not only supports Malaysia's transition to low-carbon transportation but also positions our malls as accessible, forward-looking hubs of smart and sustainable transport.

The uptake of EV charging has been encouraging. KIPMall Kota Warisan recorded the highest consumption at 4,290 kWh, followed by KIPMall Melaka at 2,519 kWh and KIPMall Bangi at 2,161 kWh. Collectively, total consumption across all six Managed Assets **reached 11,811 kWh over nine months**, with monthly usage showing a clear upward trend. These figures reflect both rising adoption of electric vehicles nationwide and the role of our malls as trusted charging destinations.

The installation of EV chargers creates value on multiple fronts:

- **Environmental impact:** Supporting wider EV adoption helps reduce reliance on carbon-emitting vehicles and contributes to lowering GHG emissions, reinforcing our climate resilience agenda.
- **Customer experience:** EV users spend longer dwell times while charging, increasing footfall, enhancing retail engagement, and boosting tenant sales opportunities.
- **Tenant appeal:** Sustainable mobility solutions strengthen our value proposition to global and local brands aligned with ESG values.
- **Future-readiness:** With EV adoption accelerating in Malaysia, early-stage infrastructure ensures our Managed Assets remain competitive and adaptable to evolving mobility trends.

The early success of this initiative demonstrates that sustainable mobility can be both environmentally impactful and commercially accretive. As utilisation continues to grow, EV charging will play an increasingly important role in reducing our portfolio's carbon footprint, enhancing tenant value, and future-proofing our assets.

IMPACT STORY

A 20-Year Partnership to Reimagine Energy Efficiency

On 5 March 2025, KIP REIT signed a landmark twenty-year agreement with KJTS. Under this long-term partnership, KJTS will undertake comprehensive retrofit works and subsequently provide operations and maintenance services, including chilled water supply across seven of our Managed Assets nationwide.

What makes this partnership distinct is KJTS's zero-capex, performance-guaranteed model, a solution that has gained strong traction among businesses seeking to channel capital into core operations. By absorbing the upfront investment, KJTS delivers state-of-the-art, centralised cooling systems that not only enhance space comfort but also significantly lower energy consumption and carbon emissions.

Energy efficiency is often described as the "first fuel" of the clean energy transition. The International Renewable Energy Agency ("**IRENA**") highlights that efficiency measures alone could contribute up to 25% of the emission reductions by 2050 to reach global net zero targets – second only to renewable energy adoption.

For KIP REIT, this collaboration represents more than cost savings. It is a decisive step toward embedding climate-conscious practices into our portfolio strategy. By leveraging KJTS's technical expertise, we aim to meaningfully reduce our energy consumption and GHG emissions, while strengthening the long-term resilience and competitiveness of our assets.

This partnership advances our ESG commitments and demonstrates our dedication to building a sustainable, climate-resilient future for all stakeholders. Through innovative financing models and cutting-edge technology, the KJTS–KIP REIT collaboration transforms how we approach energy efficiency across our retail portfolio while delivering measurable environmental and financial returns.

Our CEO **Valerie Ong** and KJTS Managing Director **Lee Kok Choon** discussed the strategic vision behind this transformative partnership.

ENERGY EFFICIENCY AND GHG MANAGEMENT

> For us, this 20-year partnership is about future-proofing our assets. It strengthens our ESG roadmap while making commercial sense for our unitholders.

Valerie Ong
Executive Director / CEO, KIP REIT

> From our side, it is about trust and performance. With our zero-capex, energy saving model, we help partners like KIP REIT cut emissions, reduce costs, and create long-term sustainable value.

Lee Kok Choon
Managing Director, KJTS Berhad

Q1 What inspired this remarkable 20-year partnership between KIP REIT and KJTS, and how does it support your strategic objectives and ESG commitments?

KIP REIT: From our perspective, this partnership is a natural step forward. It supports our ESG roadmap by strengthening energy efficiency, advancing decarbonisation, and ensuring compliance with environmental regulations. But beyond the ESG angle, it also has to make commercial sense.

Investors today look at both sustainability and financial impact. With KJTS's zero-capex, performance-based model, we can avoid heavy upfront costs, achieve long-term savings, and still deliver measurable reductions in energy use and greenhouse gas emissions. In that sense, this is not just a sustainability initiative. It is an investment in operational resilience, efficiency, and long-term value creation.

KJTS: For us, it is about being an ESG enabler. Our role is to help clients cut their carbon footprint while lowering energy costs. To date, we have reduced more than 68,682 MWh of energy consumption, avoiding roughly 53,000 tonnes of CO_2.

But numbers aside, our philosophy has always been about building trust and win-win relationships. That is why we have been able to sustain partnerships like this one over the long term. From a business standpoint, the model also gives us stable, recurring income, while ensuring our partners achieve both operational and environmental excellence.

Q2 There are other players in the market for retrofit works. What made KJTS the ideal partner for this long-term commitment, and how does this partnership align with KIP REIT's strategic goals?

KIP REIT: We looked at several players, but KJTS stood out for a few key reasons: scale, track record, and the ability to deliver an end-to-end solution. They don't just design and consult. They handle engineering, construction, retrofit implementation, and long-term maintenance under one roof. That level of integration gives us continuity and accountability across the entire lifecycle of the project.

Traditionally, you would have to engage separate consultants, contractors, and service providers, which can lead to communication gaps and fragmented accountability. With KJTS, the same team that starts with the consultation and design phase stays with us all the way through operations and maintenance. That means seamless communication, faster problem-solving, and stronger after-sales support.

For us, this is not only about technical upgrades. It is a strategic investment that fits perfectly with our long-term vision of operational excellence, cost efficiency, and environmental responsibility. By future-proofing our assets and managing energy performance proactively, we are lowering lifecycle costs and enhancing asset value, ultimately delivering sustainable returns to our stakeholders.

In short, KJTS's scale, expertise, and integrated model give us the confidence to embark on a project of this magnitude. That is what made them the partner of choice for this critical phase of our sustainability and growth journey.

Q3 Could KJTS walk us through the unique aspects of the chiller plant system being installed for KIP REIT properties? How will you ensure consistent service quality and innovation over two decades?

KJTS: Each property is different in size and usage, so the systems are not one-size-fits-all. But what is common is that every chiller plant we install will be monitored both on-site and remotely through our Command Centre. The Command Centre acts as the brain of the operation. It tracks performance in real time, ensures maximum efficiency, and feeds data into a continuous improvement loop. In simple terms, the system doesn't just stop at "installation". It keeps learning and improving.

Another unique aspect is our integrated model. The same team that designs and builds the system is also responsible for operating and maintaining it. That gives us a huge advantage. Nobody knows the plant better than the people who created it. This continuity ensures consistency, innovation, and accountability for the long haul.

Q4 Is KIP REIT planning to pursue any green certifications or energy efficiency ratings as a result of this partnership?

KIP REIT: Yes, absolutely. As part of our long-term sustainability strategy, we are already working towards recognised green building certifications and energy efficiency ratings across our retail assets.

This 20-year partnership with KJTS puts us in a stronger position to achieve those goals. By introducing centralised chilled water systems, energy-efficient retrofits, and proactive performance monitoring, we will be able to meet the criteria of rating tools such as GreenRE in a structured, impactful way.

For us, it is not just about checking a box. It is about embedding these standards into our asset management strategy. That way, we are future-proofing our portfolio while reinforcing our commitment to environmental stewardship and operational excellence.

Q5 What carbon emissions reductions are projected from the chiller system implementation, and how are these being tracked?

KJTS: We are projecting an annual reduction of about 4,800 MWh in energy use, which equates to roughly 3,700 tonnes of CO_2 avoided every year.

What makes this powerful is how we track it. The systems are equipped with real-time controls, and all performance data flows directly to our Command Centre. That means every efficiency gain and every reduction is monitored continuously, giving both us and KIP REIT clear visibility.

This way, we are not just making projections. We are able to demonstrate transparent, measurable ESG outcomes year after year.

Q6 What advice would you give to other REITs or companies considering retrofits or sustainability partnerships?

KJTS: No matter what kind of property you manage, whether a retail mall, hospital, office tower, or industrial site, the fundamentals are the same. If your building relies heavily on cooling, upgrading to modern, energy-efficient chillers and putting in place proactive maintenance can deliver big wins: lower energy use, reduced emissions, and meaningful cost savings over the long term.

ENERGY EFFICIENCY AND GHG MANAGEMENT

It is less about the asset class, and more about the building's energy profile. Once you understand that, the opportunities for improvement become very clear.

Q7 In your view, what leadership qualities are most critical in driving transformative sustainability partnerships?

KIP REIT: For us, one of the most important qualities is knowing how to focus on core strengths. At KIP REIT, our role is to operate, enhance, and generate revenue from retail assets. When it comes to specialised areas like energy efficiency and retrofitting, we recognise the value of bringing in subject-matter experts.

True sustainability leadership also means moving the conversation beyond cost-cutting. At some point, costs can only be optimised so far. The real transformation happens when leaders start focusing on long-term value creation, balancing operational efficiency with sustainable revenue growth.

It also takes vision and patience. Long-term partnerships don't always deliver instant returns, but with strong stakeholder alignment, transparent communication, and a shared outlook, they become powerful enablers of resilience and competitiveness. In the end, it is about building ecosystems of trust and collaboration where every partner contributes their strengths toward a common goal.

KJTS: We share that view. For us, the two most critical qualities are vision and trust. Leaders need the vision to look beyond short-term costs and see the long-term financial and environmental value of sustainability. And they need the trust to let partners do what they do best, instead of trying to solve everything in-house. That is when real progress happens.

Q8 In your experience, what is the most underrated quality of a successful CEO today, especially in high-pressure industries like property and engineering?

KIP REIT: For us, it is about being future-proof. That means embracing innovation, embedding sustainability into the core strategy, and surrounding yourself with the right experts for highly specialised areas. Future-proofing also requires recognising that change is constant. Agility becomes just as valuable as vision. The CEOs who thrive are the ones who can lead through uncertainty, make bold yet disciplined decisions, and always keep the long view in sight. That is how you build companies that endure, and thrive.

KJTS: From our side, we would say resilience. In high-pressure industries, challenges are inevitable, whether they are market-driven, operational, or regulatory. A great CEO is one who can stay focused, adapt quickly, and bounce back from setbacks, all while keeping the team motivated. That resilience is what really separates good leaders from great ones.

Q9 Fast forward to 2045 – what would success look like for this partnership between KIP REIT and KJTS?

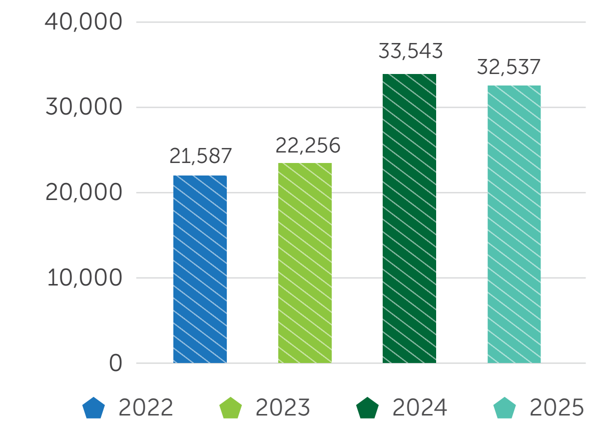
KIP REIT: If we look ahead twenty years, success would mean KIP REIT and KJTS are still strong partners, working hand in hand to keep every property in the portfolio running at peak efficiency and sustainability.

KJTS: By then, we want to be able to say that together we have not only helped KIP REIT meet its ESG goals, but consistently exceeded them. That we have enhanced asset value across the portfolio, and in doing so, set a new industry benchmark for how long-term partnerships can deliver environmental impact and financial performance side by side.

HOW IS OUR OVERALL PERFORMANCE?

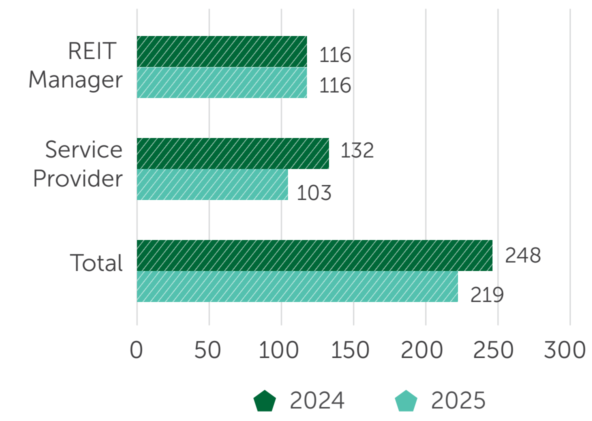
Energy Consumption

» Grid-sourced Electricity Consumption (GJ)



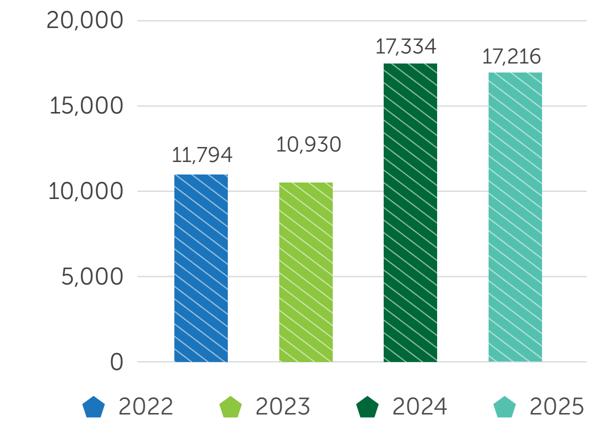
Grid-sourced electricity grew from 21,587 GJ in FY2022 to a peak of 33,543 GJ in FY2024 (+55% vs. FY2022), before easing marginally to 32,537 GJ in FY2025. The FY2024 spike coincides with portfolio expansion and higher operating intensity from new asset integration.

» Fuel Consumption (GJ)



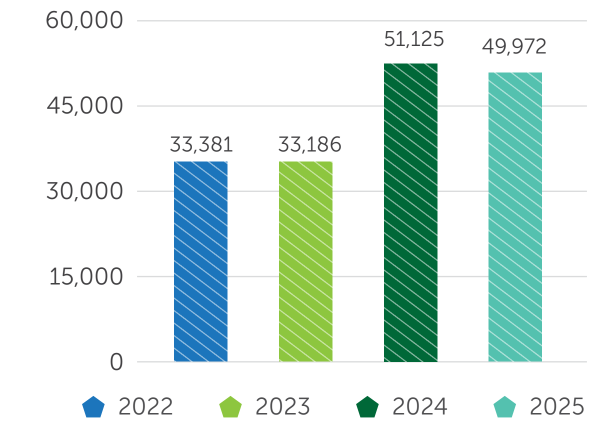
Fuel consumption only began to be tracked and disclosed from FY2024 onwards, reflecting a more comprehensive energy reporting framework. In FY2024, the REIT Manager recorded 116 GJ, while the Service Provider reported 132 GJ, bringing total fuel use to 248 GJ. By FY2025, fuel consumption remained unchanged at the REIT Manager level (116 GJ) but decreased for the Service Provider to 103 GJ, a 22% YoY reduction.

» Renewable Energy Generated (GJ)



Renewable energy generation followed a parallel trajectory, rising from 11,794 GJ in FY2022 to 17,334 GJ in FY2024 (+47% vs. FY2022), before settling at 17,216 GJ in FY2025. This demonstrates management's continued investment in on-site renewables to partly offset rising grid dependence.

» Total Energy Consumption (GJ)



KIP REIT's total energy consumption rose significantly in FY2024 to 51,125 GJ (+54% YoY from FY2023: 33,186 GJ), before moderating slightly to 49,972 GJ in FY2025 (-2% YoY). The sharp increase in FY2024 was primarily driven by higher grid electricity usage and the inclusion of fuel consumption data from both the REIT Manager and Service Provider, while the subsequent dip in FY2025 reflects early efficiency gains from renewable generation and operational adjustments.

ENERGY EFFICIENCY AND GHG MANAGEMENT

Grid-sourced Electricity Consumption by Managed Assets

Grid-sourced Electricity Consumption (GJ)	2022	2023	2024	2025
KIPMall Bangi	6,724	7,011	8,260	7,919
KIPMall Masai	4,777	5,906	6,259	5,713
KIPMall Kota Tinggi	931	1,094	1,276	1,647
KIPMall Tampoi	3,431	2,333	2,589	2,204
KIPMall Melaka	4,091	4,837	5,749	5,219
KIPMall Senawang	1,633	1,075	1,506	2,593
KIPMall Kota Warisan (1)	N/A	N/A	7,904	7,099
KL HQ Office (2)	N/A	N/A	N/A	143
Total	**21,587**	**22,256**	**33,543**	**32,537**

(1) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore grid-sourced electricity consumption (GJ) data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the grid-sourced electricity consumption (GJ) of this newly acquired asset.*

(2) *KIP REIT began collecting grid-sourced electricity consumption data (GJ) for our KL headquarter office from FY2025.*

Renewable Energy Generated by Managed Assets

Renewable Energy Generated (GJ)	2022	2023	2024	2025
KIPMall Bangi	1,140	1,063	1,467	1,465
KIPMall Masai	2,389	1,885	1,985	2,094
KIPMall Kota Tinggi	893	837	907	878
KIPMall Tampoi	1,830	1,858	1,816	1,891
KIPMall Melaka	3,549	3,417	4,925	4,970
KIPMall Senawang	1,993	1,869	1,894	1,797
KIPMall Kota Warisan (3)	N/A	N/A	4,340	4,121
Total	**11,794**	**10,930**	**17,334**	**17,216**

(3) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore renewable energy generated (GJ) data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the renewable energy generated (GJ) of this newly acquired asset.*

FY2025 Target

Reduce energy consumption portfolio-wide by **1%** compare to FY2024

Reduce Scope 2 emissions portfolio-wide by **1%** compare to FY2024

FY2025 Performance

Energy consumption portfolio-wide **reduced by 2%** compared to FY2024

Scope 2 emissions portfolio-wide **reduced by 1%** compared to FY2024

FY2026 Target

Reduce energy consumption portfolio-wide by **1%** compared to FY2025

Reduce Scope 2 emissions portfolio-wide by **1%** compared to FY2025

8% **KIPMall Kota Warisan**
reduction in total energy consumption

7% **KIPMall Tampoi**
reduction in total energy consumption

Carbon Emissions

Scope 1 GHG Emissions (tCO2e)	2023	2024	2025
REIT Manager	0.48	0.55	7.66
Service Provider	0.47	0.52	6.79
Total	**0.95**	**1.07**	**14.45**

Scope 2 GHG Emissions (tCO2e)	2022	2023	2024	2025
KIPMall Bangi	1,093	1,139	1,739	1,703
KIPMall Masai	776	960	1,318	1,228
KIPMall Kota Tinggi	151	178	269	354
KIPMall Tampoi	558	379	545	474
KIPMall Melaka	665	786	1,210	1,122
KIPMall Senawang	265	175	317	557
KIPMall Kota Warisan (4)	N/A	N/A	1,664	1,526
Total	**3,508**	**3,617**	**7,062**	**6,964**

(4) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore Scope 2 GHG emissions (tCO2e) data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the Scope 2 GHG emissions (tCO2e) of this newly acquired asset.*

Scope 2 GHG Emissions Intensity (tCO_2/m^2)	2022	2023	2024	2025
KIPMall Bangi	0.034	0.035	0.065	0.060
KIPMall Masai	0.034	0.042	0.090	0.084
KIPMall Kota Tinggi	0.014	0.017	0.037	0.049
KIPMall Tampoi	0.026	0.017	0.034	0.030
KIPMall Melaka	0.026	0.031	0.045	0.060
KIPMall Senawang	0.016	0.011	0.029	0.049
KIPMall Kota Warisan (5)	N/A	N/A	0.093	0.085
Total	**0.150**	**0.153**	**0.393**	**0.417**

(5) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore Scope 2 GHG emissions intensity (tCO_2/m^2) data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the Scope 2 GHG emissions intensity (tCO_2/m^2) of this newly acquired asset.*

Scope 3 GHG Emissions (tCO2e)	2023	2024	2025
Employee Commuting			
REIT Manager	16.36	7.10	14.64
Service Provider	96.14	95.05	148.99
Business Travel			
REIT Manager	0.00	1.30	0.75
Service Provider	0.26	0.42	4.23
Total	**112.76**	**103.87**	**168.61**

ENERGY EFFICIENCY AND GHG MANAGEMENT

WHAT IS OUR NEXT INITIATIVE?

KIP REIT will be pursuing GreenRE certification for KIPMall Bangi and KIPMall Tampoi, with completion targeted by FY2026. This certification process will validate that our two Managed Assets meet the relevant environmental standards. It provides independent, third-party verification that our buildings operate sustainably and meet rigorous green building criteria.

This initiative forms an integral part of our broader strategy to future-proof our Managed Assets. Green certification enhances the appeal of our Managed Assets to environmentally conscious tenants and investors, strengthens our competitive position, and demonstrates measurable progress in reducing our environmental footprint.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will roll out tenant engagement programmes aimed at promoting awareness and educating tenants on the importance of Energy Efficiency and GHG Management. These initiatives are designed to foster a culture of shared environmental responsibility and encourage active participation in our sustainability journey.

In line with our commitment to continuous improvement, we will proactively assess and identify non-optimised operational areas across our assets. Leveraging data from energy audits, real-time monitoring systems, and equipment performance analytics, we seek to uncover inefficiencies such as underperforming mechanical systems, excessive base load energy consumption, and suboptimal automation settings. These insights will inform targeted interventions to further enhance energy performance.

We will enhance training for both staff and tenants to ensure energy-efficient practices are effectively implemented and sustained. This includes technical workshops, best practice sharing, and continuous education to embed energy awareness across all levels of building operation and tenancy.

Medium Term

As part of our medium-term sustainability agenda, we will sponsor a tree-planting initiative in collaboration with established NGOs. Through this effort, we aim to enhance carbon sequestration by supporting the growth of trees that naturally absorb and store CO_2. Beyond climate benefits, the initiative will also contribute to restoring biodiversity, strengthening ecosystems, and promoting healthier landscapes in areas most in need of re-greening.

By working with trusted NGO partners, we can ensure that the trees are planted strategically and maintained effectively, delivering measurable environmental benefits over time. This approach allows us to play a meaningful role in climate action while leveraging the expertise of specialists to maximise long-term impact.

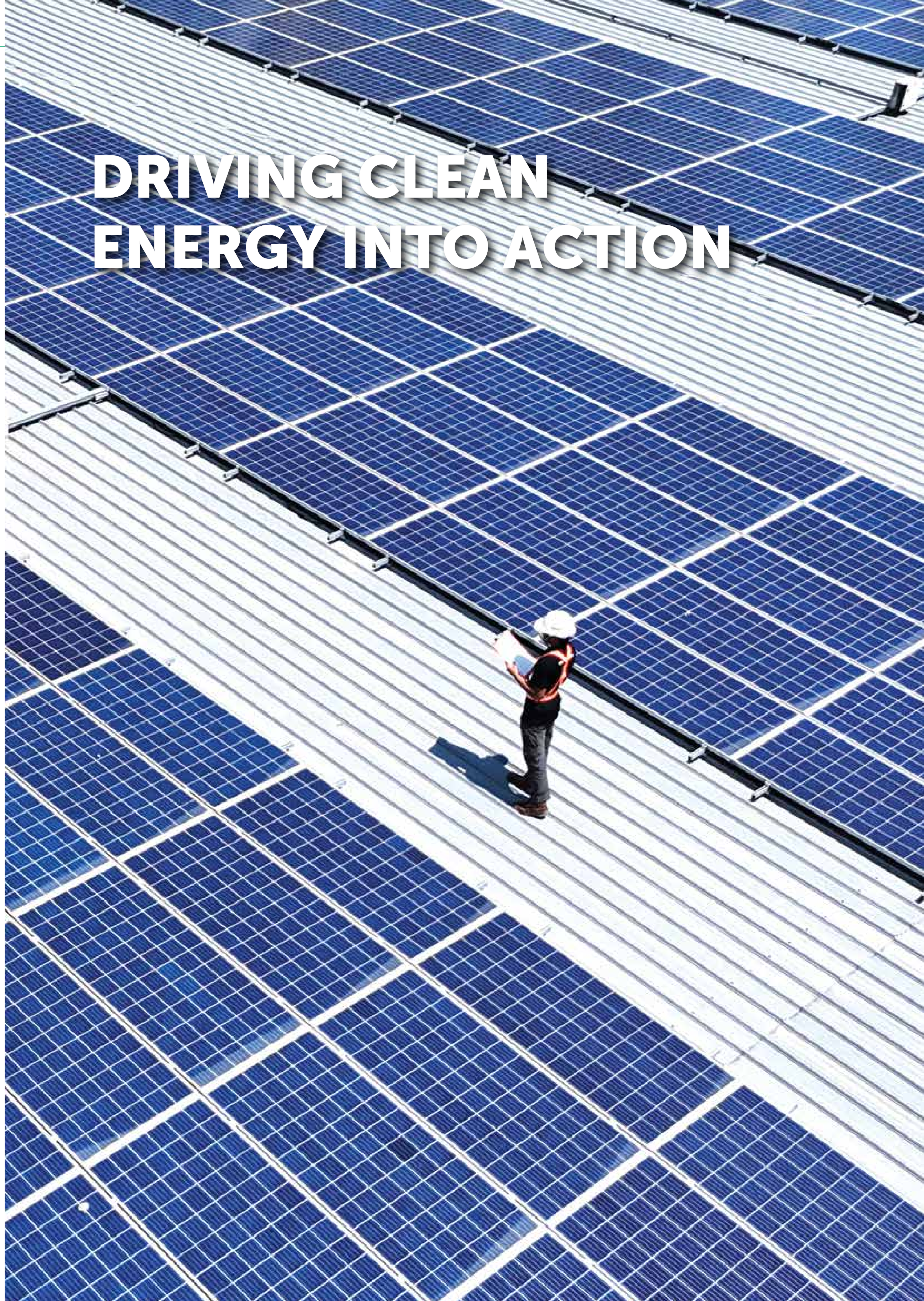
Long Term

To further institutionalise our sustainability practices, we may explore alignment with globally recognised standards ISO14064 and ISO50001 as part of our long-term roadmap for environmental performance and energy management.

ISO14064 focuses on the quantification, monitoring, and reporting of GHG emissions and removals. Adopting this standard will enhance the credibility and transparency of our GHG reporting, enabling us to build a robust carbon management system aligned with international climate disclosure expectations and stakeholder demands.

ISO50001 provides a structured framework for establishing, implementing, maintaining, and improving an energy management system. It will help us systematically optimise energy use across our operations, reduce energy costs, and drive continuous improvement in energy performance. This standard complements our existing initiatives, including solar PV upgrades, chiller plant retrofits, and smart energy monitoring.

By progressively adopting these standards, we aim to strengthen our internal governance, demonstrate accountability, and advance towards a measurable, data-driven, and internationally benchmarked sustainability strategy.



VISION 3
Pioneering the Net Zero Transition

WATER STEWARDSHIP

Optimising water efficiency through infrastructure upgrades, precision monitoring, and tenant engagement to deliver measurable cost savings and enhance operational reliability.

6 CLEAN WATER AND SANITATION

GRI | 3-3, 303-1, 303-3, 303-5

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities

RISK AND OPPORTUNITY

1 Operational Disruption ➔ Water Storage System

Risk	Opportunity
Scheduled or unscheduled water supply disruptions from municipal infrastructure maintenance and failures directly impact business continuity and tenant operations.	Installing water tank storage systems across our Managed Assets enhances operational resilience, reduces municipal dependency, and ensures service continuity during supply interruption.

2 Water Tariffs ➔ Efficiency Measures and Controls

Risk	Opportunity
Rising municipal water tariffs can significantly increase operating expenses, impacting overall portfolio profitability and tenant operating costs.	Deploying smart water monitoring systems and usage controls enables real-time consumption tracking, identifies optimisation opportunities, and allows for proactive management of water costs while enhancing tenant value proposition through reduced utility expenses.

3 Poor Drainage or Leakages ➔ Preventive Maintenance Program

Risk	Opportunity
Undetected water leakages and poor drainage systems can cause structural damage, mould growth and tenant complaints, leading to costly repairs and disputes.	A preventive maintenance program with smart metering and leak detection systems reduces emergency repairs, improves water efficiency, and generates long-term operational savings.

WHY IS THIS TOPIC MATERIAL TO US?

Water stewardship is critically material to our business model as our Managed Assets accommodate food and beverage ("**F&B**") tenants who require consistent water supply for food preparation, dishwashing and sanitation protocols essential for hygiene compliance and food safety standards. Beyond F&B operations, water is fundamental to our facility management, powering air conditioning systems through cooling towers, enabling regular cleaning and maintenance of common areas, and ensuring proper functioning of sanitary facilities throughout our Managed Assets.

Any water supply inefficiencies, quality issues, or service disruptions directly translate to immediate operational challenge including tenant business interruptions, regulatory compliance risks, increased emergency costs, and potential loss of rental income from affected tenants. Poor water management can also compromise tenant retention, as F&B operators particularly depend on reliable water infrastructure to maintain their business licenses and customer safety standards.

Furthermore, as sustainability expectations intensify among investors, tenants, and regulators, demonstrating responsible water stewardship has become essential for maintaining our competitive positioning and accessing ESG-focused capital. Effective water management not only ensures seamless daily operations and minimises business disruption risks, but also enhances the long-term value proposition and operational sustainability of our Managed Assets while meeting evolving stakeholder expectations for environmental responsibility.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to developing and implementing a comprehensive water stewardship framework that minimises water-related disruptions and enhances the operational efficiency and sustainability of our Managed Assets. We prioritise responsible water management and conservation as essential components of our business operations, recognising that effective water stewardship supports our operational resilience and long-term environmental sustainability.

We are committed to:

- **allocate** necessary resources to upgrade and maintain water-efficient infrastructure and monitoring systems across our Managed Assets to optimise water consumption and minimise waste
- **implement** rigorous water management practices and continuous monitoring systems to ensure reliable water supply for our tenants and shoppers while reducing consumption and water-related risks
- **conduct** regular water efficiency assessments and collaborate with service providers, local authorities, and tenants to promote sustainable water usage practices and identify improvement opportunities
- **ensure** compliance with all relevant water management regulations and environmental standards in Malaysia while supporting national water conservation objectives through transparent tracking and reporting
- **maintain** comprehensive preventive maintenance protocols for water systems and respond to all water-related issues promptly to implement corrective and preventative measures that enhance our water stewardship performance, including exploration of innovative solutions such as rainwater harvesting where feasible

WATER STEWARDSHIP

WHAT IS OUR APPROACH?

KIP REIT implements a multi-faceted water stewardship approach that combines infrastructure upgrades, stakeholder engagement, precision monitoring, and operational resilience measures. Our methodology focuses on both demand-side management through efficiency improvements and supply-side security through enhanced storage capacity, while fostering a culture of conservation across our entire building community.

Proactive Water Stewardship Strategy

KIP REIT adopts a comprehensive approach to water stewardship that emphasises efficiency, monitoring, and continuous improvement across all Managed Assets. Our strategy encompasses both operational excellence and stakeholder engagement, recognising that sustainable water management requires collaborative effort from all building users.

Stakeholder Engagement and Education

We actively engage tenants, shoppers, service providers, and cleaning staff in responsible water practices through targeted educational initiatives. Strategic placement of water conservation posters in high-visibility public areas promotes awareness and encourages daily water-saving behaviours. This grassroots approach helps build a culture of conservation that extends beyond our direct operations to influence the broader building community.

Infrastructure Upgrades and Efficiency Measures

Our commitment to water efficiency is demonstrated through systematic infrastructure improvements. We have upgraded washroom facilities across selected Managed Assets with **Water Efficiency Product Labelling Scheme** ("**WEPLS**") rated fittings, which reduce water flow rates without compromising user experience. These high-efficiency fixtures undergo regular inspections to maintain optimal performance and enable early detection of leaks or inefficiencies that could result in significant water and financial losses.

Precision Monitoring and Accountability

Individual water meters installed at tenant premises provide granular consumption data that enhances transparency and accountability. This unit-level monitoring enables precise tracking of usage patterns, supports fair billing practices, and empowers tenants to make informed decisions about their water consumption. The aggregated data helps us identify consumption trends across different tenant categories and pinpoint opportunities for targeted efficiency improvements.

Operational Resilience and Continuity

To minimise operational disruptions from water supply interruptions, we maintain sufficient water storage capacity across our Managed Assets to ensure uninterrupted water supply for both common areas and tenant operations. This adequate storage infrastructure provides essential protection for water-dependent businesses such as F&B outlets that cannot afford supply disruptions, supporting business continuity and tenant satisfaction across our portfolio.

Continuous Improvement Framework

Our water stewardship approach incorporates regular performance assessments, benchmarking against industry standards, and evaluation of emerging technologies. We continuously explore innovative solutions such as rainwater harvesting systems, greywater recycling, and smart monitoring technologies to enhance our water management capabilities where technically and economically feasible.

Key Water Stewardship Initiatives

Educational Engagement

Educational posters promote water conservation awareness across all Managed Assets.

High-Efficiency Infrastructure

WEPLS-rated water fittings reduce consumption in washrooms.

Precision Monitoring Systems

Individual tenant water meters enable accurate consumption tracking and billing transparency.

Sufficient Storage Capacity

Water storage tanks ensure uninterrupted supply during disruptions.

WHAT VALUE HAVE WE CREATED IN FY2025?

As part of our commitment to proactive risk management and climate resilience, KIP REIT conducted a comprehensive water stress and flood risk assessment across our Managed Assets portfolio using the **World Resources Institute's** globally recognised **Aqueduct Water Risk Atlas** tool. This strategic initiative demonstrates our forward-thinking approach to identifying and mitigating potential water-related risks that could impact our operations and long-term sustainability.

Water Risk Assessment Initiative

The assessment results highlight the resilience of our property portfolio, with all seven Managed Assets demonstrating **low water stress risk** and **low to medium riverine flood risk**. This favourable risk profile positions KIP REIT advantageously within the retail property sector, as our Managed Assets are strategically located in areas with reliable water availability and manageable flood exposure.

Managed Assets	Water Stress	Riverine Flood Risk Stress
KIPMall Bangi	Low Risk	Low – Medium Risk
KIPMall Masai	Low Risk	Low – Medium Risk
KIPMall Kota Tinggi	Low Risk	Low – Medium Risk
KIPMall Tampoi	Low Risk	Low – Medium Risk
KIPMall Melaka	Low Risk	Low – Medium Risk
KIPMall Senawang	Low Risk	Low – Medium Risk
KIPMall Kota Warisan	Low Risk	Low – Medium Risk

These positive results validate our strategic asset selection and provide confidence in the long-term operational stability of our portfolio. Given that all Managed Assets are located in low water stress areas with reliable water availability, KIP REIT does not currently engage in specific stakeholder initiatives focused on water use reduction at water stressed sites. Instead, our water management approach prioritises operational efficiency and infrastructure improvements while maintaining the flexibility to adapt our stakeholder engagement strategy should future assessments indicate changing risk profiles or water availability conditions.

WATER STEWARDSHIP

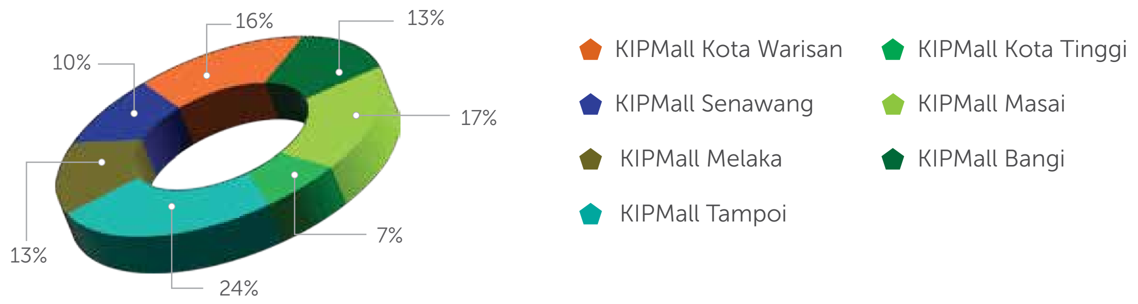
HOW IS OUR OVERALL PERFORMANCE?

In FY2025, despite a 6% increase in total absolute water consumption from 204.88 to 217.63 megalitres, our Managed Assets achieved a **14% reduction** in overall water intensity, demonstrating that efficiency improvements and operational optimisation measures have successfully decoupled water consumption from business growth. This performance indicates that our water stewardship initiatives are effectively managing resource usage while supporting portfolio expansion and enhanced tenant services.

Water Consumption

Total Water Consumption (m³)

Total Water Consumption FY2025



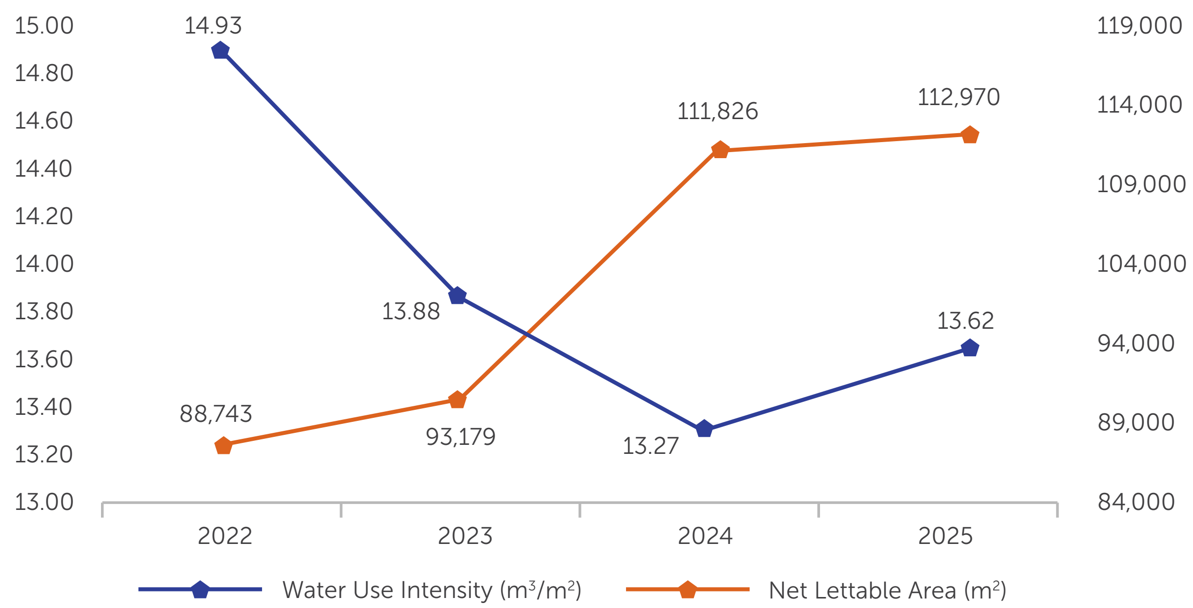
Water Consumption by Managed Assets

Water Consumption (m³)	2022	2023	2024	2025
KIPMall Bangi	33,136	36,521	24,832	28,612
KIPMall Masai	29,938	32,901	29,780	35,552
KIPMall Kota Tinggi	21,268	21,882	17,376	15,285
KIPMall Tampoi	69,294	48,078	41,021	52,702
KIPMall Melaka	47,224	54,895	47,030	27,800
KIPMall Senawang	13,509	12,143	7,567	22,350
KIPMall Kota Warisan [1]	N/A	N/A	37,277	34,275

[1] *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore water consumption data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the water consumption of this newly acquired asset.*

Water Use Intensity

Net Lettable Area vs Water Use Intensity



Water Use Intensity by Managed Assets

Water Use Intensity (m³/m²)	2022	2023	2024	2025
KIPMall Bangi	1.40	1.38	0.93	1.05
KIPMall Masai	2.12	2.26	2.04	2.43
KIPMall Kota Tinggi	3.00	3.09	2.40	2.11
KIPMall Tampoi	4.46	3.03	2.59	3.33
KIPMall Melaka	2.71	3.00	2.54	1.48
KIPMall Senawang	1.24	1.12	0.68	1.97
KIPMall Kota Warisan [2]	N/A	N/A	2.09	1.25
Total	**14.93**	**13.88**	**13.27**	**13.62**

Water use intensity figures have been restated to two decimal places and supersede the data previously published in the Sustainability Report FY2024.

[2] *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore water use intensity data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the water use intensity of this newly acquired asset.*

WATER STEWARDSHIP

Managed Assets	Water Consumption (m³)	
	FY2025 Performance	Contributing Factors
KIPMall Melaka	– 41%	Water consumption decreased following the resolution of underground leakage issues and replacement of all toilet fittings with WEPLS-rated fixtures.
KIPMall Kota Tinggi	– 12%	Water consumption decreased following the replacement of an aging plumbing system that had water leakage issues, and the installation of Variable Speed Drive ("**VSD**") to regulate water pressure.
KIPMall Kota Warisan	– 8%	Water consumption decreased, reflecting the effectiveness of water conservation initiatives.

41%
KIPMall Melaka reduction in water consumption

12%
KIPMall Kota Tinggi reduction in water consumption

FY2025 Target
Reduce water consumption portfolio-wide by 1% compare to FY2024

FY2025 Performance
Water consumption portfolio-wide increased by 6% compared to FY2024

FY2026 Target
Reduce water consumption portfolio-wide by 1% compared to FY2025

Company-level Water Reduction Targets and Reporting Limitations

Under the current operational structure, at the company level (KL Headquarter operations), water utility bills are managed and paid directly by the building management rather than the REIT Manager. As a result, the REIT Manager does not have direct access to actual water consumption data and is unable to quantify water usage for disclosure purposes. This operational arrangement at company level significantly limits the availability of water consumption metrics for sustainability reporting and constrains our ability to establish comprehensive water management targets.

WHAT IS OUR NEXT INITIATIVE?

KIP REIT will strengthen collaborative partnerships with tenants to promote responsible water usage through targeted awareness campaigns and strategic placement of visual reminders in high-consumption areas, particularly washroom facilities. These initiatives will foster a community-wide commitment to water conservation across our retail environments.

During FY2026, we are undertaking infrastructure enhancements as part of the AEI works at KIPMall Tampoi and KIPMall Senawang. These strategic upgrades feature the systematic replacement of all existing washroom fixtures with WEPLS-rated fittings, delivering improved water efficiency without compromising user experience.

These initiatives reflect our commitment to continuous improvement in water management while supporting our broader sustainability objectives and stakeholder value creation.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will strengthen foundational water efficiency measures by enhancing leak detection capabilities and improving repair response times through closer collaboration with service providers across all Managed Assets. These operational improvements will establish a robust platform for more advanced water management initiatives.

Additionally, we will intensify tenant engagement efforts to promote responsible water consumption habits, particularly targeting F&B operators through comprehensive awareness campaigns featuring informational posters, digital reminders, and targeted briefing sessions.

Medium Term

We will integrate water efficiency more deeply into our asset management framework by systematically upgrading to WEPLS-rated fittings across all Managed Assets. These high-performance fixtures will reduce water flow rates while maintaining optimal functionality and user satisfaction, delivering measurable efficiency gains portfolio-wide.

Long Term

Our long-term vision positions water stewardship as a fundamental pillar of sustainable asset operations. We will assess the financial and operational feasibility of implementing advanced water management systems, including rainwater harvesting and greywater reuse technologies at our Managed Assets. These systems would enable the utilisation of recycled water for landscaping, cleaning, and toilet flushing applications, significantly reducing dependence on municipal water supply while enhancing our environmental performance and operational resilience.

VISION 3
Pioneering the Net Zero Transition

WASTE MANAGEMENT

Driving resource efficiency through responsible waste reduction, recycling, and sustainable disposal practices to minimise environmental impact.

GRI | 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Regulator

RISK AND OPPORTUNITY

1 Hygiene and Public Health Risk → Enhanced Tenant Satisfaction and Retention

Risk	Opportunity
Inadequate waste management practices can lead to pest infestations, odour issues, and potential disease transmission vectors across our Managed Assets, compromising tenant health and safety standards.	Implementing robust waste management systems enhances property hygiene standards, elevates tenant and visitor satisfaction, and ensures we fulfill our responsibility to maintain healthy, well-managed environments.

2 Regulatory Non-Compliance and Cost Escalation → Operational Efficiency and Revenue Generation

Risk	Opportunity
Poor waste segregation and disposal practices may result in regulatory non-compliance, leading to regulatory fines and increased waste collection costs.	Optimising waste management through proper segregation, vendor partnerships, and compliance protocols reduces operational costs, ensures regulatory adherence, and creates potential revenue streams through recyclable material recovery.

3 Carbon Footprint and Landfill Dependency → Resource Efficiency and Climate Action

Risk	Opportunity
Inefficient waste practices contribute to increased landfill dependency and carbon emissions, potentially damaging our ESG credentials and failing to meet evolving investor and stakeholder sustainability expectations.	Advancing waste reduction, recycling programs, and enhanced disposal methods demonstrates our commitment to environmental stewardship, attracts ESG-conscious tenants and investors, and supports our net-zero commitments.

WHY IS THIS TOPIC MATERIAL TO US?

Our Managed Assets generate significant daily waste volumes across diverse tenant categories including food and beverage ("**F&B**") outlets, retail stores, and major anchor tenants. This scale of waste generation makes effective management practices critical to our business performance across multiple dimensions.

Waste management directly influences our operational costs through cleaning requirements, pest control expenses, and waste collection fees. Poor practices can rapidly escalate these costs while creating health and safety risks that expose us to regulatory penalties.

The tenant experience is fundamentally affected by waste management standards. Inadequate systems create unpleasant environments that can drive tenant turnover, reduce rental negotiations leverage, and impact occupancy rates. Conversely, well-managed waste systems support tenant satisfaction and retention, protecting our rental income streams.

From an asset value perspective, properties with persistent waste management issues suffer from decreased marketability and valuation impacts. Effective waste management preserves and enhances our asset values by maintaining attractive, well-functioning retail environments that command premium rents and attract quality tenants.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to developing and implementing comprehensive waste management practices that minimise waste-related risks and enhance the operational efficiency and environmental performance of our Managed Assets. We prioritise responsible waste management as essential components of our business operations, recognising that effective waste stewardship supports our operational resilience, tenant satisfaction, and long-term environmental sustainability.

We are committed to:

- **allocate** necessary resources to upgrade and maintain efficient waste infrastructure and segregation systems across our Managed Assets to optimise waste collection, processing, and disposal while minimising environmental impact
- **establish** rigorous operational standards for waste segregation, collection, and disposal that maintain hygienic environments for tenants and shoppers while systematically reducing waste generation and operational costs
- **foster** active partnerships with waste management service providers, recycling specialists, and our tenant community to continuously improve waste practices, identify reduction opportunities, and promote sustainable behaviours across our portfolio
- **maintain** full compliance with Malaysian waste management regulations and environmental standards while supporting national waste reduction goals through transparent reporting and implementation of industry best practices

WASTE MANAGEMENT

WHAT IS OUR APPROACH?

KIP REIT has successfully integrated waste management practices into daily operations across all Managed Assets. Our approach seamlessly combines physical infrastructure, operational procedures, vendor partnerships, and performance tracking to create a cohesive system that demonstrates tangible progress toward our sustainability commitments while maintaining operational efficiency.

Implemented Infrastructure and Systems

We have deployed standardised waste segregation infrastructure across all Managed Assets, featuring strategically positioned color-coded containment systems at common areas and waste collection points. Our implemented system includes black bins for general waste destined for landfills, blue bins dedicated to paper and cardboard materials, green bins for plastic bottles and containers, grey bins for metal containers and packaging, and designated sealed food waste receptacles designed for odour control and efficient processing.

Operational Excellence Through Documented Procedures

Our operations are governed by detailed waste management procedures that define clear roles and responsibilities across all stakeholders. Tenants are required to segregate waste at source and dispose materials at designated collection points, while our cleaning staff monitor disposal activities and maintain system compliance. Our operations teams coordinate closely with licensed waste management vendors to ensure timely collection and proper documentation.

Performance Monitoring and Accountability

We have implemented comprehensive tracking systems that require waste management vendors to provide electronic receipts, waste transfer forms, and weight-based documentation for every collection. Our shopping mall managers maintain monthly waste tracking registers that document quantities by category, providing verifiable data for sustainability reporting and continuous improvement initiatives. This systematic approach enables us to monitor waste generation patterns, measure diversion rates, and identify optimisation opportunities.

Vendor Partnership and Compliance

Our vendor compliance framework ensures all appointed waste management service providers possess valid licenses from relevant local authorities and maintain proper disposal documentation. We conduct annual performance reviews against agreed service level agreements, ensuring continued adherence to the environmental standards and regulatory compliance.

WHAT IS THE VALUE WE CREATED IN FY2025?

In FY2025, KIP REIT successfully developed and implemented our first formal **Waste Management Policy**, providing a comprehensive framework that standardises waste management practices across all Managed Assets while ensuring regulatory compliance and operational consistency. This policy establishment represents a significant milestone in our environmental stewardship journey, creating clear guidelines, procedures, and accountability structures that will guide our waste management operations for years to come.

Complementing our policy framework, we initiated systematic data collection for key recyclable material streams, specifically focusing on steel, tin, and plastics across our Managed Assets. This expansion builds upon our FY2024 foundation where we began collecting data for paper and boxes, progressively enhancing our waste tracking capabilities across multiple material categories. This comprehensive data collection program represents the beginning of our holistic waste monitoring system, enabling us to build the data foundation necessary to measure our environmental impact, and track progress toward sustainability goals.

These strategic initiatives establish KIP REIT's operational foundation for systematic waste management across our Managed Assets, creating verifiable environmental data that supports ESG reporting requirements while reducing operational costs through improved waste diversion.

KEY INITIATIVE FY2025

Established First Waste Management Policy

Standardised waste management practices across all Managed Assets

Expanded Recycling Data Collection

Added steel, tin and plastics tracking to existing paper and cardboard monitoring

For comprehensive details on our waste management initiatives across all Managed Assets, scan the QR code to access the complete Waste Management Policy document and explore how we are transforming waste management into sustainable value creation opportunities.

HOW IS OUR OVERALL PERFORMANCE?

KIP REIT's waste management performance in FY2025 reflects a mixed but overall positive trajectory. The portfolio recorded a steady increase in total waste generated, rising to RM590,036 compared to RM559,520 in FY2024, representing a growth of 5.5%. While this upward trend underscores rising mall activity and stronger tenant trade, it also highlights the importance of scaling waste diversion efforts to counterbalance the larger volume of residual waste.

Landfill reduction remains a critical focus area. In FY2025, total waste disposed to landfill **declined from 5,760 tonnes in the prior year to 5,247 tonnes, marking a 9% year-on-year reduction**. This achievement demonstrates that portfolio-wide strategies are beginning to take effect, particularly at Managed assets such as Masai and Kota Tinggi, which recorded substantial improvements in landfill diversion. However, certain assets, most notably Melaka, underperformed by showing a sharp increase in landfill waste, partially offsetting the gains achieved elsewhere. This inconsistency signals operational gaps and highlights the need for tailored strategies to address site-specific challenges.

The most encouraging development lies in recycling performance. **Portfolio-wide recycling volumes more than doubled, rising from 96.59 tonnes in FY2024 to 195.77 tonnes in FY2025, equating to a remarkable 103% increase**. This far exceeded management's initial 5% growth target, reflecting strong implementation of waste segregation practices and early successes in diversifying recyclable streams. Paper and cardboard continued to dominate, accounting for more than 90% of recycling activity, but FY2025 also saw meaningful beginnings in the collection of metals and plastics, signalling the start of a broader materials recovery strategy.

Looking ahead to FY2026, KIP REIT is well positioned to consolidate its recycling momentum. Incremental gains are achievable by expanding recovery to additional material categories such as plastics and metals, and by deploying successful models from Masai and Kota Tinggi to other malls. Nonetheless, the key risk lies in the continued growth of overall waste volumes, which may dilute the impact of recycling initiatives if landfill diversion does not accelerate proportionately. To mitigate this, investment in waste-stream segregation infrastructure and stronger tenant education programs will be essential.

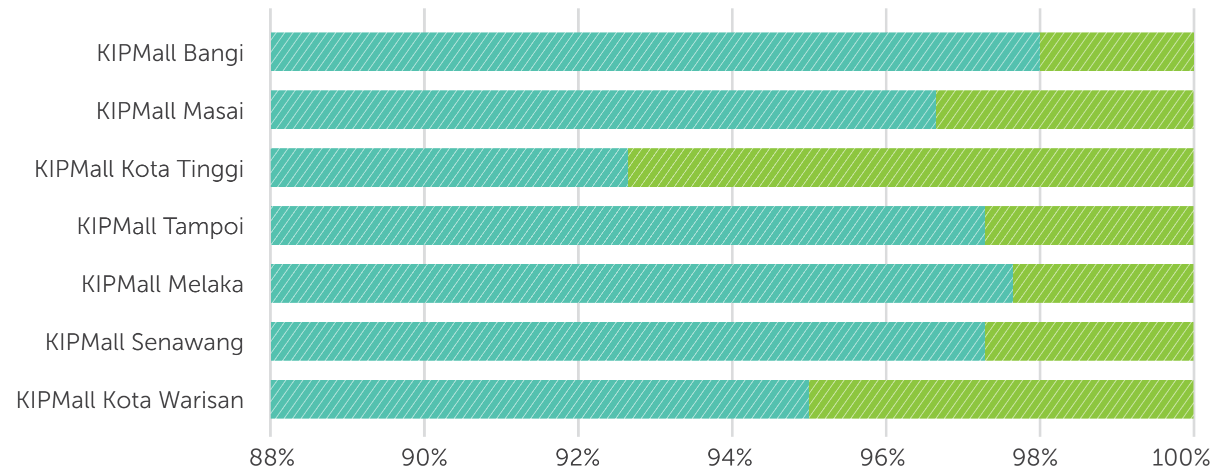
Total Waste Generated (RM)	2022	2023	2024	2025
KIPMall Bangi	40,280	16,340	61,560	68,740
KIPMall Masai	146,400	145,600	146,400	146,000
KIPMall Kota Tinggi	78,475	78,260	78,690	73,960
KIPMall Tampoi	146,400	145,600	146,400	145,600
KIPMall Melaka	48,500	25,367	42,320	71,336
KIPMall Senawang	38,400	36,600	35,400	36,400
KIPMall Kota Warisan [1]	N/A	N/A	48,750	48,000
Total	**498,455**	**447,767**	**559,520**	**590,036**

[1] *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore total waste generated (RM) data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the total waste generated (RM) of this newly acquired asset.*

WASTE MANAGEMENT

Waste Generated (Tonne)

Total Waste Generated (tonne) FY2025



Total Waste Generated (Tonne)	2023	2024	2025
KIPMall Bangi	N/A	653.12	648.86
KIPMall Masai	N/A	1,827.17	1,443.18
KIPMall Kota Tinggi	N/A	743.43	724.04
KIPMall Tampoi	N/A	1,484.76	1,472.49
KIPMall Melaka	N/A	395.31	642.24
KIPMall Senawang	N/A	354.02	152.10
KIPMall Kota Warisan	N/A	398.78 [2]	359.86
Total	**N/A**	**5,856.59**	**5,442.77**

[2] *Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the total waste generated (tonne) of this newly acquired asset.*

Total Waste Disposed to Landfill (Tonne)	2023	2024	2025
KIPMall Bangi	N/A	648	635
KIPMall Masai	N/A	1,796	1,395
KIPMall Kota Tinggi	N/A	730	667
KIPMall Tampoi	N/A	1,450	1,433
KIPMall Melaka	N/A	392	628
KIPMall Senawang	N/A	354	148
KIPMall Kota Warisan	N/A	390 [3]	341
Total	**N/A**	**5,760**	**5,247**

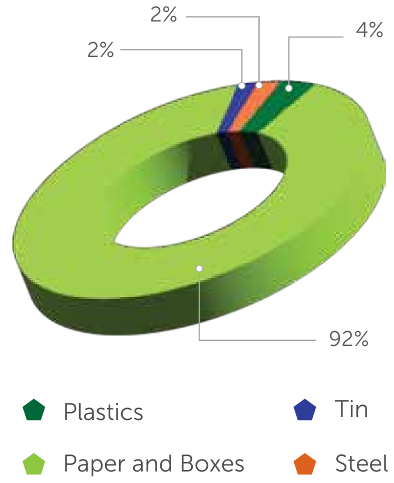
[3] *Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the total waste disposed to landfill (tonne) of this newly acquired asset.*

Waste Recycled (Tonne)

Total Waste Recycled (Tonne)	2023	2024	2025
KIPMall Bangi	N/A	5.12	13.86
KIPMall Masai	N/A	31.17	48.18
KIPMall Kota Tinggi	N/A	13.43	57.04
KIPMall Tampoi	N/A	34.76	39.49
KIPMall Melaka	N/A	3.31	14.24
KIPMall Senawang	N/A	0.02	4.10
KIPMall Kota Warisan	N/A	8.78 [4]	18.86
Total	**N/A**	**96.59**	**195.77**

[4] *Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the total waste recycled (tonne) of this newly acquired asset.*

Waste Recycled by Categories



Waste Recycled (Paper & Boxes) (Tonne)	2023	2024	2025
KIPMall Bangi	N/A	5.12	13.86
KIPMall Masai	N/A	31.17	45.33
KIPMall Kota Tinggi	N/A	13.43	54.00
KIPMall Tampoi	N/A	34.76	34.95
KIPMall Melaka	N/A	3.31	10.07
KIPMall Senawang	N/A	0.02	4.10
KIPMall Kota Warisan	N/A	8.78 [5]	17.36
Total	**N/A**	**96.59**	**179.67**

[5] *Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the total waste recycled (tonne) of this newly acquired asset for paper and boxes.*

Waste Recycled (Tonne) 2025	Steel	Tin	Plastics
KIPMall Bangi	-	-	-
KIPMall Masai	2.71	0.11	0.03
KIPMall Kota Tinggi	-	0.82	2.22
KIPMall Tampoi	0.51	0.28	3.75
KIPMall Melaka	-	3.03	1.14
KIPMall Senawang	-	-	-
KIPMall Kota Warisan	0.66	0.02	0.82
Total	**3.88**	**4.26**	**7.96**

9% **Portfolio-wide** reduction in total waste disposed to landfill

103% **Portfolio-wide** increase in total waste recycled

WASTE MANAGEMENT

FY2025 Target	FY2025 Performance	FY2026 Target
Increase the recycle rate portfolio-wide by **5%** compare to FY2024	Recycle rate portfolio-wide **increased by 103%** compared to FY2024	**Increase** the recycle rate portfolio-wide by **1%** compare to FY2025
Reduce the non-recycle waste portfolio-wide by **10%** compare to FY2024	Non-recycle waste portfolio-wide **reduced by 9%** compared to FY2024	**Reduce** the non-recycle waste portfolio-wide by **1%** compare to FY2025

WHAT IS OUR OUTLOOK?

Short Term

We will strengthen operational foundation through enhanced tenant engagement and data systematisation. Our immediate focus involves implementing clearer waste segregation guidelines and conducting targeted education campaigns to build a culture of shared responsibility across all tenants.

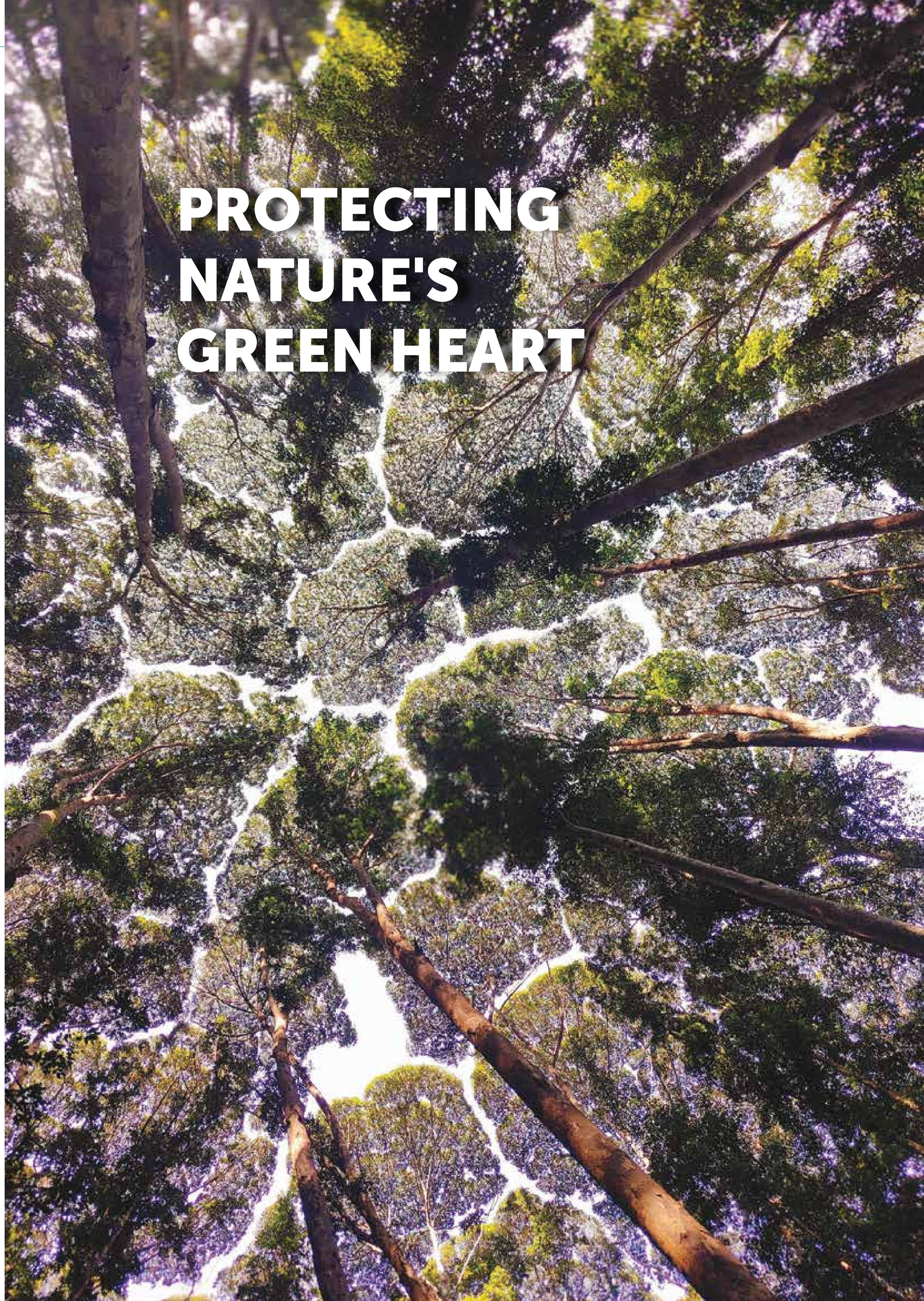
Simultaneously, we will collaborate with waste service providers to standardise and digitalise data recording systems, enabling consistent real-time monitoring of waste performance across all Managed Assets while supporting ESG reporting and regulatory compliance requirements.

Medium Term

Building on our operational foundation, we will implement systematic infrastructure improvements to enhance performance and tenant experience. We plan to establish structured audit schedules across all Managed Assets, conducting regular cleanliness and hygiene assessments at waste disposal areas using standardised checklists covering spillage control, odour management, signage effectiveness, and contractor performance. These audits will drive continuous improvement through corrective action plans shared with operations teams and service providers.

Long Term

We will invest in advanced recycling infrastructure, particularly food waste composters that utilise natural microorganisms to transform organic waste into nutrient-rich soil amendments. Given that all our Managed Assets include F&B tenants, this initiative will significantly reduce landfill contributions, minimise carbon dioxide emissions, and eliminate odour issues at waste disposal areas, directly improving tenant and shopper experience.



VISION 3
Pioneering the Net Zero Transition

RESPONSIBLE RESOURCE USE

Promoting responsible paper use by adopting digital solutions, encouraging double-sided printing, and reducing unnecessary consumption, thereby minimising environmental impact and fostering a culture of efficiency

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
15 LIFE ON LAND

GRI | 3-3

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager

RISK AND OPPORTUNITY

1 Manual Documentation Waste → Sustainable Digital Operations

Risk	Opportunity
Physical reporting systems generate paper waste through document misplacement, unauthorized duplication, and reprinting needs, contributing to environmental degradation and irresponsible resource consumption.	Adopting comprehensive digital workflows eliminates paper waste, supports forest conservation efforts, and demonstrates responsible resource stewardship while improving operational accuracy and establishing reliable digital audit trails for enhanced sustainability performance.

2 Physical Document Distribution → Resource Conservation

Risk	Opportunity
Multiple physical copies distributed to stakeholders result in excessive paper usage and waste generation, contributing to unnecessary tree harvesting and environmental impact while compromising information security.	Implementing encrypted digital distribution systems significantly reduces paper consumption, helps preserve forest ecosystems, and supports our commitment to responsible resource management while maintaining superior information security.

3 Paper-Based Incident Reporting → Digital Reporting and Archiving

Risk	Opportunity
Substantial paper consumption for incident reporting processes, particularly critical incidents requiring formal Board documentation, contributes to deforestation and environmental degradation while creating unnecessary resource waste through unplanned large-scale printing requirements.	Transitioning to secure digital platforms for incident reporting and archiving eliminates paper dependency, conserves forest resources, and demonstrates environmental stewardship while enhancing operational efficiency and reducing our ecological footprint.

WHY IS THIS TOPIC MATERIAL TO US?

Responsible resource use is material to KIP REIT because our operations generate significant documentation volumes across tenant management, regulatory compliance, and financial reporting activities. This resource consumption directly impacts our operational costs, environmental performance, and stakeholder expectations.

Paper usage represents a measurable environmental impact that stakeholders increasingly scrutinise in ESG assessments. Inefficient resource management translates to higher operational expenses, workflow inefficiencies, and missed opportunities for cost optimisation. Additionally, our commitment to sustainability leadership in the retail property sector requires demonstrable progress in resource efficiency.

By prioritising responsible resource use, we address three critical materiality drivers: reducing operational costs through digital transformation, meeting growing investor and tenant expectations for environmental stewardship, and strengthening our competitive positioning as a sustainable REIT. Responsible resource use is therefore fundamental to our operational efficiency, stakeholder value creation, and long-term business resilience in an increasingly sustainability-focused market environment.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to promoting responsible resource use across all operations by implementing efficient resource management practices and fostering a culture of conservation. We aim to optimise resource consumption, minimise waste generation, and prioritise sustainable alternatives wherever operationally feasible.

Our commitment encompasses reducing paper consumption through digitalisation initiatives across our Managed Assets. This includes transitioning to paperless reporting systems, electronic documentation processes, digital tenant communications, and sustainable procurement practices.

Through these integrated efforts, we seek to minimise our environmental footprint while enhancing operational efficiency, reducing costs, and demonstrating environmental stewardship. Our responsible resource use approach supports our broader sustainability objectives and reinforces our commitment to creating long-term value for stakeholders while contributing to environmental conservation efforts.

RESPONSIBLE RESOURCE USE

WHAT IS OUR APPROACH?

KIP REIT adopts a comprehensive approach to responsible resource use that integrates digital transformation, operational optimisation, and stakeholder engagement across our property portfolio. Our strategy focuses on systematically replacing resource-intensive processes with efficient digital alternatives while fostering a culture of conservation.

Digital Operations Platform

We leverage **Servedeck** as our primary digital operations platform to transform maintenance and service management across all Managed Assets. This comprehensive system eliminates paper-intensive workflows through real-time work order monitoring via mobile and web-based dashboards, digital audit trails, auto-generated reports, GPS-enabled attendance tracking, QR-coded access passes, and integrated live chat functions. These features collectively eliminate multiple layers of paperwork while enhancing operational visibility, compliance monitoring, and data-driven decision-making capabilities.

Paperless Documentation Systems

Our digitalisation strategy encompasses all major documentation processes through secure digital signature platforms for internal documentations and approvals. This transformation accelerates processing times, ensures document integrity, and eliminates physical paperwork requirements.

Electronic Financial Operations

We have implemented comprehensive electronic invoicing and receipt systems for all tenant and vendor transactions, improving billing efficiency, reducing administrative costs, and minimising paper dependency. These digital financial processes enhance transaction transparency while supporting our sustainability objectives.

Resource Monitoring and Awareness

We actively track and monitor paper usage to identify high-consumption areas and implement targeted reduction initiatives. This data supports our internal sustainability reporting and continuous improvement efforts. Complementing these systems, we promote sustainable office practices through employee awareness programmes that encourage double-sided printing defaults, discourage unnecessary printouts, and prioritise digital documentation during meetings and reviews.

WHAT IS THE VALUE WE CREATED IN FY2025?

During FY2025, KIP REIT delivered substantial value through strategic digitalisation initiatives that transformed our operational model while advancing responsible resource use across our portfolio.

We successfully implemented **Servedeck**, a comprehensive cloud-based facility operations and maintenance platform, establishing a unified digital ecosystem for efficient management across all Managed Assets. This platform integration eliminated fragmented paper-based systems and created a centralised operational framework supporting real-time monitoring and data-driven decision making.

Additionally, we successfully established a "print-only-when-necessary" organisational culture. This cultural shift, combined with employee awareness initiatives, reinforced responsible resource use practices while contributing to environmental preservation through measurable waste reduction.

HOW IS OUR OVERALL PERFORMANCE?

KIP REIT experienced a net increase of 18% in overall paper consumption during FY2025, reflecting the impact of exceptional corporate activity requirements that overshadowed strong operational efficiency achievements.

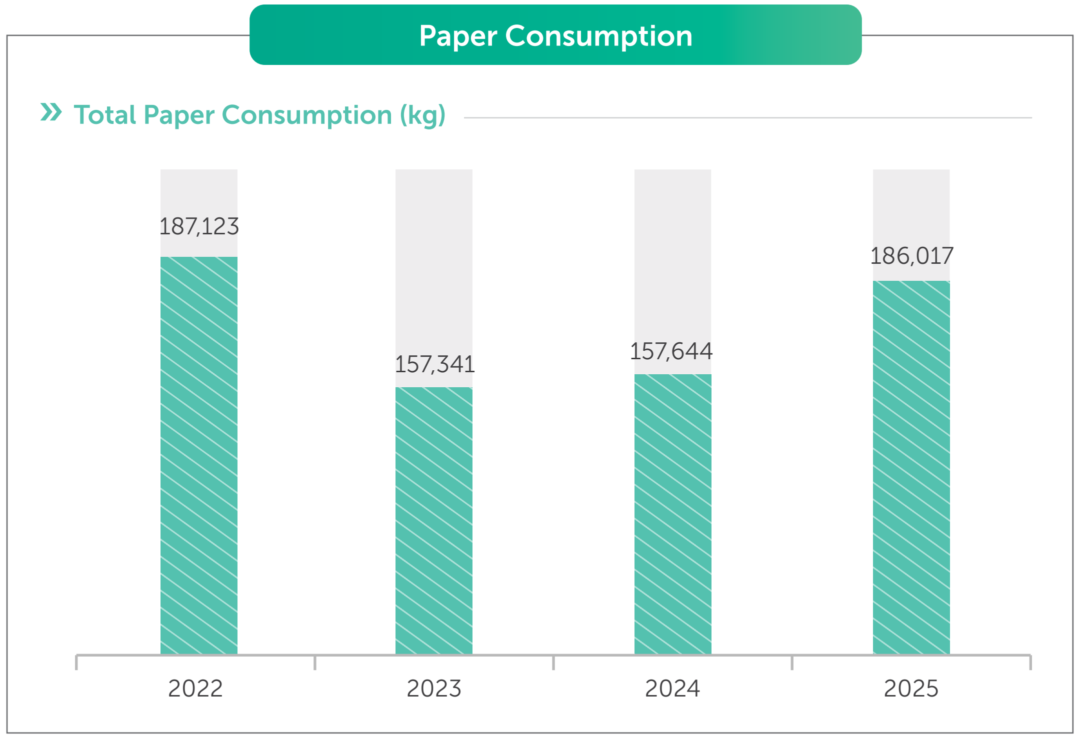
While **Servedeck** was implemented near the financial year-end, four Managed Assets delivered outstanding paper reduction results, demonstrating the effectiveness of our operational awareness initiatives and manual process optimisation efforts. KIPMall Melaka achieved the strongest performance with a 54% consumption decrease, followed by KIPMall Kota Tinggi's 50% reduction, KIPMall Bangi's 36% decrease, and KIPMall Tampoi's 5% reduction, validating our responsible resource use approach at the operational level.

The overall 78% paper consumption increase was driven entirely by KL Headquarter operations, which experienced an extraordinary surge in paper usage due to exceptional corporate activity during FY2025. This increase was attributable to high-volume printing requirements for notices of assignment related to the proposed fourth and fifth issuance of medium-term notes for refinancing purposes and funding the acquisition of DPulze Shopping Centre.

54%
KIPMall Melaka
reduction in paper consumption

50%
KIPMall Tinggi
reduction in paper consumption

36%
KIPMall Bangi
reduction in paper consumption



RESPONSIBLE RESOURCE USE

Paper Consumption (kg)	2022	2023	2024	2025
REIT Manager				
KL HQ Office	11,040	18,275	49,703	88,618
Service Provider				
KIPMall Bangi	10,056	16,813	13,270	8,473
KIPMall Masai	105,070	47,264	15,383	27,740
KIPMall Kota Tinggi	16,477	26,660	19,871	10,031
KIPMall Tampoi	24,350	27,644	19,190	18,292
KIPMall Melaka	14,134	14,372	26,242	12,061
KIPMall Senawang	5,996	6,313	6,355	11,524
KIPMall Kota Warisan (1)	N/A	N/A	7,630	9,278

(1) *The acquisition of KIPMall Kota Warisan was completed on 8 February 2024, therefore paper consumption data is unavailable for FY2022 and FY2023. Although KIPMall Kota Warisan was acquired on 8 February 2024, FY2024 data includes the full financial year (1 July 2023 to 30 June 2024) to provide comprehensive annual data for the paper consumption of this newly acquired asset.*

FY2025 Target

Reduce paper consumption portfolio-wide by **1%** compare to FY2024

FY2025 Performance

Paper consumption portfolio-wide increased by 18% compared to FY2024

FY2026 Target

Reduce paper consumption portfolio-wide by **1%** compare to FY2025

WHAT IS OUR OUTLOOK?

Short Term

We will strengthen employee awareness and adoption of digital practices through targeted internal campaigns promoting paper-saving habits. This includes standardising double-sided printing as default settings, expanding the use of digital forms and e-signatures, and encouraging email correspondence over printed communications across all departments. Additionally, we will complete the rollout of digital workflows already initiated through our **Servedeck** platform.

Medium Term

Building on our digital foundation, we will implement systematic measurement and optimisation of resource consumption by introducing regular monitoring mechanisms to track progress against reduction targets and identify further digitalisation opportunities.

Long Term

We aim to achieve a comprehensive digital operational environment by integrating remaining manual processes into our digital ecosystem and establishing paper usage metrics for continuous monitoring and transparency. This phase will focus on advanced digital solutions such as automated reporting systems, AI-powered document management, and fully integrated stakeholder communication platforms. Our long-term objective is to maintain minimal paper dependency while ensuring operational resilience and regulatory compliance across all Managed Assets.

VISION 4
Enriching Human Capital and Social Ecosystems

HUMAN RIGHTS AND LABOUR STANDARDS

Upholding fair labour practices and universal human rights by ensuring safe working conditions, non-discrimination, and respect for dignity.

8 DECENT WORK AND ECONOMIC GROWTH

GRI | 2-6, 2-7, 2-16, 2-24, 2-25, 3-3, 401-3, 406-1, 408-1, 411-1

Concerned Stakeholders

- Employees
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Regulator

RISK AND OPPORTUNITY

1 Human and Labour Rights → Stronger Employee Protection

Risk	Opportunity
Insufficient safeguards for employees may lead to breaches of the Employment Act 1955, workplace discrimination, or unsafe conditions. Such gaps can undermine staff wellbeing, lower morale, and expose KIP REIT to compliance penalties, reputational harm, and operational disruption.	By embedding robust human rights governance aligned with global standards, KIP REIT can ensure employees are treated with fairness, dignity, and respect. Providing safe working environments, equal opportunities, and clear protection mechanisms builds trust, strengthens loyalty, reduces turnover, and enhances productivity, reinforcing KIP REIT's standing as a responsible and supportive employer.

2 Labour Relations and Engagement → Workforce Empowerment

Risk	Opportunity
Poor communication and lack of employee voice may weaken morale, escalate grievances, or limit productivity. Inadequate training on human rights could also reduce compliance readiness.	Transparent appraisals, open feedback, and whistleblowing channels build trust and accountability. Empowered employees deliver higher retention, service quality, and tenant satisfaction, which are key drivers of KIP REIT's brand value.

3 Supplier and Contractor Practices → Ethical Supply Chain

Risk	Opportunity
Third-party service providers may fail to uphold fair wages, rest hours, or safety standards, exposing KIP REIT to reputational crises and regulatory scrutiny.	A Suppliers' Code of Conduct and ESG screening promote transparency and labour welfare. Ethical supply chain practices enhance tenant trust, minimise operational risks, and strengthen investor confidence.

WHY IS THIS TOPIC MATERIAL TO US?

KIP REIT's operational footprint extends across multiple regions, where the delivery of mall services relies on a collaborative ecosystem of committed internal employees and carefully selected third-party contractors. Our success hinges on the real people behind the scenes: the frontline staff greeting the shoppers, the contract workers keeping operations seamless, and the local entrepreneurs whose businesses enliven our spaces. How we engage and support these individuals is central to our mission and integral to the way we operate.

Human rights and labour standards are not abstract concepts for us, they are tangible commitments woven into every contract signed, every workplace policy enacted, and every interaction with our stakeholders. In a world where social expectations are evolving rapidly, we recognise that merely meeting regulatory requirements is not enough. We strive to go beyond compliance, cultivating an environment where fairness, respect, and opportunity are embedded in the fabric of our operations.

Our proximity to vulnerable groups, whether it is a part-time cleaner, a security guard, or a small business owner renting a kiosk, places a responsibility on us to champion dignity and equity at every level. We are deliberate in embedding rights-based principles into our day-to-day practices, ensuring that these often-overlooked voices are heard, valued, and protected.

This commitment is not just about risk mitigation. It is about crafting a resilient social ecosystem that fuels sustainable growth. By fostering ethical labour practices and nurturing meaningful partnerships, KIP REIT is building more than just malls. We are building communities that thrive together, creating long-lasting value for our investors, tenants, and the people who make it all possible.

WHAT IS OUR COMMITMENT?

KIP REIT is dedicated to safeguarding and advancing the rights, dignity, and well-being of everyone connected to our operations. Our Labour and Human Rights Policy is guided by respected international standards, including the Universal Declaration of Human Rights ("**UDHR**"), the core conventions of the International Labour Organisation ("**ILO Core Conventions**"), and the UN Guiding Principles on Business and Human Rights ("**UNGPs**").

KIP REIT maintains a zero-tolerance policy towards all forms of human rights violations, including forced labour, child labour, discrimination, harassment, and any form of exploitation or abuse. Beyond this, we champion fair compensation, safe and healthy working environments, freedom of association, and equal opportunities for all. These principles apply not only to our direct employees but also extend to contractors, suppliers, and partners within our broader ecosystem, reflecting our commitment to responsible and ethical business practices at every level.

HUMAN RIGHTS AND LABOUR STANDARDS

WHAT IS OUR APPROACH?

At KIP REIT, we operationalise our commitment to human and labour rights through a robust, multi-dimensional framework that permeates every aspect of our business. Our approach is proactive, systematic, and continuously evolving to meet the highest standards of ethical conduct and social responsibility.

We rigorously enforce compliance with local labour laws, particularly regarding minimum employment age and fair working conditions. Our recruitment processes are designed to promote diversity and equal opportunity, ensuring that all employees, regardless of race, religion, gender, age, sexual orientation or disability, are treated with dignity and respect.

Embracing Human and Labour Rights Principles

01 Forced Labour
Engaging or employing any individual against their free will is strictly prohibited. Bonded labour, debt slavery, or any form of involuntary servitude are not tolerated. Employment must always be voluntary and conducted with full respect for personal freedom and dignity.

02 Child Labour
Full compliance with all legal minimum working age requirements is maintained across all our operations, ensuring no underage individuals are employed in any capacity.

03 Employee Welfare
The rights and welfare of employees and contract personnel are upheld through strict adherence to applicable laws and agreements concerning compensation, working hours, overtime, and benefits. This includes payment of at least the minimum wage, fair overtime compensation, and respect for local or collective agreements governing working conditions to prevent exploitation and ensure fair remuneration.

04 Non-Discrimination
Any form of unlawful discrimination or bias in hiring and employment practices is prohibited. Equal opportunity and fairness are promoted regardless of race, ethnicity, gender, age, religion, disability, sexual orientation, political beliefs, or other unrelated characteristics.

05 Freedom of Association
Legal rights of employees and contract personnel to freely associate, join labour unions, or engage in collective bargaining are respected and upheld in accordance with applicable laws.

06 Humane Treatment
All employees and contract personnel are treated with dignity and respect. Harsh, inhumane, or abusive treatment—including mental or physical coercion—is strictly forbidden.

Policy Framework and Embedding Human Rights

Our key Human Resource Policies that underpin compliance and employee welfare include:

- Labour and Human Rights Policy
- Employee Code of Conduct Policy
- Employee Handbook
- Sexual Harassment Policy

Our Human and Labour Rights approach are embedded into six core pillars of practice:

01 Policy and Governance
Our **Labour and Human Rights Policy** is seamlessly woven into every facet of our operations and extended supply chain, ensuring uniform adherence across all regions and business units. Endorsed at the highest levels of leadership, this policy is embedded into critical processes such as employee onboarding, procurement procedures, and operational protocols. By aligning with globally recognised standards, including the UDHR, the ILO Core Conventions and the UNGPs, we establish a robust ethical framework that guides all our business activities.

02 Vendor and Contractor Management
Our commitment to human rights extends beyond our direct workforce to encompass all contractors and suppliers within our ecosystem. We are progressively integrating ESG requirements, including labour rights and workplace dignity into our service agreements. The forthcoming **Suppliers' Code of Conduct** ("**SCOC**"), set for launch in FY2026, will formalise these expectations. The Service Provider plays a pivotal role in enforcing compliance through regular audits, site inspections, and direct engagement with the contract workers, ensuring fair wages, reasonable working hours, access to rest facilities, and respectful treatment are consistently upheld.

03 Internal Capacity Building
Understanding that knowledge is the foundation of ethical practice, we deliver specialised training on human rights, labour standards, and workplace ethics tailored for heads of department and operational teams. These programs foster a culture of integrity, respect, and accountability. From FY2027 onwards, we will broaden these initiatives to include our vendors, suppliers and contractors, embedding human rights principles deeply into our extended operational network.

04 Grievance and Remedy
We uphold a secure, confidential whistleblowing platform accessible to employees, contractors, vendors, and community stakeholders alike. This channel empowers individuals to report human rights or labour concerns without fear of retaliation. Each report is meticulously reviewed by the Compliance Officer and, when warranted, escalated to the Senior Management and the Audit and Risk Management Committee ("**ARMC**"). Our unwavering commitment to prompt investigation and effective remediation reinforces transparency and trust throughout our organisation.

05 Community Alignment
Our approach to human rights is intrinsically linked to meaningful community development. We actively invest in initiatives that generate local employment, empower vulnerable populations, and promote economic inclusion. This includes providing affordable retail spaces to local SMEs, delivering outreach programs for underprivileged families, and collaborating with community organisations to cultivate sustainable opportunities. By aligning our growth with community well-being, we foster social cohesion and generate shared value.

06 Continuous Monitoring, Reporting, and Improvement
The Sustainability Working Group ("**SWG**"), comprising leaders from key business functions, cooperates and strategises cross-functionally to oversee ongoing policy enforcement, risk assessment, and enhancement efforts. Through systematic audits, risk mapping, and stakeholder engagement, we proactively identify emerging challenges and refine our approach. Transparent disclosure of human and labour rights performance metrics is integral to our sustainability reporting, promoting accountability and continuous progress.

HUMAN RIGHTS AND LABOUR STANDARDS

Commitment to Local Communities

KIP REIT places strong emphasis on local employment and sourcing as foundational pillars of our business strategy and social responsibility. By prioritising the recruitment of local talent and engaging suppliers from the communities surrounding our Managed Properties, we actively contribute to fostering economic development, reducing unemployment, and building resilient local economies. This commitment aligns with our focus on community-centric malls and industrial properties strategically located in suburban and high-population areas, enabling us to support vibrant local commerce and supply chains.

Our approach goes beyond mere hiring. It encompasses skills development and capacity building to empower individuals with sustainable career opportunities. We are particularly committed to the employment of underprivileged groups, including those from deprived backgrounds, with poor social status, and lacking formal education or qualifications. Our internship programme, currently in its developmental phase, is designed to support youth employment by providing meaningful work experience and skill development opportunities. It aims to build a strong pipeline of skilled professionals who are well-aligned with KIP REIT's operational needs, laying the foundation for future talent growth within the organisation.

We also recognise the vital role that small and medium-sized enterprises ("**SMEs**") play in sustaining local economies and driving inclusive growth. Through competitive leasing terms and collaborative initiatives, we strive to create an enabling environment where SMEs can thrive and expand their businesses. By providing affordable and accessible retail spaces within our community-centric malls, we support these enterprises in reaching broader customer bases and enhancing their operational sustainability.

Workforce Composition

KIP REIT's workforce model is designed to ensure long-term continuity in critical business functions while maintaining flexibility for seasonal or project-based requirements. **In FY2025, the workforce consisted entirely of permanent and contract staff, with no temporary or blue-collar employees engaged**. Most of our employees hold full-time positions that offer statutory benefits, structured career progression, and ongoing engagement through internal communications and performance reviews.

Complementing this core group, contract employees accounted for about 9% of our total workforce in FY2025. All contract hires were employed under standard contracts that complied fully with the Malaysian labour law, including clearly defined scopes of work, agreed durations, and eligibility for basic employment protections such as safe working conditions, rest hours, and timely remuneration. While they are not part of the permanent workforce structure, they receive equivalent respect and workplace protections during their engagement.

Human Rights Impact Assessment and Salient Issues

KIP REIT recognises that operating in the real estate and retail sectors carries inherent human rights responsibilities. To address these effectively, we have implemented a structured approach to identify, assess, and mitigate potential human rights risks across our operations and value chain. This process is anchored in our Enterprise Risk Management ("**ERM**") framework, which provides a systematic methodology for evaluating risks and implementing appropriate safeguards.

Our risk assessments consider both the severity and likelihood of potential impacts, enabling us to prioritise resources and develop targeted mitigation strategies where risks are most significant. These processes also help us identify potential blind spots, refine our mitigation strategies, and ensure our practices meet internationally recognised standards.

Grievance Mechanisms

KIP REIT's formal grievance mechanism is integrated within its comprehensive Whistleblowing Policy, which explicitly covers human rights concerns and ensures confidentiality and anonymity for all individuals who raise concerns. This mechanism is accessible to both internal stakeholders such as employees and management as well as external parties, including contractors, suppliers, and community members impacted by our business activities.

The Whistleblowing Policy provides multiple secure channels for raising concerns: a dedicated email at whistleblower@kipreit.com.my, by mail post to KIP REIT Management Sdn Bhd, or through KIP REIT's whistleblowing channel available in its official website. All disclosures are routed directly to the Chairman of the ARMC and the Compliance Officer, ensuring independent and impartial handling.

Protection is guaranteed to whistleblowers acting in good faith, shielding them from any form of retaliation, harassment, or adverse employment consequences. The mechanism also accepts anonymous reports, provided they contain verifiable details, thereby ensuring confidentiality and encouraging individuals to come forward without fear.

This robust and accessible grievance framework reflects KIP REIT's commitment to ethical governance and respect for human rights, providing a trusted and transparent avenue for all stakeholders to raise concerns and seek resolution.

WHAT IS THE VALUE WE CREATED IN FY2025?

5 Value Creations in Human Rights and Labour Standards

01 Enhanced Employee Well-being and Organisational Stability

By embedding fair labour practices and fostering a culture of respect, dignity and inclusion, KIP REIT has created a work environment that supports employee well-being and professional growth. Our overall workforce retention rates remained stable at 78%, reflecting high levels of job satisfaction and engagement. This stability reduces turnover-related costs and operational disruptions, enabling us to maintain continuity in critical business functions and deliver consistent value to our stakeholders. Moreover, our comprehensive employee support mechanisms – including clear grievance channels, transparent communication, and ongoing performance development – empower our people to thrive and contribute meaningfully to our shared success.

02 Strengthened Trust, Transparency, and Corporate Reputation

Trust is the foundation of our relationships with employees, investors, partners, and regulators. Our zero-tolerance policy towards human rights violations, combined with accessible and confidential grievance mechanisms, reinforces stakeholder confidence in KIP REIT's ethical governance. This trust enhances our corporate reputation, positioning KIP REIT as a responsible leader in the real estate sector and a preferred employer and partner. It also facilitates smoother regulatory engagement and supports long-term investor confidence, which are critical to our sustainable growth trajectory.

03 Economic Empowerment and Social Inclusion through Local Employment

Our deliberate focus on local hiring and fair labour standards contributes to the economic empowerment of the communities surrounding our Managed Properties. By providing employment opportunities that offer fair wages, benefits, and safe working conditions, we help uplift households and stimulate local economies. This creates positive ripple effects, including increased spending power, improved living standards, and enhanced social cohesion. Such inclusive employment practices align with our commitment to social sustainability and contribute to reducing economic disparities, thereby supporting broader national development goals.

04 Capacity Building and Workforce Development

Investment in human capital is central to our value creation strategy. Our training programs cover critical areas such as human rights awareness, labour law compliance, workplace dignity, diversity and inclusion, and ethical conduct. These initiatives not only enhance employee competencies but also cultivate a shared understanding of our values and expectations across the organisation. Managerial training on handling sensitive issues like harassment and discrimination has also strengthened leadership capabilities, fostering a psychologically safe and inclusive workplace culture. This continuous capacity building enhances organisational agility and positions KIP REIT to navigate evolving social and regulatory landscapes effectively.

05 Strengthening Ethical Governance and Risk Management

Embedding human rights and labour standards into our governance framework enhances our risk management and compliance capabilities. Our policies are integrated into operational procedures, ensuring that ethical considerations are central to decision-making. This alignment reduces exposure to legal and reputational risks and supports transparent reporting and accountability. By fostering a culture of integrity and responsibility, we safeguard stakeholder interests and reinforce the long-term sustainability of our business.

HUMAN RIGHTS AND LABOUR STANDARDS

Employee Code of Conduct Enhancement

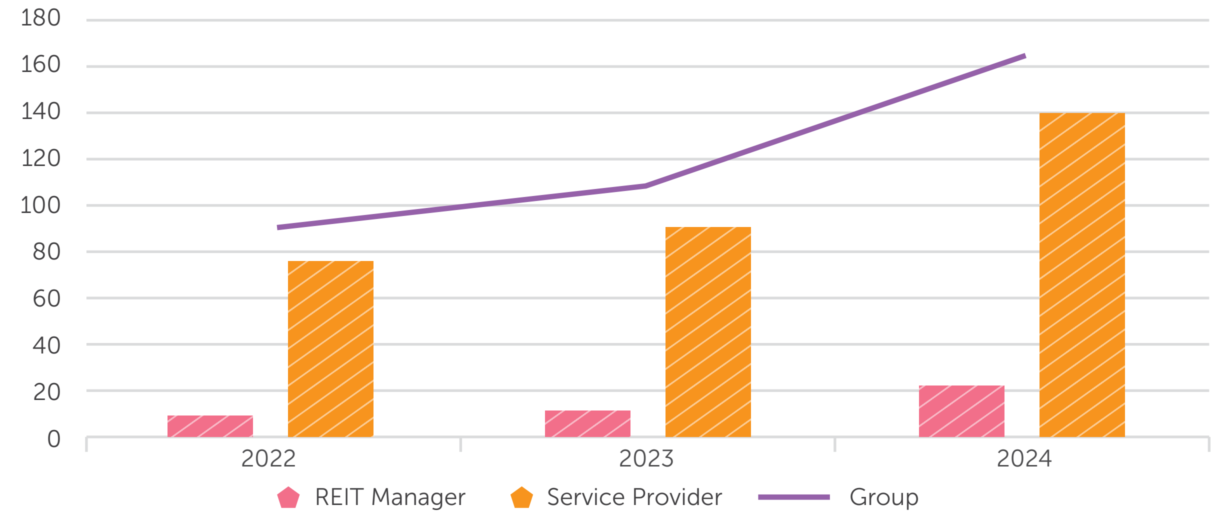
In 2025, KIP REIT made significant enhancements to its **Employee Code of Conduct** ("**Code**") to better align with evolving human rights and labour standards, reflecting our commitment to fostering a respectful, safe, and inclusive workplace. A key update includes the formal introduction and operationalisation of a flexible working hours arrangement. This policy allows employees greater autonomy to manage their work schedules within prescribed limits, supporting work-life balance and reducing the risk of excessive working hours. The flexible working hours initiative complies fully with the **Employment Act Amendment 2022**, ensuring adherence to statutory working hours and overtime regulations while promoting employee well-being and sustainable productivity.

In addition to flexible working arrangements, the updated Code reinforces KIP REIT's commitment to a safe and respectful workplace by explicitly addressing cyberbullying issue. This reflects our zero-tolerance stance toward behaviours that undermine dignity or compromise employees' psychological safety, while ensuring compliance with Malaysian labour legislation as well as international frameworks such as the ILO conventions and UNGPs. By setting clear guidelines for respectful digital communication and workplace conduct, the updated Code seeks to foster a positive organisational culture where all employees feel valued, respected, and protected.

HOW IS OUR OVERALL PERFORMANCE?

Employment Footprint

Total Employee



Total Employees	2023	2024	2025
REIT Manager	13	17	21
Service Provider	78	91	140
Group	**91**	**108**	**161**

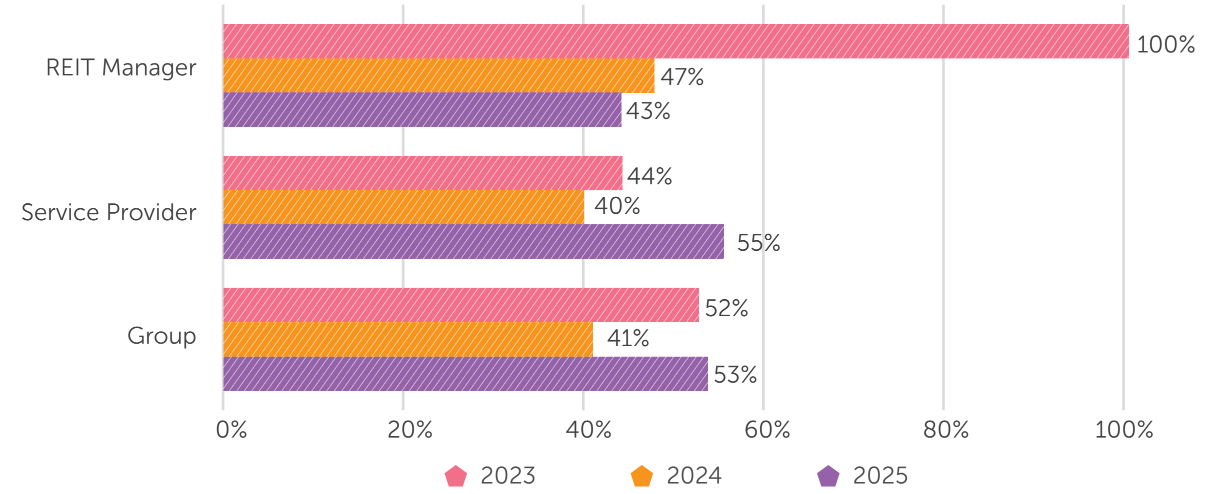
Headcount within the REIT Manager increased from **13 in FY2023 to 21 in FY2025, representing a cumulative 62% growth over the period**. This expansion mirrors the enlarged property portfolio, which grew from 10 assets in FY2023 to 14 assets in FY2025, necessitating additional resources to support asset management, compliance oversight, and portfolio reporting.

The Service Provider recorded a sharper increase, with headcount **rising from 91 in FY2024 to 140 in FY2025, a 54% jump**. This was primarily driven by the acquisition of DPulze Shopping Centre, where all 39 incumbent employees were retained to safeguard operational continuity and preserve institutional knowledge. The move underscores the Service Provider's integration strategy of balancing workforce stability with operational scalability.

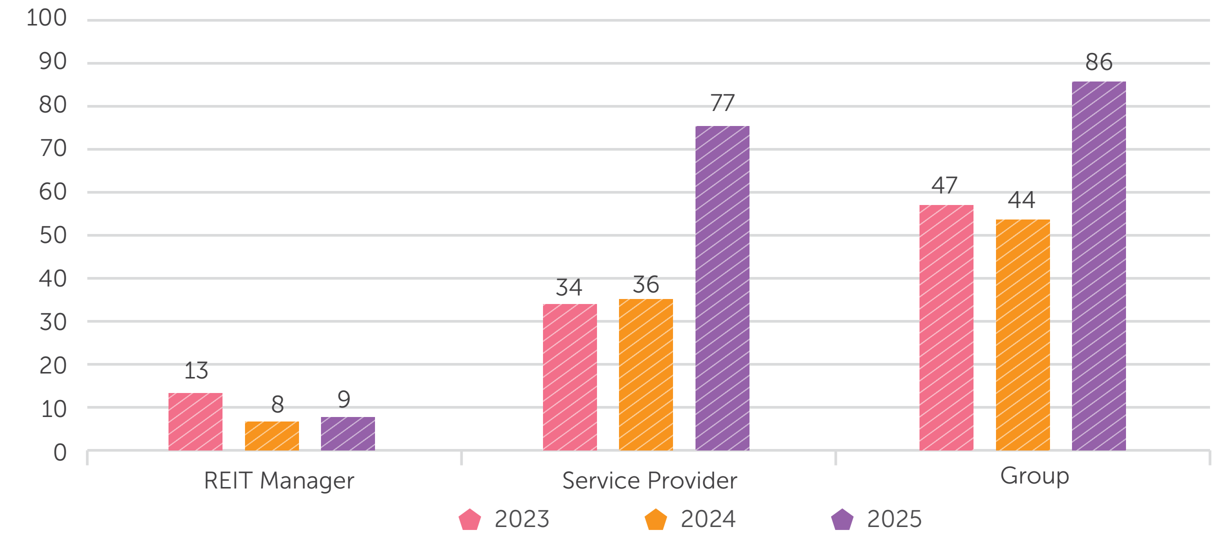
At the consolidated level, Group headcount advanced **from 91 in FY2023 to 161 in FY2025, translating into a 77% cumulative increase**. This trajectory reflects KIP REIT's expanding footprint in Malaysia's retail real estate sector, positioning the Group to meet rising operational demands while contributing to domestic employment generation. The combination of inorganic growth through acquisitions and organic strengthening of the REIT Manager's team highlights the Group's capacity-building approach, reinforcing its competitive position in the sector.

New Hires

New Hire Rate



Number of New Hire



KIP REIT's new hire dynamics reflect both structural portfolio expansion and the Group's evolving workforce strategy. At the REIT Manager level, **new hire rates moderated from 100% in FY2023 to 43% in FY2025**, reflecting the normalisation of hiring after the initial ramp-up phase.

The Service Provider segment recorded more volatile new hire rates, rising from 40% in FY2024 to 55% in FY2025. The sharp increase in FY2025 was attributable to the onboarding of 39 employees from DPulze Shopping Centre, alongside additional hires to support operational scalability. Total new hires surged to 77 in FY2025, more than double the prior year, underscoring the Group's integration of newly acquired asset while sustaining service quality across a growing footprint.

At the Group level, the new hire rate **climbed from 41% in FY2024 to 53% in FY2025**, reflecting the combined effect of inorganic growth and selective reinforcement of the REIT Manager's team. Total new hires accelerated from 44 in FY2024 to 86 in FY2025, a 95% YoY increase, highlighting the scale of workforce expansion required to support portfolio growth.

Overall, the trend suggests that KIP REIT is moving from a **foundation-building phase** to a **scaling phase**, where workforce expansion is increasingly linked to acquisitions and operational leverage. This positions the Group to sustain long-term growth while reinforcing its human capital base as a differentiating factor in Malaysia's retail REIT sector.

HUMAN RIGHTS AND LABOUR STANDARDS

Employment Structure

Employment Types	2023		2024		2025	
REIT Manager						
Permanent Staff	13	100%	16	94%	21	100%
Contract Staff	0	0%	1	6%	0	0%
Service Provider						
Permanent Staff	58	74%	81	89%	126	90%
Contract Staff	20	26%	10	11%	14	10%
Group						
Permanent Staff	71	78%	97	90%	147	91%
Contract Staff	20	22%	11	10%	14	9%

KIP REIT's employment profile underscores its commitment to long-term workforce stability. At the Group level, **permanent staff rose from 78% in FY2023 to 91% in FY2025**, while **contract staff** – limited only to probationary employees from organic recruitment – **declined from 22% to just 9%**. This demonstrates the Group's clear emphasis on transitioning new hires into permanent roles rather than relying on temporary labour.

At the REIT Manager level, the workforce remained **almost fully permanent throughout the period**, with only a brief 6% contract exposure in FY2024 attributable to probationary hires. This reflects management's strategy of embedding core competencies within a stable, permanent base.

The Service Provider, which forms the bulk of headcount, showed a strengthening trend. Permanent staff **increased from 74% in FY2023 to 90% in FY2025**, after absorbing 39 employees from DPulze Shopping Centre whom were directly confirmed as permanent. This approach underscores management's intent to safeguard operational continuity and institutional knowledge during acquisitions, while keeping probationary contracts confined to organic hires.

Overall, the Group's consistently high permanent staff ratio highlights a deliberate workforce model anchored on stability, loyalty, and institutional knowledge. By restricting contract status to probationary periods only, KIP REIT minimises turnover risk, strengthens employee engagement, and positions itself as a responsible employer.

Parental Leaves

Performance Indicators	2023	2024	2025
Employees applied for parental leaves	2	7	6
Employees returned after parental leaves	2	7	6
Employees returned to work after parental leaves ended that were still employed 12 months after their return to work	2	7	4

In FY2025, KIP REIT continued to provide comprehensive parental leave benefits that support work-life balance and family wellbeing. A total of 6 employees applied for parental leave during the year, with all returning to work and four remaining employed 12 months after their return. This consistent 100% return-to-work across FY2023 to FY2025 demonstrates the effectiveness of our supportive policies and inclusive workplace culture in enabling employees to balance professional and personal responsibilities.

Local Employment

Performance Indicators	2023	2024	2025
Percentage of Local Employees	100%	100%	100%
Percentage of New Local Hires	100%	100%	100%
Internship Programme Participation Number of interns engaged	N/A	N/A	2
Intern-to-Permanent Conversion Rate Percentage of interns offered permanent roles	N/A	N/A	50%

KIP REIT remains fully committed to advancing local employment, with **100% of our workforce comprising Malaysian employees across FY2023 to FY2025**. Likewise, all new hires during this period were local talent, underscoring our contribution to national employment creation and our alignment with Prime Minister's emphasis on developing the domestic talent pool.

Our internship programme, though still at an early stage, is designed as a structured pipeline to nurture future professionals. In FY2025, we engaged two interns, of whom **50% were offered permanent employment opportunities,** demonstrating our ability to convert training exposure into sustainable career pathways. This conversion ratio not only reflects the quality and relevance of the programme but also highlights our role in strengthening the employability of Malaysia's youth.

By embedding talent cultivation into our employment practices, we position ourselves not just as an employer, but as a catalyst for national workforce development, strengthening our social impact while ensuring organisational sustainability.

SMEs Support

Performance Indicators	2025
Total Tenants	1172
Total SME Tenants (1)	363
SME Tenants (%) of Total Tenants Proportion of retail tenants classified as SMEs in FY2025	31%
Average Lease Terms for SMEs Average length and/or competitiveness of tenancy agreements for SMEs	2 + 2 years
SME Tenant Retention Rate (%) Percentage of SME tenants renewing tenancies in FY2025	77%

(1) *For reporting purposes, SME tenants are classified as businesses generating annual revenue below RM500,000.*

KIP REIT recognises the critical role of SMEs in driving Malaysia's economic resilience and supporting community vitality. In FY2025, **31% of our total retail tenants (363 out of 1,172)** were SMEs, classified as businesses generating annual revenue below RM500,000. Our tenancy strategy is designed to provide SMEs with affordable and sustainable access to retail spaces, featuring **competitive terms averaging 2+2 years** and a **strong retention rate of 77%**. These measures reflect our commitment to ensuring smaller businesses gain equitable access to prime retail spaces.

Beyond tenancy support, KIP REIT's community-centric malls strategically located in suburban and high-population areas naturally serve as platforms for local commerce. By anchoring our tenant mix with a significant SME presence, we help diversify retail offerings, enhance footfall, and create thriving commercial ecosystems that benefit both businesses and the communities they serve.

By actively nurturing SME tenants, KIP REIT goes beyond being a retail landlord – we act as an **enabler of local enterprise and community prosperity**. This approach creates shared value, reinforces tenant loyalty, and enhances the long-term sustainability of our portfolio, while positioning KIP REIT as a responsible REIT manager committed to delivering both financial and social returns.

HUMAN RIGHTS AND LABOUR STANDARDS

Local Sourcing and Procurement

Performance Indicators	2023	2024	2025
Local Supplier Spend (%) Proportion of procurement budget spent on local suppliers	100%	100%	100%

KIP REIT is firmly committed to strengthening local economies through responsible procurement practices. From FY2023 to FY2025, **100% of our procurement spend was directed to Malaysian suppliers**, underscoring our dedication to supporting domestic businesses and fostering resilient local value chains.

By prioritising local sourcing, we create tangible benefits for the communities where we operate, including job creation, skills development, and economic empowerment. This strategy also enhances our operational efficiency by leveraging suppliers who have an intrinsic understanding of local markets, thereby reducing logistical complexities and ensuring more responsive service delivery.

Our procurement approach is closely aligned with our broader SME support agenda. Many of our suppliers are SMEs, and by consistently engaging them, we help strengthen their long-term business viability while embedding inclusivity into our value chain. Coupled with our community-centric mall strategy, this ensures that the positive economic impact of our operations is both localised and widely shared.

Labour Standards Non-Compliance and Human Rights Grievances

Performance Indicators	2023	2024	2025
Number of incidents concerning labour standards non-compliance	0	0	0
Number of substantiated complaints concerning human rights violations	0	0	0
Incidents of violations involving rights of indigenous people	0	0	0

KIP REIT is proud to report a **consistent track record of zero incidents** of labour standards non-compliance, human rights violations, or infringements involving indigenous peoples over the past three financial years. This strong performance reflects our strict adherence to statutory requirements on wages, rest days, and working hours, as well as our ongoing commitment to upholding the highest standards of human rights across our operations.

This achievement is not by chance but the result of robust governance, clear policies, and effective monitoring systems. All employment contracts are fully compliant with Malaysian labour laws, and all our employees are provided with an **Employee Handbook** that clearly sets out their rights, responsibilities, and grievance channels. Our whistleblowing mechanism remained operational throughout FY2025, providing confidential reporting avenues for employees and stakeholders, although no formal grievances or anonymous complaints were received.

Looking ahead, KIP REIT will continue to strengthen employee awareness, enhance supplier due diligence, and maintain transparent grievance channels. These proactive measures ensure that potential risks are identified and addressed promptly, reinforcing our role as a responsible employer and corporate citizen. Our consistent record of compliance underscores both our operational resilience and our long-term commitment to protecting people and communities.

WHAT IS OUR NEXT INITIATIVE?

We are introducing vendor engagement protocols through a new SCOC, setting clear expectations on fair labour, legal compliance, and alignment with our **Labour and Human Rights Policy**.

This initiative underscores our commitment to embedding human rights principles meaningfully into our business practices, ensuring that both our workforce and service ecosystem operate in alignment with globally recognised standards.

While this plan sets the direction of our efforts, it remains adaptable to operational realities, stakeholder feedback, regulatory developments, and broader market dynamics. We are committed to continuous improvement and will refine our approach to ensure sustained progress over time.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will focus on establishing foundational structures that support stronger labour and human rights governance across our operations. Immediate priorities include the rollout of a SCOC, which will outline clear expectations for fair employment practices and ethical conduct among vendors, contractors and service providers. Concurrently, we will initiate more internal trainings for employees to strengthen awareness and oversight of labour-related risks on the ground.

Medium Term

As our internal frameworks mature, KIP REIT will aim to enhance oversight and engagement with vendors and outsourced personnel. We plan to develop structured onboarding and briefing processes for high-risk contractors, particularly those in cleaning, security and maintenance, covering topics such as minimum wage compliance, anti-discrimination, and grievance protocols. Human rights training modules will also be extended to vendors, contractors and service providers, reinforcing our commitment to workplace dignity and ethical conduct.

Long Term

Looking ahead, KIP REIT aims to achieve progressive integration of human rights considerations across our procurement lifecycle and service provider management processes. We envision a future where human rights expectations are fully embedded in vendor qualifications, contract renewals, and performance monitoring practices, supported by regular communication and ethical compliance reviews. Over time, we also plan to explore cross-sector partnerships that promote responsible employment and build awareness across the broader real estate value chain. While these aspirations remain subject to operational and regulatory developments, we are committed to steady progress and continuous improvement anchored in global best practices.

VISION 4
Enriching Human Capital and Social Ecosystems

DIVERSITY, EQUITY AND INCLUSION

Embedding diversity, equity, and inclusion into our organisational fabric to strengthen decision-making, drive innovation, and reflect the communities we serve, while ensuring equitable access to opportunities across all levels of the workforce.

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

GRI | 2-7, 3-3, 405-1

Concerned Stakeholders

Employees

RISK AND OPPORTUNITY

Diversity, Equity and Inclusion → **Strategic Cultural Excellence and Inclusive Value Creation**

Risk

KIP REIT's long-term success depends on fostering an inclusive workplace that harnesses diverse perspectives. Without structured diversity, equity and inclusion ("**DEI**") initiatives, the organisation risks homogeneous thinking, unconscious bias in recruitment and promotion, underrepresentation of diverse groups, and weakened engagement.

Insufficient inclusive leadership and cultural awareness may reduce innovation, psychological safety, and market reach, while poor measurement can mask inequities. Collectively, these gaps expose KIP REIT to reputational and talent-attraction risks, ultimately undermining competitiveness and growth.

Opportunity

These challenges present a strategic opportunity for KIP REIT to transform DEI into a competitive advantage. A diverse workforce brings varied perspectives and problem-solving approaches that enhance decision-making quality, drive innovation, and improve risk assessment across all business functions.

Inclusive leadership practices create psychological safety that unlocks employee potential and fosters collaborative excellence. Equitable talent management systems ensure optimal utilisation of human capital while building employer brand strength that attracts talent from diverse backgrounds.

This strategic approach transforms DEI from a compliance requirement into a fundamental business strategy that drives enhanced performance, stakeholder confidence, market differentiation, and long-term sustainable growth across financial, social, and environmental dimensions.

WHY IS THIS TOPIC MATERIAL TO US?

DEI represents a critical foundation for organisational resilience, innovation capacity, and sustainable value creation in today's interconnected global marketplace. Our ability to create an inclusive environment where diverse perspectives are valued, equitable opportunities are provided, and all individuals can contribute their best work directly impacts our operational excellence, strategic decision-making quality, and long-term competitive positioning.

The business case for DEI extends far beyond moral imperatives to encompass measurable performance benefits. Research consistently demonstrates that diverse teams make better decisions, generate more innovative solutions, and achieve better financial performance compared to homogeneous groups. In the real estate investment sector, diverse perspectives enhance our ability to understand varied market dynamics, tenant needs, and community expectations, leading to more informed investment decisions and stronger stakeholder relationships.

DEI materiality is amplified by evolving stakeholder expectations, regulatory requirements, and market dynamics. Investors increasingly integrate ESG factors, including diversity metrics, into investment decisions and valuations. Tenants and business partners prioritise relationships with organisations that demonstrate inclusive values and practices. Regulatory frameworks continue to evolve toward greater transparency and accountability on diversity outcomes.

Furthermore, demographic shifts and generational changes in the workforce mean that organisations failing to embrace inclusive practices will face increasing challenges in attracting and retaining talent. Our commitment to DEI directly correlates with our ability to access the full spectrum of available talent, understand diverse market segments, and build the cultural foundation necessary for sustained innovation and growth in an increasingly complex business environment.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to building a workplace where diversity is celebrated, equity is embedded in all processes, and inclusion is experienced by every individual. This commitment encompasses creating systematic change that addresses both visible and invisible barriers to full participation and advancement across all dimensions of diversity, including but not limited to race, ethnicity, religion, gender, age, sexual orientation, disability status, nationality, and socioeconomic background.

Our commitment extends to implementing comprehensive DEI strategies that span the entire employee lifecycle, from recruitment and onboarding through career development, leadership advancement, and succession planning. We are also dedicated to measuring and transparently reporting our progress on diversity representation, equity outcomes, and inclusion indicators across all organisational levels.

DIVERSITY, EQUITY AND INCLUSION

WHAT IS THE VALUE WE CREATED IN FY2025?

Diversity, Equity, and Inclusion Through Cultural Celebration

KIP REIT created significant organisational value in FY2025 through our DEI initiative that celebrates Malaysia's rich multicultural heritage. By thoughtfully organising and facilitating inclusive cultural celebrations, we strengthened workplace cohesion, enhanced employee engagement, and demonstrated our commitment to fostering an environment where all team members feel valued and respected.

Our **Cultural Celebration Programme** encompassed major festivals representing Malaysia's diverse religious and ethnic communities. During Christmas celebrations, we created inclusive festivities that brought together employees of all backgrounds, fostering cross-cultural understanding and shared joy. The collaborative celebration planning strengthened interpersonal relationships while demonstrating respect for Christian traditions within our multicultural workforce.

The **Chinese New Year festivity** featured a traditional lion dance performance held directly in our office premises, creating an authentic cultural experience that educated and delighted all employees regardless of their cultural background. This vibrant celebration not only honoured Chinese heritage but also provided opportunities for cultural learning and appreciation, enhancing mutual understanding among our diverse team members.

During **Ramadan**, we implemented early release policies that allowed Muslim employees to return home in time for iftar (breaking of fast) with their families. This accommodation recognised the spiritual and family significance of the fasting period while maintaining operational efficiency. We subsequently organised **Hari Raya celebrations** that honoured Islamic customs and heritage while creating inclusive participation opportunities for the entire workforce. These initiatives demonstrated cultural sensitivity and religious awareness, reinforcing our commitment to creating an environment where employees' diverse beliefs and practices are acknowledged and celebrated.

These celebrations created measurable value by fostering psychological safety, cultural competency, and mutual respect within our organisation. By investing in DEI through authentic cultural celebration, KIP REIT demonstrated that diversity is not merely tolerated but actively celebrated as a source of organisational strength and competitive advantage.

DIVERSITY, EQUITY AND INCLUSION

Women's Leadership Forum

KIP REIT made history by hosting its inaugural Women's Leadership Forum on 10 March 2025, marking our first dedicated initiative to advance women's leadership development across the organisation. This pioneering effort, personally spearheaded by our CEO, brought together 40 female employees ranging from non-executive level staff to senior managers, creating a dynamic cross-functional dialogue on women's advancement in the workplace.

This session represented KIP REIT's first attempt to create a dedicated platform for female empowerment and career development. During the focused interactive forum, our CEO delivered inspiring insights on female empowerment in the workplace, inclusive leadership practices, and strategic approaches to career advancement.

She also addressed common barriers that women face in professional environments, particularly the perception that certain senior positions may seem challenging or inaccessible. However, she emphasised that leadership opportunities remain competitive and accessible to all employees who demonstrate commitment, competence, and dedication to organisational excellence.

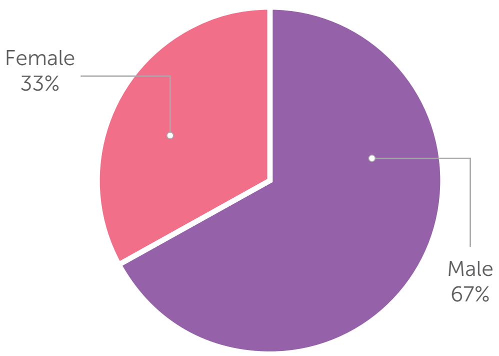
She reinforced KIP REIT's evolving commitment to merit-based advancement while acknowledging the unique perspectives and strengths that women bring to leadership roles across our diverse portfolio. This first-of-its-kind forum concluded with the CEO instilling confidence and optimism about future opportunities, emphasising that KIP REIT values diverse leadership and actively supports women's professional growth.

This inaugural initiative demonstrates our pioneering commitment to breaking down barriers, fostering inclusive leadership, and ensuring that talent development transcends traditional limitations.

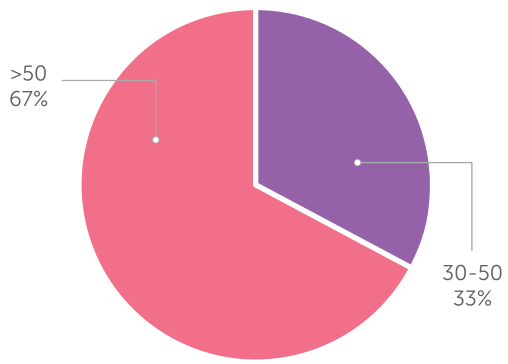
HOW IS OUR OVERALL PERFORMANCE?

Board Diversity

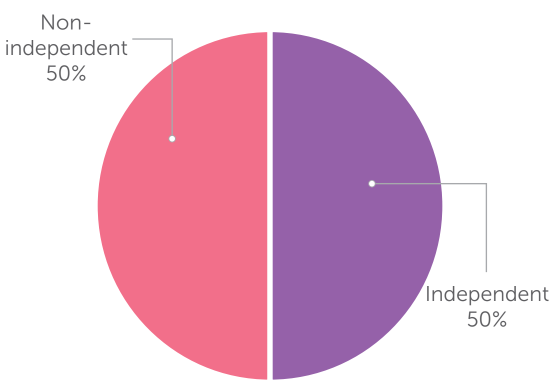
» Gender



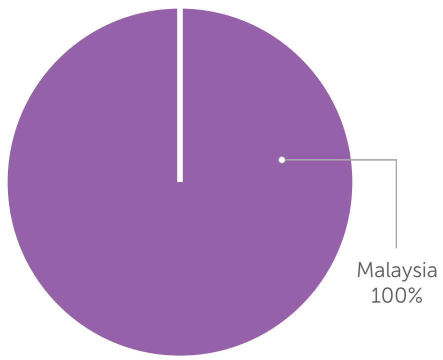
» Age



» Independence



» Nationality



Employees by Gender FY2025

At the Group level, female representation within Senior Management stands at 50%, underscoring a balanced leadership structure that aligns with global investor expectations on gender parity. This performance reflects stability, as gender representation at the senior tier remains consistently in line with leading corporate governance benchmarks. Importantly, these appointments are merit-based, reflecting competence, capability, and track record rather than quota-driven representation.

Within the operational portfolio, female leadership is equally prominent. **Out of 8 Managed Assets, four are led by female Complex Managers, delivering a 50% female leadership ratio at the asset-level**. This figure is strategically significant, as it signals a strong presence of women in roles directly responsible for asset performance and operational outcomes.

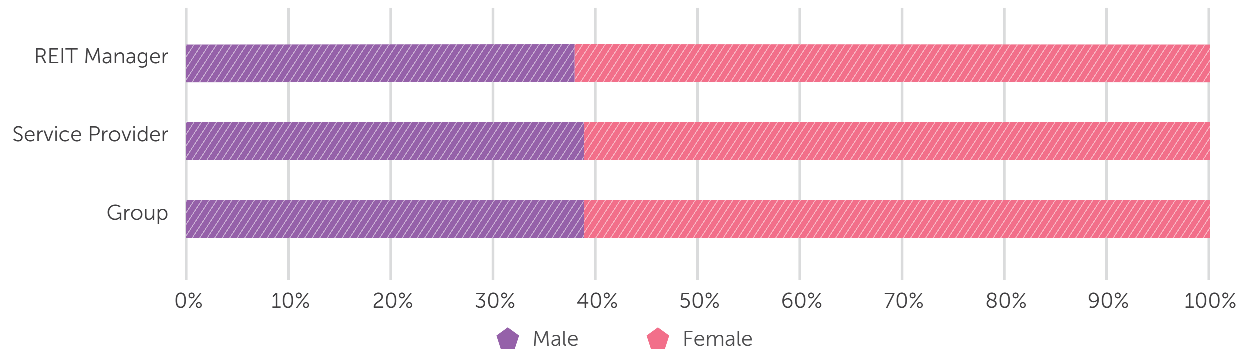
At the C-suite, female representation is particularly notable. **Both the Chief Executive Officer and Chief Financial Officer positions are held by women, reinforcing KIP REIT's positioning as one of the few industry players where top leadership is female-dominated**. These appointments are likewise anchored on merit and proven leadership capabilities, strengthening external perception from ESG-focused investors while providing a tangible signal of inclusivity cascading from the highest level of decision-making.

Across the Group, female representation has exceeded 60% of the total workforce in FY2025. At the management pipeline levels (executive and non-executive), female employees account for more than 52%, suggesting a healthy succession pipeline to sustain leadership diversity in the medium to long term. The 50% female representation at Senior Management also provides assurance that diversity extends beyond numerical targets to decision-making influence, while remaining grounded in merit-based selection.

Female complex manager from left: Izatul Nissa (KIPMall Bangi), Nor Aniszah (DPulze Shopping Centre), Nor Lila Atan (KIPMall Senawang), and Sabrina Hassan (KIPMall Kota Warisan)

DIVERSITY, EQUITY AND INCLUSION

Categorised by Entities

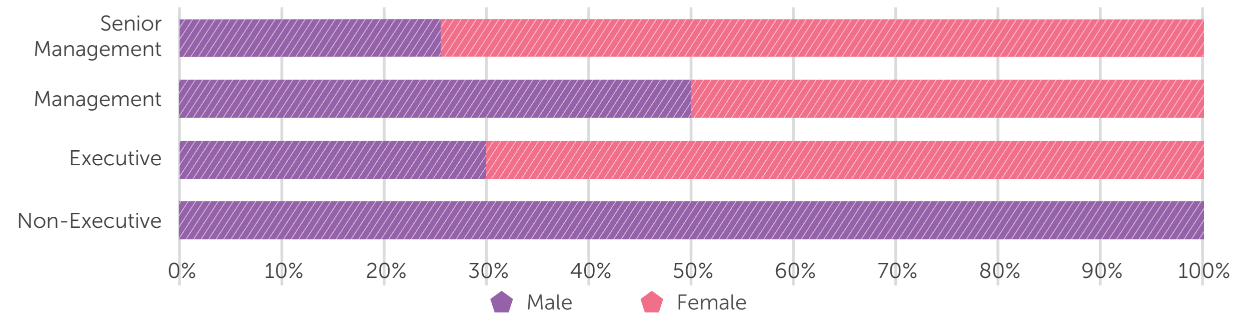


Key Highlight FY2025

> 60% Female Employees at the REIT Manager, Service Provider and Group level

Performance Indicators		2023		2024		2025	
REIT Manager	Male	3	23%	4	24%	8	38%
	Female	10	77%	13	76%	13	62%
Service Provider	Male	43	55%	47	52%	54	39%
	Female	35	45%	44	48%	86	61%
Group	**Male**	**46**	**51%**	**51**	**47%**	**62**	**39%**
	Female	**45**	**49%**	**57**	**53%**	**99**	**61%**

Categorised by Job Category - REIT Manager

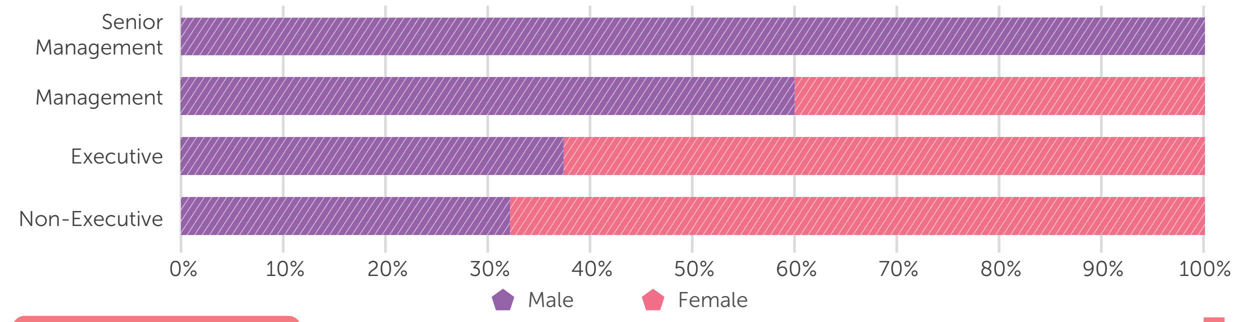


Key Highlight FY2025

> 50% Female Employees at the Senior Management, Management and Executive level

Performance Indicators		2023		2024		2025	
Senior Management	Male	1	33%	1	25%	1	25%
	Female	2	67%	3	75%	3	75%
Management	Male	1	20%	2	33%	3	50%
	Female	4	80%	4	67%	3	50%
Executive	Male	1	20%	1	14%	3	30%
	Female	4	80%	6	86%	7	70%
Non-Executive	Male	0	0%	0	0%	1	100%
	Female	0	0%	0	0%	0	0%

Categorised by Job Category - Service Provider

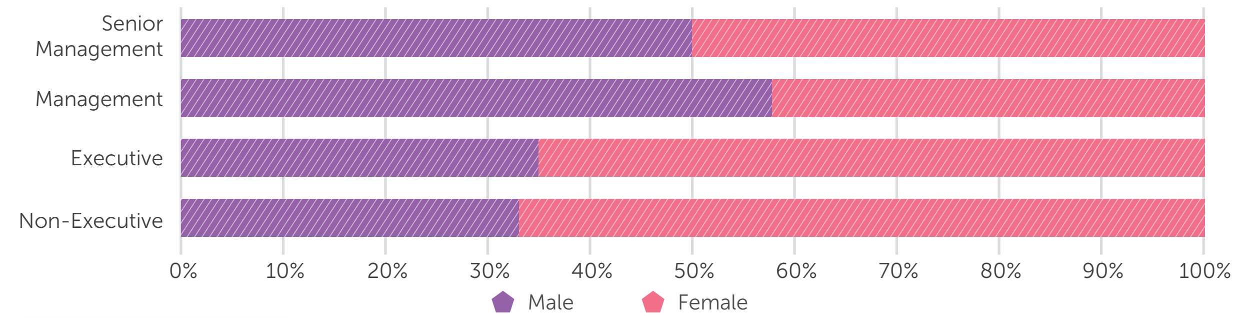


Key Highlight FY2025

>60% Female Employees at the Executive and Non-Executive level

Performance Indicators		2023		2024		2025	
Senior Management	Male	0	0%	2	100%	2	100%
	Female	1	100%	0	0%	0	0%
Management	Male	6	86%	10	77%	12	60%
	Female	1	14%	3	23%	8	40%
Executive	Male	14	48%	10	34%	19	37%
	Female	15	52%	19	66%	33	63%
Non-Executive	Male	23	56%	25	53%	21	32%
	Female	18	44%	22	47%	45	68%

Categorised by Job Category - Group



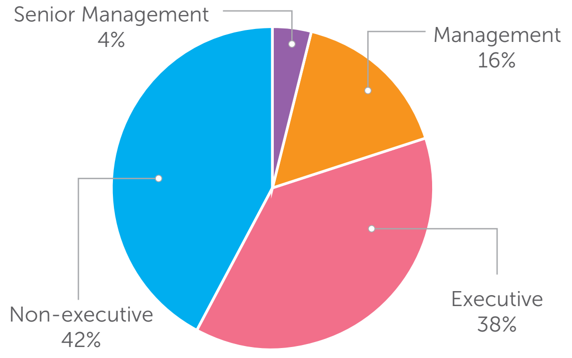
Key Highlight FY2025

>50% Female Employees at the Senior Management, Executive and Non-Executive level

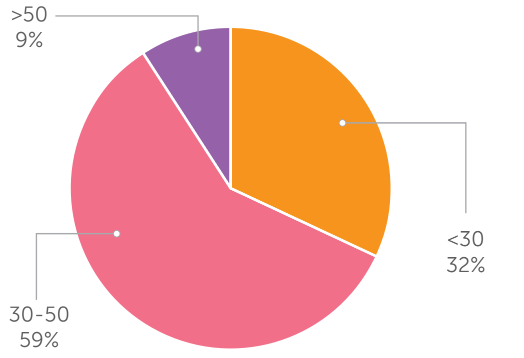
Performance Indicators		2023		2024		2025	
Senior Management	Male	1	25%	3	50%	3	50%
	Female	3	75%	3	50%	3	50%
Management	Male	7	58%	12	63%	15	58%
	Female	5	42%	7	37%	11	42%
Executive	Male	15	44%	11	31%	22	35%
	Female	19	56%	25	69%	40	65%
Non-Executive	Male	23	56%	25	53%	22	33%
	Female	18	44%	22	47%	45	67%

DIVERSITY, EQUITY AND INCLUSION

Employees by Job Category FY2025 Group Level



Employees by Age FY2025 Group Level



Number of Employees by Job Category and Age - REIT Manager

Categories		2023		2024		2025	
Job Category	Senior Management	3	23%	4	24%	4	19%
	Management	5	38.5%	6	35%	6	28%
	Executive	5	38.5%	7	41%	10	48%
	Non-executive	0	0%	0	0%	1	5%
Age	< 30	3	23%	0	0%	5	24%
	30-50	8	62%	15	88%	14	67%
	> 50	2	15%	2	12%	2	9%

Number of Employees by Job Category and Age – Service Provider

Categories		2023		2024		2025	
Job Category	Senior Management	1	1%	2	2%	2	2%
	Management	7	9%	13	14%	20	14%
	Executive	29	37%	29	32%	52	37%
	Non-executive	41	53%	47	52%	66	47%
Age	< 30	24	31%	30	33%	47	33.5%
	30-50	48	61%	53	58%	81	58%
	> 50	6	8%	8	9%	12	8.5%

Number of Employees by Job Category and Age – Group

Categories		2023		2024		2025	
Job Category	Senior Management	4	5%	6	6%	6	4%
	Management	12	13%	19	18%	26	16%
	Executive	34	37%	36	33%	62	38%
	Non-executive	41	45%	47	43%	67	42%
Age	< 30	27	30%	30	28%	52	32%
	30-50	56	61%	68	63%	95	59%
	> 50	8	9%	10	9%	14	9%

Number of New Hires by Job Category, Age and Gender - REIT Manager

Categories		2023		2024		2025	
Job Category	Senior Management	2	15%	1	12.5%	0	0%
	Management	6	46%	4	50%	2	22%
	Executive	5	39%	3	37.5%	6	67%
	Non-executive	0	0%	0	0%	1	11%
Age	< 30	3	23%	1	12.5%	6	67%
	30-50	9	69%	7	87.5%	3	33%
	> 50	1	8%	0	0%	0	0%
Gender	Male	2	15%	2	25%	4	44%
	Female	11	85%	6	75%	5	56%

Number of New Hires by Job Category, Age and Gender – Service Provider

Categories		2023		2024		2025	
Job Category	Senior Management	0	0%	0	0%	0	0%
	Management	2	6%	3	9%	10	13%
	Executive	9	26%	12	33%	24	31%
	Non-executive	23	68%	21	58%	43	56%
Age	< 30	1	3%	17	47%	36	47%
	30-50	17	50%	18	50%	40	52%
	> 50	16	47%	1	3%	1	1%
Gender	Male	20	59%	19	53%	48	62%
	Female	14	41%	17	47%	29	38%

Number of New Hires by Job Category, Age and Gender – Group

Categories		2023		2024		2025	
Job Category	Senior Management	2	4%	1	2%	0	0%
	Management	8	17%	7	16%	12	14%
	Executive	14	30%	15	34%	30	35%
	Non-executive	23	49%	21	48%	44	51%
Age	< 30	4	9%	18	41%	42	49%
	30-50	26	55%	25	57%	43	50%
	> 50	17	36%	1	2%	1	1%
Gender	Male	22	47%	21	48%	52	60%
	Female	25	53%	23	52%	34	40%

VISION 4
Enriching Human Capital and Social Ecosystems

EMPLOYEE WELLNESS AND WELLBEING

Fostering a supportive and inclusive workplace that prioritises physical, mental, and social wellbeing, empowering employees to thrive and contribute sustainably to organisational success.

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

GRI | 3-3, 401-1, 401-2

Concerned Stakeholders

Employees

RISK AND OPPORTUNITY

1 Work Productivity → Enhanced Performance and Organisational Resilience

Risk	Opportunity
Workplace stress, chronic fatigue, and deteriorating mental and physical health can significantly impair employees' cognitive function, diminish creative capacity, and reduce overall productivity levels.	Implementing comprehensive wellness initiatives including mental health support programs, flexible work arrangements, and fitness programs enhances employee focus, builds organisational resilience, and drives superior performance outcomes.

2 Talent Attraction and Retention → Strengthened Employee Loyalty and Employer Brand

Risk	Opportunity
Insufficient wellbeing support creates a competitive disadvantage in talent markets, resulting in elevated turnover rates and challenges in attracting high-calibre professionals.	Cultivating a culture that prioritises employee care and wellbeing fosters deep employee loyalty, reduces attrition costs, and establishes a compelling employer brand that attracts top talent.

3 Work-Life Integration → Sustainable Workforce Excellence

Risk	Opportunity
Unsustainable workloads, excessive working hours, and inadequate work-life boundaries lead to employee burnout, personal relationship strain, and workforce disengagement.	Supporting flexible work arrangements, hybrid work models, and comprehensive leave policies promotes optimal work-life integration, preserving long-term employee wellbeing and maintaining sustainable workforce capacity for continued organisational success.

WHY IS THIS TOPIC MATERIAL TO US?

At KIP REIT, we recognise that our people are the cornerstone of our organisation's success, making employee wellness and wellbeing fundamentally material to our business strategy and long-term sustainability.

The business case for prioritising employee wellness is compelling and multifaceted. A healthy, engaged workforce demonstrates higher productivity levels, enhanced creativity, and superior decision-making capabilities that directly contribute to operational excellence. When wellness needs are neglected, organisations face increased absenteeism, elevated turnover rates, reduced efficiency, and heightened healthcare costs, creating a cascade of challenges that erode profitability and operational stability.

Beyond immediate performance implications, employee wellness has emerged as a critical risk management imperative in today's evolving workplace landscape. As mental health challenges intensify and employee expectations shift, organisations that fail to address wellness needs face significant exposure to reputational damage, talent flight, and potential legal liabilities. Our proactive approach to wellness therefore serves as an essential strategy for protecting stakeholder interests and ensuring business continuity.

From a strategic perspective, our commitment to employee wellness creates powerful competitive advantages in talent markets. This focus positions KIP REIT as an employer of choice, enabling us to attract and retain high-calibre professionals while fostering enhanced employee loyalty and institutional knowledge retention. The resulting organisational agility and competitive positioning translate into sustained value creation and superior long-term returns for our stakeholders.

Ultimately, by embedding wellness and welling into our corporate culture, we create a virtuous cycle where employee wellbeing drives business performance, mitigates operational risks, and strengthens our market position, ensuring that our people remain resilient, our organisation remains competitive, and our stakeholder value creation remains sustainable.

WHAT IS OUR COMMITMENT?

Our commitment to employee wellness and wellbeing reflects our fundamental duty of care and reinforces our social licence to operate. As responsible corporate citizens, we acknowledge our role in addressing broader societal challenges including workplace stress, mental health, and work-life integration. This commitment enhances our reputation among stakeholders, strengthens community relationships, and demonstrates our alignment with evolving societal expectations for responsible business practices.

We are committed to:

- **Fostering a supportive work environment** that prioritises mental health awareness, provides access to counselling services, and promotes open dialogue around wellness challenges
- **Enabling work-life integration** through flexible work arrangements, hybrid working options, and comprehensive leave policies that support personal and family needs
- **Promoting physical wellness initiatives** including health screenings, fitness programs, ergonomic workplace design, and preventive healthcare benefits that support overall employee health
- **Conducting regular wellness assessments** to identify emerging needs, measure program effectiveness, and continuously enhance our employee support initiatives

EMPLOYEE WELLNESS AND WELLBEING

WHAT IS OUR APPROACH?

At KIP REIT, we understand that employee wellness extends far beyond traditional workplace benefits to encompass the full spectrum of human needs that contribute to personal fulfilment and professional success. Our holistic approach recognises that true wellbeing is multidimensional, requiring integrated support across various aspects of employees' lives.

Wellbeing Dimensions

We approach wellness and wellbeing through six interconnected dimensions that collectively form the foundation of our employee-centric culture:

.

Work-Life Balance is the cornerstone of sustainable high performance. True excellence happens when employees can align their professional ambitions with personal fulfilment. This balance nurtures resilience, keeps energy levels high, and allows people to bring their best selves to work while preserving the vitality needed for long-term success.

Physical Health is the foundation upon which all other aspects of wellbeing rest. When employees enjoy good physical health, they benefit from sharper cognitive function, sustained energy, and the strength to handle challenges with confidence and vigour.

Career Growth turns individual potential into organisational capability. By helping employees envision and pursue meaningful futures within KIP REIT, we align personal aspirations with organisational goals, creating unstoppable momentum for shared success.

Mental Health is the bedrock of psychological resilience and emotional intelligence. A workforce that is mentally healthy demonstrates stronger problem-solving skills, healthier relationships, and the emotional stability needed to thrive in dynamic business environments.

Social Connection taps into the human need for belonging and community. Strong workplace relationships foster collaboration, encourage knowledge sharing, and create the collective strength that defines truly high-performing organisations.

Financial Security gives employees peace of mind and the confidence to fully focus on their work. Free from the distraction of financial anxiety, employees gain stability in their personal lives and the freedom to take professional risks that spark innovation and growth.

Benefit Categories Breakdown

Financial

- Annual / Performance Bonuses
- Handphone allowance
- Motor Allowance
- Toll Allowance
- Medical Claims
- Dental Claims
- Medical Insurance
- Personal Accident Insurance

Events

- Monthly Staff Lunches
- Staff's Birthday Celebrations
- Annual Dinner
- Company Trip
- Townhall Meetings
- Team Building Activities
- KIP Sports & Wellfare Club

Time Off

- Flexible Work Hours
- Annual Leaves
- Emergency Leaves
- Sick Leaves
- Hospitalisation Leaves
- Maternity Leaves
- Compassionate Leaves
- Study / Examination Leaves
- Marriage Leaves
- Paternity Leaves

Wellbeing

- Healthy Awards
- Wellness Programs
- Stress Workshops
- Mental Health Support
- Training Program

Mapping Benefits to Wellbeing Dimensions

Wellbeing Dimensions

Work-Life Balance
- Flexible Work Hours
- Sick Leaves
- Hospitalisation Leaves
- Study / Examination Leaves
- Annual Leaves
- Marriage Leaves
- Paternity Leaves
- Emergency Leaves
- Maternity Leaves
- Compassionate Leaves

Physical Health
- Healthy Awards
- Medical Claims
- Personal Accident Insurance
- Wellness Programs
- Dental Claims
- KIP Sports & Wellfare Club
- Sick Leaves
- Medical Insurance

Mental Health
- Stress Workshops
- Mental Health Support

Career Growth
- Training Programs
- Annual / Performance Bonuses

Social Connection
- Annual Dinner
- Monthly Staff Lunches
- Company Trip
- Staff's Birthday Celebrations
- Townhall Meetings
- Team Building Activities

Financial Security
- Medical Claims
- Handphone allowance
- Annual / Performance Bonuses
- Dental Claims
- Motor Allowance
- Personal Accident Insurance
- Medical Insurance
- Toll Allowance

Benefit Categories Legends Financial | Time Off | Events | Wellbeing

EMPLOYEE WELLNESS AND WELLBEING

WHAT IS THE VALUE WE CREATED IN FY2025?

Wellness Programs

As part of our ongoing commitment to building a supportive and healthy workplace, we placed a stronger emphasis on wellness initiatives during FY2025. Recognising that employee wellbeing is essential to both individual growth and organisational success, we set a clear target that each office site must organise at least one wellness activity for its employees within the year.

This initiative was designed not only to encourage participation in health-focused activities, but also to foster stronger connections among colleagues, relieve workplace stress, and promote a more balanced lifestyle. Activities varied across sites, reflecting the unique preferences and needs of different teams, yet all shared the common purpose of enhancing overall wellbeing and employee engagement.

We are pleased to report that every office successfully delivered on this commitment, achieving full completion of the target. By embedding wellness into our workplace culture, we continue to create an environment where employees feel valued, supported and motivated, reinforcing our belief that wellbeing is a cornerstone of sustainable performance and long-term organisational strength.

Yoga
KL HQ Office

Hiking
KIPMall Tampoi

Brisk Walk
KIPMall Masai

Brisk Walk
KIPMall Kota Tinggi

Bowling
KIPMall Melaka

Bowling
KIPMall Senawang

Brisk Walk
KIPMall Bangi

Bowling
KIPMall Kota Warisan

Badminton
DPulze Shopping Centre

Pickleball
KL HQ Office

EMPLOYEE WELLNESS AND WELLBEING

KIP Sports & Wellfare Club

29 June 2024
FRIM Forest Skywalk

Walking Above the Canopy

Twenty six meters above ground, our team discovered a new perspective literally. The FRIM Forest SkyWalk adventure took us high into the rainforest canopy, where colleagues who usually navigate spreadsheets found themselves navigating suspended walkways together.

The gentle sway of the bridge, the rustle of leaves below, and the shared nervous laughter created an atmosphere where natural conversations flowed as freely as the forest breeze. What started as a step outside our comfort zones became a powerful reminder that the best team bonding happens when we are all slightly off balance together.

7 September 2024
Durian!! By the River

The King of Fruits Brings Us Together

Nothing tests team spirit quite like sharing durian – Malaysia's most polarizing delicacy. Our riverside gathering became an impromptu cultural exchange, with seasoned durian lovers coaching brave newcomers through their first taste of the "king of fruits".

Between the inevitable debates over the best varieties and the collective cleanup after our feast, something beautiful happened: colleagues from different departments found themselves laughing together, sharing stories, and discovering common ground beyond the office walls. Sometimes the simplest pleasures create the strongest bonds.

15-17 November 2025
Hatyai Trip by Train

Three Days, One Journey

The overnight train to Hatyai became our mobile office of laughter, card games, and conversations that stretched well into the next morning. Over three transformative days, we explored bustling night markets, shared meals that challenged our palates, and navigated a new city as one united team.

Away from familiar routines, we saw different sides of each other – the colleague who became our fearless food guide, the quiet team member who emerged as our natural navigator, and the manager who turned out to be surprisingly good at bargaining at local shops. The journey home was not just about the miles covered, but the relationships deepened and the memories that would fuel our collaboration for months to come.

14 March 2025
Majlis Berbuka Puasa at Sunway Putra Mall

Breaking Fast, Building Bridges

As the maghrib call to prayer echoed softly in the background, our diverse team gathered around tables laden with Kenny Rogers ROASTERS. Our Ramadan celebration became more than a meal - it transformed into an evening of cultural exchange and mutual understanding.

Colleagues shared personal stories about the significance of fasting, while others listened with genuine curiosity and respect. The moment when we broke fast together, Muslim and non-Muslim colleagues alike, captured the essence of what makes our workplace special: a commitment to learning from each other and celebrating the rich tapestry of traditions that each team member brings to our shared table.

EMPLOYEE WELLNESS AND WELLBEING

Team Building at Desaru Fruit Farm

21 February 2025

Our first company trip featured a strategic team-building component that transformed how our employees connect and collaborate. By creating diverse, cross-departmental teams through random grouping, we encouraged fresh perspectives and meaningful interactions. Through carefully designed activities and collaborative challenges, participants stepped outside their usual work circles to build authentic relationships and mutual trust.

This investment in human connection reflects our core belief that strong workplace relationships are the foundation of both personal fulfilment and business success.

Annual Dinner at Hard Rock Hotel Desaru Coast

22 February 2025

In a milestone celebration marking our strongest financial performance since IPO, KIP REIT made history by hosting our first-ever company trip cum annual dinner in Johor at the spectacular Hard Rock Hotel Desaru Coast. This groundbreaking decision represented a meaningful homecoming, as we celebrated closer to where our core retail business thrives - in the heart of Johor.

Breaking tradition from our usual Kuala Lumpur venues, FY2025 marked a pivotal moment where we could finally bring our celebration to our operational heartland. This inaugural company trip to Hard Rock Hotel Desaru Coast, though local, symbolised KIP REIT's remarkable growth and financial strength that now enables us to invest meaningfully in employee appreciation and experiences.

Through shared meals, celebrations and memorable moments, this gathering naturally promoted stronger relationships and encouraged camaraderie, while also deepening the sense of belonging and pride across the organisation. Most importantly, it demonstrated our commitment to sharing our success with the very people who made it possible – our dedicated employees who continue to drive KIP REIT's outstanding performance year after year.

EMPLOYEE WELLNESS AND WELLBEING

Mental Health Workshop

20 May 2025
Reconnect and Recharge

Led by Charis Chin, a licensed mental health counsellor and expressive arts therapist, the REIT Manager organised a comprehensive mental health workshop titled "Wellness Team Play" for its employees, reinforcing KIP REIT's unwavering commitment to fostering a supportive and healthy workplace environment.

The workshop was structured into three focused modules designed to equip employees with practical tools for managing stress and building psychological safety:

Module 1 focused on understanding the nervous system, exploring the differences between stress, worry, and anxiety, and explaining the body's fight, flight, and freeze responses.

Module 2 centred on activating the parasympathetic nervous system's "rest and digest" mode through effective breathing techniques.

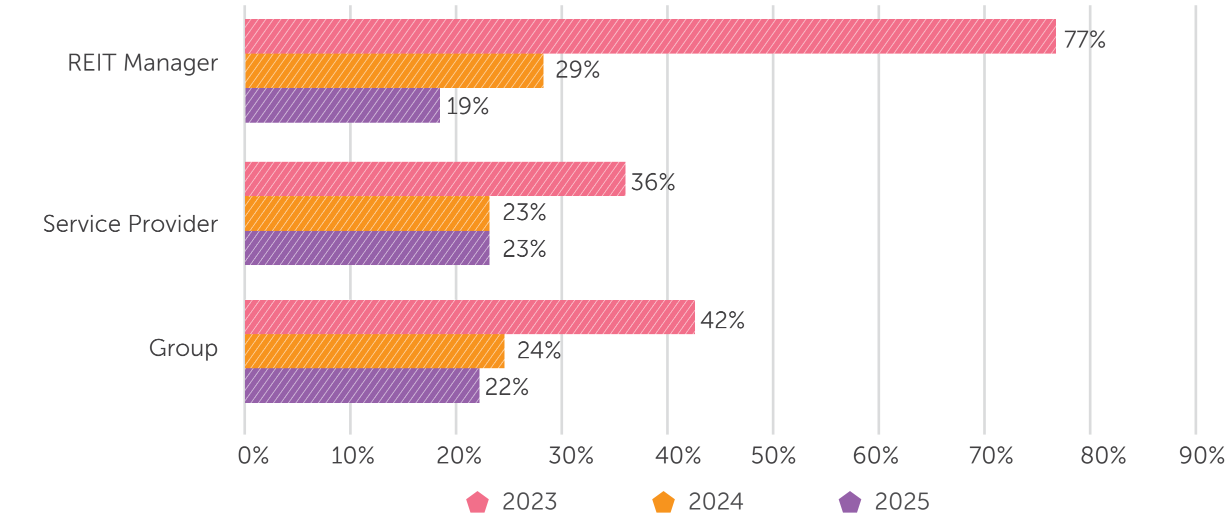
Module 3 emphasised nurturing psychological safety by identifying personal safety signals and creating individualised coping strategies.

Participants engaged in hands-on techniques including **ocean and feather breathing exercises, humming, body shaking, and tapping methods** to calm both mind and body. The workshop also introduced **sensory coping skills utilising all five senses – sight, sound, touch, taste, and smell** – enabling employees to create personalised grounding toolkits. A particularly engaging component was the "Moulding My Calm" expressive **arts therapy** activity, which allowed employees to physically create representations of their calm state using clay.

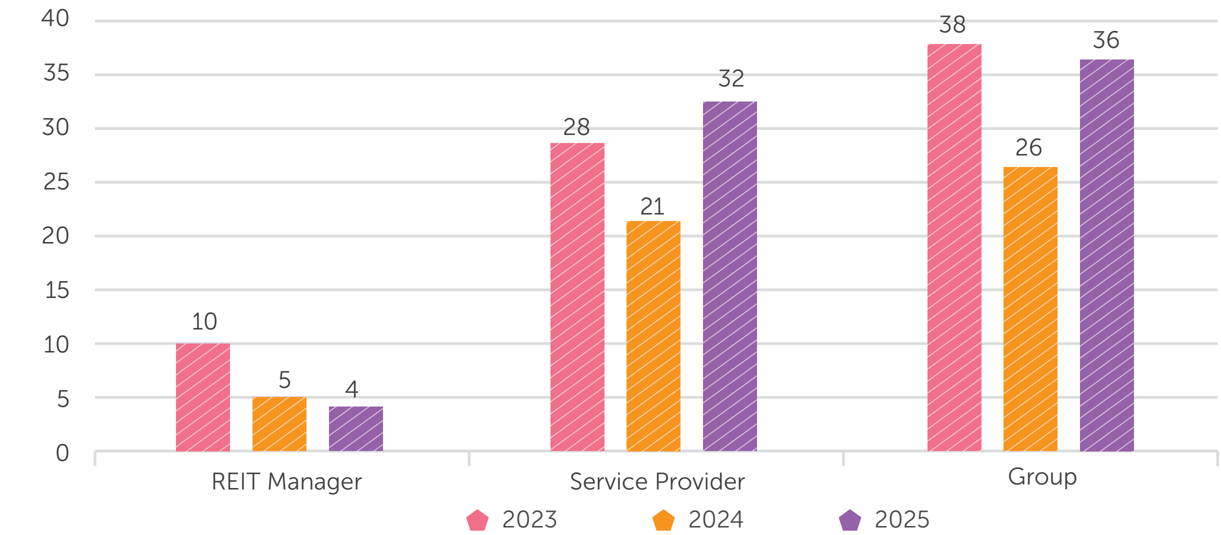
Through this immersive and demonstration-based approach, participants were empowered to integrate stress-reduction techniques into their daily work lives and implement strategies for nurturing psychological safety. This proactive approach to mental health support reflects KIP REIT's understanding that investing in employee wellness creates a more resilient, productive, and harmonious workplace environment.

HOW IS OUR OVERALL PERFORMANCE?

Employee Turnover Rate



Number of Employee Departures



The Group's overall employee turnover rate has shown **a steady decline over the three-year period, from a high of 42% in 2023 to 22% in 2025**. This positive trend reflects greater workforce stability following a period of organisational transition and integration.

At the REIT Manager level, turnover peaked at 77% in 2023, primarily attributable to leadership transition as a new Chief Executive Officer was appointed. This period of restructuring naturally resulted in several changes within the management team. By 2025, however, the turnover rate had normalised to 19%, demonstrating the stabilisation of leadership and the effectiveness of measures introduced to strengthen employee engagement and retention.

For the Service Provider, turnover was relatively high in 2023 (36%) and, while it declined in 2024 (23%), it remained persistently elevated in 2025 (23%), with the number of departures rising from 21 to 32 employees YoY. The higher attrition in 2025 was largely linked to the acquisition of DPulze Shopping Centre in December 2024, where the Service Provider integrated the existing workforce into its operations. The alignment of these employees with the Service Provider's policies, culture, and operating standards contributed to elevated turnover during the transition phase. Additionally, at KIPMall Bangi, turnover was concentrated in the Mechanical and Engineering ("**M&E**") Department, where operational demands and workload pressures presented challenges. In response, the Service Provider has introduced targeted workforce support and capacity-building measures to strengthen retention in these critical functions.

EMPLOYEE WELLNESS AND WELLBEING

Employee Long Service Awards

We are proud to celebrate the exceptional loyalty and dedication of 21 remarkable employees from our Service Provider who have demonstrated unwavering commitment with more than 10 years of service. This achievement is particularly extraordinary given that KIP REIT was established only eight years ago. These loyal team members have journeyed with our founder Dato' Eric Ong for more than two decades, transitioning seamlessly and continuing their dedicated service without interruption when KIP REIT was formed.

21
Long Service Employees FY2025

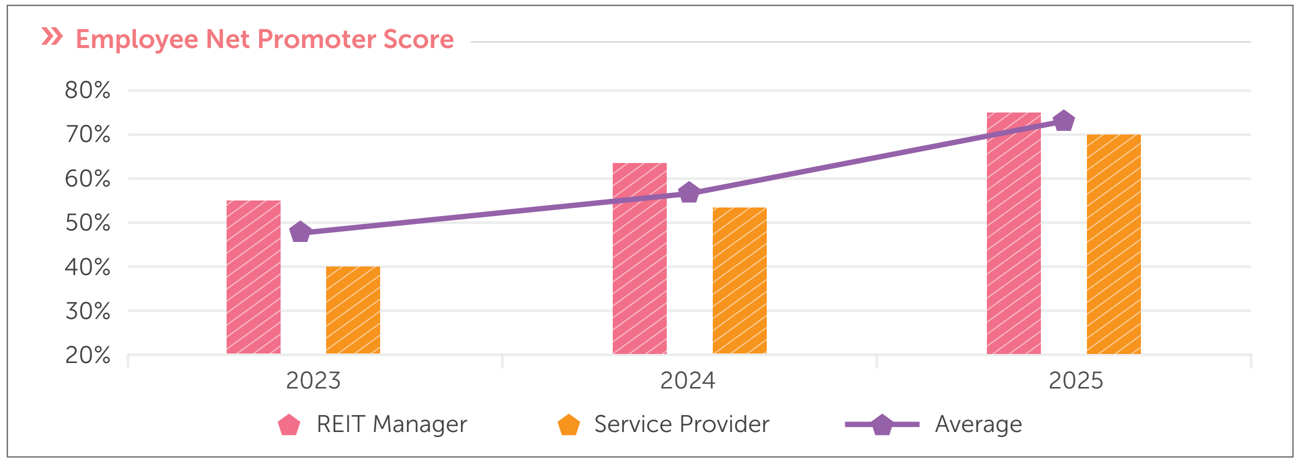
Years of Service FY2025	Male	Female
Service Provider		
10 – 15 years	7	3
15 – 20 years	2	5
More than 20 years	3	1

This remarkable continuity represents the foundation of our organisational strength and reflects the deep trust and commitment that has been built over decades. These employees have not only witnessed but actively contributed to our evolution and growth, demonstrating that true partnership transcends corporate structures. Their uninterrupted service through our transformation journey exemplifies the values of loyalty, dedication, and excellence that define our organisational culture.

Employee Engagement and Feedback

At KIP REIT, we recognise that a thriving organisation is built on a foundation of employee satisfaction and engagement. To continually meet the needs and expectations of our people, we have adopted a proactive approach to listening and fostering an inclusive work environment.

The key tool we use is the **Employee Net Promoter Score** ("**eNPS**") Survey, conducted twice a year to measure and enhance engagement levels. The survey allows employees to share their views anonymously, encouraging honest feedback and higher participation. This process builds trust, strengthens communication, and enables informed decision-making to improve the overall employee experience.



Employee Satisfaction	2023	2024	2025
REIT Manager	56%	62%	76%
Service Provider	40%	54%	70%
Average	**48%**	**58%**	**73%**

Employee satisfaction has shown a **consistent upward trend, improving from a Group average of 48% in 2023 to 73% in 2025**. The REIT Manager saw the most notable increase, rising from 56% to 76%, reflecting greater stability and stronger engagement under a more settled leadership structure. The Service Provider also recorded steady gains, from 40% to 69%, indicating progress in fostering a more supportive and inclusive workplace culture. These results underscore the effectiveness of KIP REIT's initiatives aimed at strengthening employee engagement, wellbeing, and organisational alignment, contributing to a more motivated and resilient workforce.

WHAT IS OUR NEXT INITIATIVE?

Building on our strong foundation of employee recognition and wellness, we are excited to announce two groundbreaking initiatives that will further strengthen our commitment to our people:

Best Employee Awards

We will be launching our inaugural Best Employee Awards programme, designed to celebrate and recognize outstanding performance, innovation, and dedication across all levels of our organization. This comprehensive awards system will highlight employees who exemplify our core values, demonstrate exceptional contribution to business results, and inspire their colleagues through their commitment and achievements. The awards will serve as a platform to showcase the talent and excellence that drives KIP REIT's success.

Employees Wellbeing Month

In a pioneering move for our organisation, we will inaugurate our first-ever Employees Wellbeing Month – a dedicated period focused entirely on enhancing the physical, mental, and financial wellness of our employees. This month-long initiative will feature a diverse range of activities including wellness workshops, fitness challenges, mental health awareness sessions, financial planning seminars, and interactive wellbeing assessments. The Employees Wellbeing Month will serve as a cornerstone event that reinforces our commitment to creating a holistic work environment where employees can thrive both professionally and personally.

WHAT IS OUR OUTLOOK?

Short Term

Our focus will be on strengthening the foundation of employee wellness and wellbeing. We plan to roll out quarterly wellness activities including fitness challenges, health screenings and nutrition talks, while expanding mental health support through counselling services and awareness workshops.

At the same time, we will enhance our employee feedback process, particularly the eNPS survey follow-up, to ensure employee voices directly shape wellbeing improvements. Wellness and wellbeing principles will be more deeply embedded into onboarding processes and daily work culture, creating a supportive environment from day one.

Medium Term

We will focus on expanding and deepening our wellbeing initiatives. This includes enhancing our recognition platforms to celebrate employee contributions and achievements, boosting morale and job satisfaction. We will also establish employee wellbeing committees to give staff a voice in shaping wellness initiatives that matter most to them.

Further, we aim to gain recognition in wellbeing-focused employer awards and best workplace lists such as **Great Place to Work** and **LinkedIn's Top Companies**, strengthening our employer brand as a company that genuinely cares for employee wellness. Our target is to position our employer brand among the top employers in the REIT industry for employee wellbeing and workplace satisfaction.

Long Term

A sustained culture of wellbeing will be fostered by recognising wellness champions and embedding wellness targets into leadership KPIs, ensuring accountability at all levels. We will build comprehensive peer-support networks for continuous employee connection and mutual support, while establishing wellness mentorship programmes where employees can support each other's wellbeing journeys.

VISION 4
Enriching Human Capital and Social Ecosystems

HUMAN CAPITAL DEVELOPMENT

Investing in continuous learning, career growth, and cross-cultural exposure to build a skilled, adaptable, and future-ready workforce that drives long-term organisational resilience and sustainable performance.

4 QUALITY EDUCATION

GRI | 3-3, 404-1, 404-2, 404-3

Concerned Stakeholders

Employees

RISK AND OPPORTUNITY

Human Capital Development → **Strategic Workforce Excellence and Talent Optimisation**

Risk

KIP REIT's operational performance and tenant experience fundamentally depend on workforce competency, engagement, and retention across property management, leasing, and corporate functions. Without systematic human capital development, the organisation faces exposure to skills gaps, declining engagement, and talent attrition.

The absence of structured training and upskilling programmes may result in outdated competencies that fail to meet evolving industry standards or technological advancements. Inadequate performance management systems can lead to misaligned expectations and missed career progression opportunities, driving turnover. Weak internal communication creates disconnected teams, while underdeveloped internship programmes restrict access to emerging talent pipelines.

These deficiencies collectively undermine operational efficiency, increase recruitment costs, compromise tenant service delivery, and weaken KIP REIT's competitive positioning in attracting quality talent and tenants.

Opportunity

These challenges present an opportunity for KIP REIT to transform human capital into a competitive advantage. Robust training programmes ensure employees remain current with industry best practices and innovations, directly enhancing operational excellence and tenant satisfaction.

Well-structured performance management creates clear career pathways and fosters high performance culture. Strategic internship programmes establish sustainable talent pipelines while building employer reputation, reducing recruitment costs and enhancing workforce diversity. Strong communication practices cultivate an informed, motivated workforce that contributes to innovation and operational resilience.

This strategic approach transforms human capital development from an operational necessity into a value creation engine, driving enhanced performance, stakeholder confidence, and long-term sustainable growth across both financial and organisational dimensions.

WHY IS THIS TOPIC MATERIAL TO US

Human capital development represents one of the most critical drivers of organisational success and long-term sustainability. In an increasingly competitive and rapidly changing business environment, our ability to attract, develop, and retain talented individuals directly impacts our operational excellence, innovation capacity, and market positioning. The knowledge, skills, and capabilities of our workforce form the foundation upon which we build strategic advantages and respond to emerging opportunities and challenges.

Investing in human capital development creates a multiplier effect throughout KIP REIT. Well-trained and engaged employees demonstrate higher productivity, improved decision-making capabilities, and greater adaptability to technological and market changes. This investment reduces operational risks associated with skill gaps, enhances our reputation as an employer of choice, and strengthens our ability to execute strategic initiatives effectively. Furthermore, organisations that prioritise people development typically experience lower turnover rates, reduced recruitment costs, and stronger employee advocacy, all of which contribute to improved financial performance and stakeholder value.

The materiality of human capital development extends beyond immediate operational benefits. As businesses face increasing pressure to innovate, digitalise, and operate sustainably, having a workforce equipped with relevant skills and a growth mindset becomes essential for long-term viability. Our investment in people development directly correlates with our ability to navigate uncertainty, capitalise on emerging trends, and maintain competitive differentiation in the marketplace.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to creating an environment where every individual can reach their full potential while contributing to our collective success. This commitment encompasses developing comprehensive learning and development programmes that address both current skill requirements and future competency needs. We recognise that effective human capital development requires a holistic approach that goes beyond traditional training to include mentoring, career planning, leadership development, and knowledge sharing initiatives.

Our commitment extends to fostering an inclusive workplace culture that values diversity of thought, encourages collaboration, and promotes continuous learning. We pledge to provide equal opportunities for growth and advancement, ensuring that all employees have access to development resources regardless of their background, role, or career stage. This includes establishing clear career pathways, offering regular feedback and coaching, and creating platforms for employees to expand their capabilities and take on new challenges.

We are dedicated to building a performance-driven culture that recognises and rewards excellence while supporting individuals in areas where they can improve. Our commitment involves implementing fair and transparent performance management systems, providing constructive feedback, and aligning individual development goals with organisational objectives. Through this comprehensive approach to human capital development, we aim to build a resilient, adaptable, and high-performing workforce that drives sustainable growth and creates lasting value for all stakeholders.

HUMAN CAPITAL DEVELOPMENT

WHAT IS OUR APPROACH?

Our approach to human capital development focuses on four interconnected pillars that collectively strengthen our human capital foundation and ensure sustainable workforce development:

01 Continuous Training and Upskilling Excellence

We are dedicated to ensuring our employees remain at the forefront of industry knowledge and best practices. Our comprehensive learning framework encourages active participation in both internal and external training opportunities, including specialised workshops, industry seminars, professional conferences, and certification programmes. We recognise that the real estate landscape is constantly evolving, with new regulations, technologies, and market dynamics emerging regularly. Therefore, we provide our team with access to learning resources and expert-led sessions that enhance their technical competencies, analytical skills, and strategic thinking capabilities.

02 Strategic Internship Programme Development

Our internship programme represents a vital investment in the future of both our organisation and the broader real estate industry. We offer carefully structured opportunities for young talents to gain meaningful exposure to real estate investment operations, asset management practices, and market analysis methodologies. Through hands-on projects and mentorship from assigned supervisors, interns develop practical skills while contributing fresh perspectives and innovative ideas to our operations. This programme serves a dual purpose: nurturing the next generation of industry-ready professionals while creating a pipeline of potential future employees who understand our values, standards, and operational excellence.

03 Open Communication and Engagement Excellence

We foster a culture of transparency, inclusivity, and collaborative engagement through multiple communication channels and platforms. Our regular townhall sessions serve as cornerstone events where leadership shares strategic updates, market insights, and organisational developments while encouraging open dialogue and questions from all team members. These sessions create opportunities for employees to understand the broader context of their work, provide feedback on organisational initiatives, and feel genuinely connected to our mission and goals. Beyond formal townhalls, we maintain various engagement platforms that promote continuous communication, knowledge sharing, and cross-functional collaboration.

04 Performance Appraisal and Development Framework

Our performance management system is designed to be fair, transparent, and development-focused, serving as a catalyst for continuous improvement and professional growth. We conduct comprehensive performance appraisals that go beyond simple evaluation to include meaningful recognition of achievements, identification of development opportunities, and collaborative goal-setting for future success. Our approach emphasises constructive feedback, skills assessment, and career planning discussions that help employees understand their contributions to organisational success while identifying pathways for advancement.

WHAT IS THE VALUE WE CREATED IN FY2025?

Youth Development and Sustainability Education

KIP REIT is committed to nurturing the next generation of professionals through comprehensive youth development initiatives that combine sustainability education with practical career experience. Our approach encompasses both industry-wide collaborations and direct internship programmes, creating multiple pathways for young talent to enter and excel in the real estate and sustainability sectors.

In November 2024, we joined the **CEO Action Network**'s newly launched **Sustainability Leaders Apprentice for Youth** ("**SLAY**") programme, a groundbreaking initiative developed in collaboration with **Roots & Shoots Malaysia** ("**RASMA**"). Announced during the Symposium of Hope with Dr Jane Goodall at Berjaya Times Square Hotel, this programme represents a strategic industry response to Malaysia's growing need for sustainability-literate professionals.

Through SLAY, RASMA graduates and alumni aged 16 to 25 will gain hands-on experience in corporate sustainability efforts starting in 2025. As one of participating companies alongside AEON Co (M) Bhd, CIMB Groups Holdings Bhd, Gamuda Bhd, UEM Edgenta Bhd, and other industry leaders, KIP REIT will provide structured training, mentoring, and career progression opportunities. This initiative will give young participants a comprehensive view of sustainability challenges across different sectors, complementing their non-profit volunteering experience with corporate perspectives.

Our participation in SLAY builds upon our established **Internship Programme**, which has already demonstrated strong results in FY2025. We successfully hosted two interns, showcasing our dedication to talent development and industry capacity building. Notably, we welcomed an international intern from China to our Legal Department for a three-month structured programme, exemplifying our commitment to diversity, inclusion, and cross-border knowledge exchange.

The effectiveness of our approach is evidenced by concrete outcome: one Finance Department intern was successfully converted to a permanent position, demonstrating our ability to identify, develop, and retain promising talent. This achievement reflects not only individual career advancement but also our strategic investment in long-term human capital development and organisational knowledge retention.

Together, these initiatives create a comprehensive youth development ecosystem that addresses both immediate industry needs and long-term sustainability goals, positioning KIP REIT as a responsible corporate citizen committed to building Malaysia's future workforce.

HUMAN CAPITAL DEVELOPMENT

Townhall: Going for Gold

In FY2025, the entire KIP REIT family came together in a townhall session led by our Chief Executive Officer ("**CEO**"), where the theme ***Going for Gold*** was unveiled. The session was not only about setting ambitious goals for each of our Managed Assets, but also about reflecting on our journey - **how we began, how far we have progressed, and how a mid-sized company can stand shoulder-to-shoulder with larger industry players**.

A key highlight of the townhall was an open dialogue where our CEO and Chief Operating Officers, together with a facilitator, engaged directly with all staff. Employees were encouraged to share their happiness, challenges, and pain points, either by raising their hands or through an anonymous platform. This initiative fostered a culture of openness and inclusivity, allowing every voice to be heard. The purpose was clear: to openly share our vision, address concerns, and uncover blind spots from every perspective so that we can continue improving together.

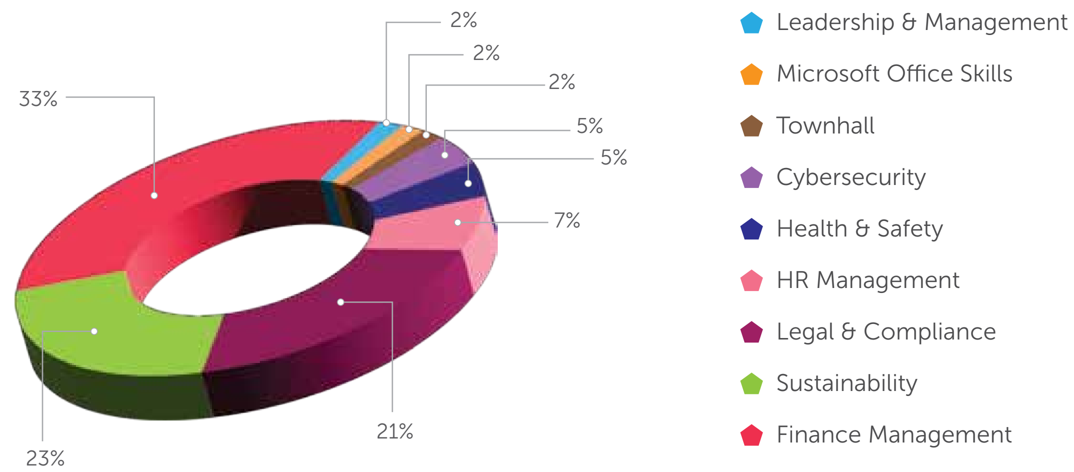
Our CEO emphasised that success is built on collective effort, clarity of vision, and the courage to aim high. With initiatives like these, we continue to grow stronger year after year – improving individually, excelling collectively, and delivering results that speak for themselves.

HUMAN CAPITAL DEVELOPMENT

WHAT IS THE VALUE WE CREATED IN FY2025?

Focus Training Areas	Training Contents	Objective	Purposes
Finance Management	• REIT analysis, sustainable finance, e-invoicing, MFRS updates, bond markets, tax management, and CFO conferences	• Strengthen financial expertise and sustainable finance integration	• Understand emerging financial instruments and market trends • Develop competency in digital finance processes (e-invoicing)
Sustainability	• ESG boardroom integration, IFRS S1 & S2 climate reporting, Sustainability Accelerator Programme, climate risk policies, and future sustainability trends	• Integrate sustainability into core business strategy and operations	• Master new climate reporting standards (IFRS S1 & S2) • Develop comprehensive ESG strategy and implementation capabilities
Legal & Compliance	• Anti-bribery policies, Personal Data Protection Act 2010, conflict of interest management, tax compliance, and Data Protection Officer training	• Ensure comprehensive regulatory compliance and risk management	• Establish zero-tolerance approach to bribery and corruption • Maintain current knowledge of evolving legal and regulatory requirements
HR Management	• Performance management, payroll procedures (EA forms), training needs analysis, and strategic HR planning	• Optimise human capital management and employee development	• Ensure compliance with employment regulations • Enhance employee engagement and organisational effectiveness
Health & Safety	• OSH coordinator training and workplace safety programs	• Ensure workplace safety excellence and regulatory compliance	• Meet legal requirements for workplace safety standards • Create proactive safety culture and incident prevention mindset
Cybersecurity	• IT policy briefings and cybersecurity seminars	• Establish robust digital security frameworks and risk awareness	• Build comprehensive understanding of cybersecurity threats and vulnerabilities • Create security-conscious organisational culture
Leadership & Management	• Anti-corruption training and leadership development programs	• Cultivate ethical leadership and management excellence	• Enhance strategic thinking and organisational transformation skills • Foster accountability and transparent management practices
Microsoft Office Skills	• Excel intermediate skills development	• Enhance technical proficiency for improved operational efficiency	• Develop Excel skills for data analysis and reporting • Enable better data management capabilities across departments
Townhall	• Agile leadership and Olympic mindset organizational development	• Align organisational culture with strategic objectives and values	• Foster Olympic mindset of excellence and continuous improvement • Develop agile leadership capabilities across all levels

REIT Manager's Focus Training Areas



REIT Manager's training portfolio in FY2025 was heavily weighted towards **Finance Management (33%)**, **Sustainability (23%)**, and **Legal & Compliance (21%)**, together accounting for more than three quarters of total training hours, underscoring management's strategic focus on regulatory compliance, ESG integration, and financial stewardship.

HOW IS OUR OVERALL PERFORMANCE?

Group Level Highlights

- KIP REIT delivered an average of 15 training hours per employee in FY2025.
- By gender, male employees received an average of 13 training hours while female employees received an average of 18 training hours.
- Training expenditure increased significantly over the review period, rising from RM35,147.25 in FY2023 to RM73,551.90 in FY2025 (+109%).
- Total training hours delivered rose steadily from 1,914 in FY2023 to 2,974.5 in FY2025 (+55%).

Average Training Hours FY2025

Average Training Hours	REIT Manager	Service Provider	Group
Total Employees*			
Per Employee	28	13	15
Gender			
Male	46	10	13
Female	20	18	18
Job Categories			
Senior Management	22	20	21
Management	40	17	25
Executive	23	15	17
Non-executive	20	11	11

* *Total employees include the active headcount as at 30 June 2025, in addition to employees hired and those who departed during FY2025.*

HUMAN CAPITAL DEVELOPMENT

Total Amount Invested in Training

Total Amount Invested	2023	2024	2025
REIT Manager	12,827.25	30,974.05	62,407.90
Service Provider	22,320.00	29,344.00	11,144.00
Group	**35,147.25**	**60,318.05**	**73,551.90**

Total Training Hours by Entities

Entities (Hours)	2023	2024	2025
REIT Manager	124	397	723.5
Service Provider	1,790	2,011	2,251
Group	**1,914**	**2,408**	**2,974.5**

Total Training Hours by Gender

Gender (Hours)	2023	2024	2025
REIT Manager			
Male	N/A^	90	369.5
Female	N/A^	307	354
Service Provider			
Male	N/A^	1,033	952.5
Female	N/A^	978	1,298.5
Group			
Male	N/A^	1,123	1,322
Female	N/A^	1,285	1,652.5

^ *Total training hours by gender in FY2023 are not retrievable due to data limitations.*

Total Training Hours by Job Category

Job Categories (Hours)	2023	2024	2025
REIT Manager			
Senior Management	26	50	87.5
Management	73	147	320
Executive	17	200	296
Non-executive	8	0	20
Service Provider			
Senior Management	44	126	79
Management	298	334	271.5
Executive	701	592	1,012.5
Non-executive	747	959	888
Group			
Senior Management	70	176	166.5
Management	371	481	591.5
Executive	718	792	1,308.5
Non-executive	755	959	908

FY2025 Target	FY2025 Performance	FY2026 Target
Increase training hours by **10%** compare to FY2024	Training hours entity-wide **increased by 24%** compared to FY2024	**Increase** training hours by **1%** compare to FY2025
Increase total amount invested in training by **10%** compare to FY2024	Total amount invested in training entity-wide **increased by 22%** compared to FY2024	**Increase** total amount invested in training by **1%** compare to FY2025

WHAT IS OUR OUTLOOK?

Short Term

Looking ahead, we are committed to expanding and strengthening our internship programme to create even greater impact for both participants and our organisation. Our strategic outlook focuses on building a more comprehensive, inclusive, and outcomes-driven programme that contributes meaningfully to industry talent development.

Medium Term

We plan to increase our intake capacity to accommodate more diverse talent. This expansion will include establishing structured partnerships with leading universities and educational institutions to create a robust pipeline of motivated candidates who share our commitment to excellence and sustainability.

Long Term

Our target is to achieve a higher conversion rate of interns to permanent positions, while maintaining programme quality and ensuring that all participants, regardless of their post-programme path, leave with enhanced skills and industry knowledge that contributes to the broader talent ecosystem.

VISION 4
Enriching Human Capital and Social Ecosystems

STRATEGIC PARTNERSHIP

Building strategic partnerships and maintaining active membership in industry associations to foster collaboration, share best practices, and amplify our impact on sustainable growth and responsible business.

17 PARTNERSHIPS FOR THE GOALS

GRI | 2-28, 3-3

Concerned Stakeholders

- Business Partners
- Unitholders and Investment Community
- Media

WHY IS THIS TOPIC MATERIAL TO US?

The social dimension of our sustainability journey is underpinned by meaningful partnerships and collaborations. Our strategic partnership with the CEO Action Network ("**CAN**"), Carput Zap Network Sdn Bhd ("**Carput**") and KJ Technical Services Sdn Bhd (one of the subsidiaries of KJTS Group Berhad) ("**KJTS**") are material to us, as it enables collective action on issues that extend beyond the capacity of any single organisation.

KJTS brings expertise in sustainable engineering and cooling energy management services, while Carput brings innovation in clean mobility and renewable energy solutions, supporting the transition towards a low-carbon economy. With its EV charging solutions, Carput is helping to reshape the way communities access sustainable mobility, energy efficiency, and green infrastructure. Meanwhile, CAN provides a credible multi-stakeholder platform for thought leadership, advocacy, and collaborative action. By aligning with like-minded organisations through CAN, we remain at the forefront of the evolving sustainability landscape. Active participation enables us to access the latest insights and policy discussions, which help us continuously enhance our strategies and align with global standards.

This collaboration also strengthens our ability to share knowledge, exchange best practices, and co-develop innovative solutions that drive inclusive growth and responsible business practices. At the same time, it reflects the growing expectations of stakeholders, including investors, regulators, and communities for businesses to demonstrate their commitment to sustainable development through collaboration and advocacy.

By working collectively with CAN, Carput and KJTS, we are able to leverage each partner's expertise and resources to address pressing social and environmental challenges that no single entity can solve alone. This not only enhances our corporate reputation as a responsible and forward-looking organisation but also contributes to long-term business resilience and value creation.

Ultimately, these partnerships reinforce our broader sustainability commitments, including advancing low-carbon solutions, fostering social inclusion, and creating long-term value for all stakeholders.

> Innovation thrives in partnership
>
> **Valerie Ong**
> Executive Director / CEO

WHAT IS OUR COMMITMENT?

We are committed to advancing sustainability through collaboration, innovation, and shared responsibility. By partnering with the CAN, Carput and KJTS, we pledge to actively contribute to collective efforts that address pressing social and environmental challenges.

Our commitment is to remain at the forefront of the evolving sustainability landscape by engaging with peers, sharing knowledge, and adopting best practices aligned with global standards. At the same time, we seek to leverage these partnerships to develop innovative solutions that accelerate the low-carbon transition, promote responsible business conduct, and foster inclusive growth.

Ultimately, we are dedicated to creating long-term value for our stakeholders by reinforcing trust, enhancing resilience, and demonstrating accountability, while reaffirming our role as a responsible corporate working towards a more sustainable, inclusive, and equitable future.

WHAT IS OUR APPROACH?

CEO Action Network (CAN)

In November 2024, we participated in the Johor-Singapore Sustainability Programme jointly organised by the CAN and Iskandar Investment Berhad ("**IIB**"). The programme was designed to bring together corporate leaders, sustainability practitioners, and regional stakeholders in CAN to deepen collaboration and exchange insights on advancing sustainable development.

The activity began in Iskandar Puteri, Johor, with a mangrove conservation visit at Kampung Sungai Melayu with boats, where participants witnessed first-hand the importance of protecting fragile ecosystems and engaged with local communities. The purpose of this activity is to navigate the natural waterways, observing biodiversity and experiencing the natural habitat of the mangrove ecosystem.

STRATEGIC PARTNERSHIP

This was followed by the ESG Forum at EduCity, Johor, which centred on sustainable finance and investing for corporate Malaysia, featuring perspectives from leading financial institutions like CIMB Bank Berhad ("**CIMB**") and Bank Pembangunan Malaysia Berhad ("**BPMB**"). These activities reinforced the link between environmental stewardship, community engagement, and capital market strategies in driving responsible growth.

The programme further extended into Singapore, where participants gained exposure to innovative sustainability solutions through site visits and discussions. Highlights included:

- Sembcorp Tengeh Floating Solar Farm, one of the world's largest inland floating solar photovoltaic systems, which demonstrated large-scale renewable energy deployment;
- Yinson GreenTech, which shared cutting-edge approaches to clean mobility and green technology; and
- OCBC Bank, which presented its sustainable finance transactions and frameworks.

The final session at CIMB Singapore showcased practical case studies on navigating ESG regulations and sustainable finance, providing participants with actionable insights relevant to businesses operating across the region.

Through this programme, we strengthened our understanding of regional sustainability challenges and opportunities. The initiative allowed us to remain at the forefront of sustainability discussions, broaden our exposure to innovative solutions, and align our approach with evolving stakeholder expectations.

Most importantly, our participation in this programme directly supports our ESG commitments:

- advancing environmental stewardship through ecosystem protection and renewable energy insights
- deepening our social responsibility by engaging with communities and fostering inclusive partnerships
- enhancing governance through exposure to sustainable finance frameworks and regulatory best practices

KJ Technical Services Sdn Bhd

Our approach to sustainability is anchored in meaningful, long-term partnerships that amplify our ability to create positive impact. A prime example is our 20-year partnership with KJTS, which has evolved from a service relationship into a strategic collaboration.

With its expertise in sustainable engineering and cooling energy management, KJTS has been instrumental in enhancing our operational efficiency, reducing energy consumption, and strengthening the environmental performance of our Managed Assets. This enduring partnership demonstrates how trust, continuity, and technical expertise can translate into measurable sustainability outcomes.

Discover the full story behind this transformative partnership on page 139.

Carput Zap Network Sdn Bhd

We also collaborate with Carput, our partner for EV charging infrastructure. By planning, installing, and operating EV charging stations at our Managed Assets, Carput broadens access to low-carbon mobility for our shoppers and tenants, enhances property amenities, and supports national EV adoption. This collaboration translates our sustainability commitments into practical, on-site solutions that reduce transport-related emissions and improve the customer experience.

Turn to page 138 to see how this collaboration is reshaping our sustainability impact.

WHAT IS OUR NEXT INITIATIVE?

Building on our successful partnerships with CAN, KJTS and Carput, we are expanding our collaborative network by joining the Malaysia Shopping Malls Association (Persatuan Pengurusan Kompleks Malaysia) ("**PPKM**"). This strategic membership represents the natural evolution of our partnership approach, extending our reach to engage with industry peers across Malaysia's retail property sector.

Through PPKM, we will gain access to a broader platform for knowledge sharing, best practice exchange, and collective advocacy on sustainability issues specific to shopping mall operations. This membership enables us to contribute to industry-wide discussions on energy efficiency, waste management, and sustainable retail practices while learning from the experiences of fellow shopping mall operators.

This initiative reinforces our belief that meaningful change requires collective action, positioning KIP REIT not just as a participant in the sustainability movement, but as a leader driving transformation across the entire retail property industry.

WHAT IS OUR OUTLOOK?

Our strategic partnership approach will continue to evolve as a cornerstone of our sustainability strategy, expanding beyond our current collaborations to encompass a broader ecosystem of like-minded organisations, technology innovators, and industry leaders. We envision deepening existing relationships while strategically identifying new partners who can accelerate our environmental goals, enhance our social impact, and strengthen our governance frameworks.

Through this expanded network, we aim to position KIP REIT as a catalyst for industry-wide transformation, leading collaborative initiatives that create shared value while setting new benchmarks for sustainable retail property management. Our commitment remains focused on building partnerships that deliver measurable outcomes, drive innovation, and contribute to Malaysia's broader sustainability objectives.

VISION 4
Enriching Human Capital and Social Ecosystems

OCCUPATIONAL SAFETY AND HEALTH

Upholding a safe and healthy workplace through strict compliance with safety standards, proactive risk management, and continuous training, ensuring the wellbeing of employees, tenants, workers and shoppers.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

GRI | 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Concerned Stakeholders

- Employees
- Tenants
- Business Partners
- Property Manager
- Regulator

RISK AND OPPORTUNITY

1 Workplace Incidents and Legal Exposure → Enhanced Risk Management

Risk	Opportunity
Workplace accidents at Managed Assets potentially causing significant legal liabilities, operational disruptions, insurance increases, and reputational damage affecting tenant relationships.	Comprehensive OSH frameworks enabling systematic hazard identification and proactive risk mitigation, preventing costly incidents while optimising insurance costs and demonstrating governance excellence.

2 Regulatory Non-Compliance → Reputation Enhancement

Risk	Opportunity
Non-compliance with OSH regulations exposing KIP REIT to financial penalties, regulatory scrutiny, and erosion of stakeholder confidence in management capabilities.	Strong safety performance and consistent compliance enhancing market positioning, attracting premium tenants with strong corporate values and ESG-focused investors.

3 Inadequate Safety Measures → Culture of Safety Excellence

Risk	Opportunity
Substandard safety protocols exposing employees, contractors and visitors to preventable hazards, increasing injury rates, absenteeism and reducing workplace morale.	Safety training initiatives fostering vigilance and collective responsibility, improving workplace satisfaction, employee retention and creating safer retail environments.

WHAT IS OUR COMMITMENT?

KIP REIT enforces an absolute zero-tolerance policy for OSH violations across our operations. We place the health and safety of our employees, ground staff and workers at the forefront of our business priorities, recognising that their safety is non-negotiable.

We are committed to:

- **allocate** necessary resources to create optimal working conditions
- **implement** rigorous safety protocols and practices to prevent accidents and injuries
- **conduct** regular training programmes that equip our employees with the knowledge and skills necessary to maintain a safe and healthy work environment
- **ensure** compliance with all the relevant OSH laws, regulations, directives and guidelines
- **maintain** open communication channels for hazard reporting and investigate all incidents thoroughly to implement preventative measures
- **track** comprehensive safety metrics to evaluate our effectiveness and continually refine our approaches based on data-driven insights

WHY IS THIS TOPIC MATERIAL TO US?

At KIP REIT, we believe that true success begins with the health and safety of our people. OHS is not just a priority, but the cornerstone of our business and a critical material topic for our operations.

As a shopping mall operator, our employees regularly engage in activities ranging from facility maintenance and technical operations to security services and customer interaction, all of which present unique safety considerations. Maintaining robust OSH practices directly impacts our operational continuity, maintaining robust OSH practices directly impacts our operational continuity, as workplace incidents can lead to service disruptions, facility closures, and increased operational costs.

By embedding OHS principles deeply into our operations, we not only fulfil our ethical obligation to protect human health and safety but also strengthen our business resilience, enhance operational performance, and create long-term value for all stakeholders.

OCCUPATIONAL SAFETY AND HEALTH

WHAT IS OUR APPROACH?

KIP REIT maintains vigilant awareness of evolving OSH requirements and best practices. We strive not only to meet compliance standards but to exceed them through continuous improvement of our safety systems, protocols, and culture. This commitment is demonstrated through our comprehensive OSH framework, which integrates regulatory compliance, robust management systems, clear governance structures, and proactive risk management processes.

1 Occupational Safety and Health Act 1994

For FY2025, we have fully implemented the regulatory requirement by appointing an OSH Coordinator at each of our eight office locations. We have also invested in their professional development through the mandatory Department of Occupational Safety and Health ("**DOSH**") prescribed 3-day OSH Coordinator ("**OSH-C**") Program. This specialised training equips our OSH Coordinators with the knowledge and skills to effectively implement and oversee our comprehensive safety protocols.

We recognise and respect our employees' legal right to remove themselves from dangerous work situations when they have reasonable justification to believe an imminent danger exists in their workplace. This empowerment is a fundamental aspect of our safety culture, demonstrating our belief that every team member plays an essential role in maintaining workplace safety.

Additionally, we acknowledge our legal obligation to ensure the health and safety of contracted personnel, including cleaners and security guards operating within our Managed Assets. These workers are integral to our operations, and their protection is prioritised equally within our OHS framework.

2 OSH Management System

Our OSH Management System ("**OSHMS**") fully embraces the five core elements recommended by the International Labour Organisation ("**ILO**"), creating a comprehensive framework for ensuring workplace safety and health. We implement this structured approach to systematically identify hazards, control risks, and continuously improve our safety performance in alignment with global best practices established by the ILO.

Policy
We establish comprehensive dual OSH policies to demonstrate our commitment to worker safety and set clear objectives for the entire organisation.

Organising
We create a structured organizational framework to ensure clear roles, responsibilities, and accountability for safety at all levels. We invest in training and competency development to build a skilled workforce that can effectively implement safety procedures and maintain open communication channels for addressing OSH concerns.

Planning and Implementation
We systematically identify hazards and assess risks to develop targeted preventive and protective measures that control workplace dangers.

Evaluation
We conduct regular monitoring and performance assessments to measure the effectiveness of our safety initiatives and ensure compliance with standards. We investigate incidents and analyse safety data to identify trends and areas for improvement, providing crucial feedback that informs our decision-making process.

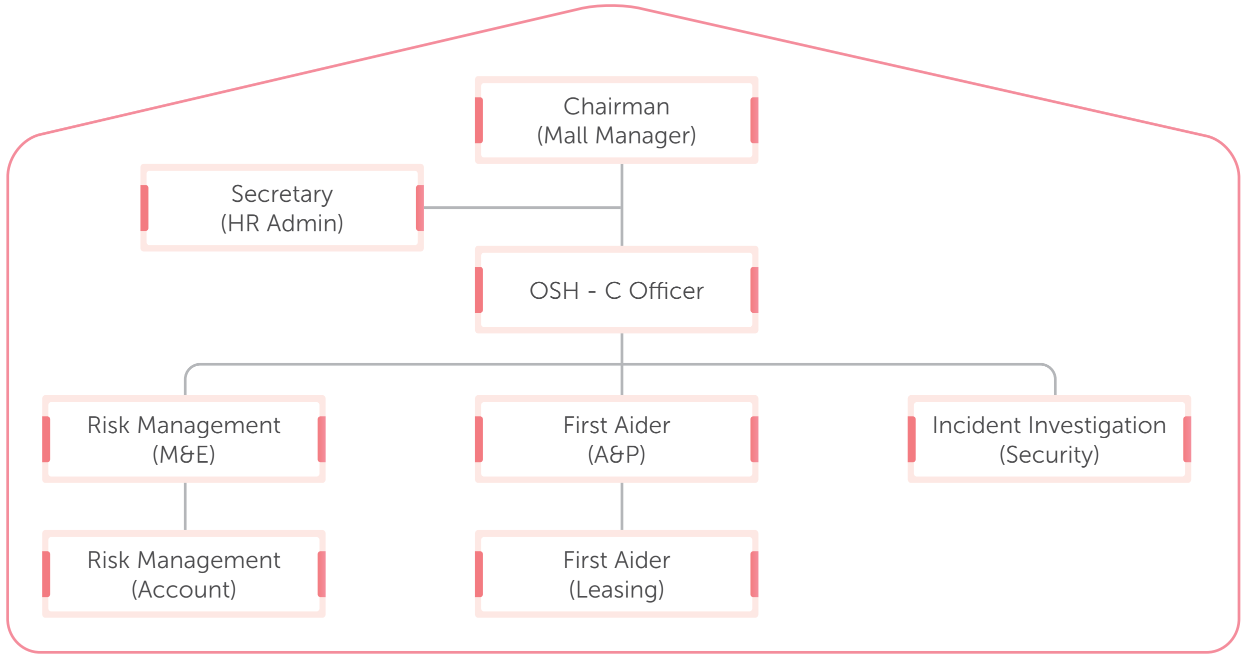
Action for Improvement
We implement corrective actions based on evaluation findings to address identified weaknesses in our safety system. We regularly review and update our OSH practices to respond to changing workplace conditions, emerging risks, and advances in safety knowledge, ensuring continuous enhancement of our safety culture.

3 OSH Governance and Oversight Structure

Our OSH leadership adopts a structured top-down approach. At the strategic level, the Senior Management, HR Department and Operation teams collaborate effectively to develop and implement our dual OSH policies. They actively promote safe work practices and accountability by overseeing compliance, delivering targeted training, and maintaining incident reporting systems.

Given KIP REIT's extensive operational footprint across diverse Managed Assets throughout Malaysia, we have adopted a practical approach at the operational level. While the REIT Manager's office maintains efficiency with a lean team, each Managed Asset has established its own dedicated OSH committee to address site-specific requirements. These specialised committees, comprising key representatives from Facilities, Leasing, Security and HR departments, implement tailored safety measures and effectively address operational risks specific to each Managed Asset. This cross-functional representation ensures both departmental accountability and responsive decision-making aligned with operational needs.

This thoughtfully designed tiered governance model enables swift issue resolution, ensures thorough coverage of safety responsibilities across all operational areas, and cultivates a deeply embedded culture of safety leadership throughout every level of the organisation.



4 Tailored OSH Policy for Diverse Operational Environment

KIP REIT has established two distinct yet complementary OSH policies that address the unique safety requirements of our different operational environments:

- **Occupational Safety & Health Policy:** Designed specifically for our administrative operations, this policy addresses workplace ergonomics, fire safety protocols and emergency response procedures tailored to office settings, emphasising preventive measures for common office-related health concerns.

- **Mall Operation Policy (Occupational Safety & Health):** Developed to address the complex safety challenges inherent in shopping mall management, this policy covers areas such as contractor safety management, fire and life safety systems, and emergency evacuation procedure . The policy establishes clear guidelines for identifying and mitigating potential hazards unique to retail environments.

OCCUPATIONAL SAFETY AND HEALTH

5 Proactive Risk Management Approach

Three-Tiered Risk Management

KIP REIT uses a structured approach to manage workplace safety risks, embedding Hazard Identification, Risk Assessment, and Risk Control ("**HIRARC**") across all shopping mall operations. This proactive system allows our teams to systematically identify potential safety threats and implement appropriate mitigation measures before incidents occur.

STEP 01 Hazard Identification — Identify hazards related to work activities and site conditions, including physical, chemical, ergonomic, and environmental risks to employees and workers

STEP 02 Risk Evaluation — Assess risks using a qualitative matrix based on likelihood and severity, categorising as low, medium, or high to prioritise actions.

STEP 03 Risk Control and Mitigation — Implement control measures by strictly adhering to the risk control hierarchy: first attempting to eliminate hazards completely, then substituting with safer alternatives, followed by engineering controls to isolate people from dangers, supported by administrative measures like training and procedures, and finally providing appropriate Personal Protective Equipment ("**PPE**") as the last line of defence.

Bi-Annual Safety Inspections

KIP REIT implements a comprehensive bi-annual safety inspection program across all offices and shopping malls, creating a proactive system for identifying compliance gaps and implementing timely interventions.

These rigorous inspections are jointly conducted by the designated OSH Coordinator and Facility Manager, encompassing critical safety elements including fire protection systems, emergency egress routes, potential hazards in public areas, electrical safety infrastructure, and contractor work practices. All findings are meticulously documented and presented to the site-specific OSH Committee, which then assigns clearly defined corrective actions with specific completion deadlines and individual accountability measures.

WHAT VALUE HAVE WE CREATED IN FY2025?

Comprehensive OSH Policy Expansion

In FY2025, KIP REIT significantly enhanced our commitment to workplace safety by expanding our OSH policy framework beyond our administrative operations.

While our previous policy focused solely on office environments, we recognised that many of our employees regularly work within our Managed Assets, facing distinct safety challenges unique to shopping mall operations. In response, we developed and implemented our complementary **Mall Operation Policy (Occupational Safety & Health)** to address these specialised needs. This strategic expansion ensures comprehensive safety coverage across our entire operational spectrum, providing tailored protective measures for all work environments.

By establishing this dual policy approach, we have created a more robust safety infrastructure that acknowledges the diverse nature of our operations and demonstrates our commitment to protecting every employee regardless of their work location.

OSH Training Programme

We have implemented a comprehensive OSH training programme throughout FY2025. Our strategic approach encompassed multiple tiers of training, from specialised OSH Coordinator certification to organisation-wide policy briefings, ensuring that safety knowledge and practices are embedded at every level of our operations.

This multi-faceted training initiative recorded a total of **217 training attendances**, with certain employees participating in multiple sessions to enhance their safety competencies across different specialised areas, demonstrating our unwavering commitment to maintaining the highest safety standards.

Course Name	Topics/Coverage	Participants	Total Number of Participants
OSH Coordinator Training	Training on OSH knowledge and how to adopt OSH practices at the workplace	Appointed OSH Coordinators at Southern region	4
OSH Coordinator Briefing		All employees of the Service Provider at Southern region	43
OSH Coordinator Training		Appointed OSH Coordinators at Central region	5
OSH Coordinator Briefing		All employees of the Service Provider at Central region	21
OSH Policy Briefing	Briefing on the OSH Policy	All employees of the REIT Manager and Service Provider	118
Emergency Response Team	Training on ERT's roles and responsibilities to ensure preparedness during emergency and fire situation	All employees of KIPMall Masai	13
Emergency Response Team		All employees of KIPMall Bangi	13

KEY HIGHLIGHTS

998 hours of OSH-related trainings were conducted

217 training attendances were recorded for OSH-related training

9 OSH Coordinators were appointed for all KIP REIT's office sites

All **9 OSH Coordinators** completed the mandatory 3-day OSH Coordinator training

OCCUPATIONAL SAFETY AND HEALTH

HOW IS OUR OVERALL PERFORMANCE?

At KIP REIT, we are proud to report that we have maintained our exemplary safety record **with zero workplace injuries for the third consecutive years** in FY2025. This achievement reflects our unwavering commitment to creating safe environments across all our operations and the effectiveness of our comprehensive OSH framework.

Since FY2023, we have aligned our safety metrics and performance tracking with the common indicators prescribed by Bursa Malaysia, providing consistent and comparable data for our stakeholders. In our continuous effort to improve transparency and performance monitoring, we have enhanced our data collection framework in FY2025 to include more detailed categorization of safety incidents:

- **Lost Time Injuries (LTIs)**: Incidents resulting in absence from work
- **Restricted Work Cases (RWCs)**: Incidents where employees can work but with limited capacity
- **Medical Treatment Cases (MTCs)**: Incidents requiring professional medical care beyond first aid
- **Minor First-Aid Cases**: Incidents addressed through basic first aid procedures

This refined approach allows us to better identify potential safety risks before they escalate to more serious incidents. For consistency in reporting and to facilitate meaningful year-on-year comparison, we have restated our previous two years' data to align with this more detailed categorisation.

Performance Indicators	2023	2024	2025
REIT Manager			
Number of hours worked	21,552	24,156	43,680
Number of fatalities	0	0	0
Number of lost time injuries (LTIs)	0	0	0
Number of restricted work cases (RWCs)	0	0	0
Number of medical treatment cases (MTCs)	0	0	0
Number of minor first-aid cases	0	0	0
Lost time incident rate	0	0	0
Service Provider			
Number of hours worked	160,512	178,980	320,320
Number of fatalities	0	0	0
Number of lost time injuries (LTIs)	0	0	0
Number of restricted work cases (RWCs)	0	0	0
Number of medical treatment cases (MTCs)	0	0	0
Number of minor first-aid cases	0	0	0
Lost time incident rate	0	0	0

FY2025 Performance

Zero work-related fatalities and injuries

FY2026 Target

Maintain our perfect safety record of zero work-related fatalities and injuries

WHAT IS OUR NEXT INITIATIVE?

For FY2026, we have identified several key initiatives to further strengthen our OSH framework. We will expand our comprehensive training program to include practical, on-site first aid training for all employees. While our zero-incident record demonstrates the effectiveness of our preventive measures, we recognise that emergency preparedness remains essential. This hands-on training will equip our team members with life-saving skills, reduce response time during medical emergencies, and increase overall safety awareness among our workforce.

We are also committed to enhancing the scope and transparency of our safety performance reporting. In FY2026, we will expand our data collection practices to include:

- working hours of contracted cleaners and security guards at our Managed Assets, in addition to our direct employees
- comprehensive incident reporting that formally incorporates these contracted workers

While we have informally monitored these contracted workers' safety for years with no reported incidents, they have not been officially included in our OSH performance metrics. This expanded approach will provide a more complete picture of safety across all our operations and demonstrate our commitment to the health and safety of everyone working within our properties, regardless of employment status.

WHAT IS OUR OUTLOOK?

Short Term

KIP REIT will enhance safety practices by strengthening operational oversight and readiness in corporate and retail environments. Key initiatives include comprehensive monitoring of safety protocols, regular training and drills for effective incident response, and clear channels for reporting safety concerns. Thorough safety audits will identify risks and ensure all measures are current and effective, laying a solid foundation for future safety advancements.

Medium Term

KIP REIT will adopt a structured safety management approach by formalising performance benchmarking and enhancing data-driven risk assessments. Regular reviews will ensure compliance with emerging regulations and industry best practices.

Long Term

Looking ahead, KIP REIT aims to achieve external safety certifications to align with internationally recognised standards. We may also integrate technology into safety management through mobile applications and digital platforms for incident reporting, audit tracking, and training management, fostering a proactive and accountable safety culture across all Managed Assets.

VISION 4
Enriching Human Capital and Social Ecosystems

SUPPLY CHAIN MANAGEMENT

Promoting responsible procurement by engaging suppliers that that demonstrate good practices, ensuring accountability across our value chain while supporting local economic inclusion.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GRI | 2-6, 2-23, 2-24, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2

Concerned Stakeholders

- Tenants
- Business Partners
- Property Manager
- Shoppers and Local Communities
- Regulator

RISK AND OPPORTUNITY

Supply Chain Management → **Responsible Vendor Governance & Procurement Integrity**

Risk

KIP REIT's reliance on a network of outsourced service providers, including those responsible for cleaning, security, maintenance, landscaping, and property management. This introduces systemic exposure to third-party labour, environmental, and compliance risks.

The absence of a formalised Suppliers' Code of Conduct ("**SCOC**") or ESG pre-qualification screening may result in the onboarding of vendors that fall short of expected standards, including potential non-compliance with wage laws, unsafe working conditions, or use of subcontracting chains lacking transparency.

Such weaknesses could lead to indirect exposure to labour exploitation or environmental negligence, triggering regulatory non-compliance, stakeholder criticism, reputational damage, or disruptions to tenant experience and mall operations.

Opportunity

These risks create an opportunity for KIP REIT to strengthen its operational backbone through responsible supply chain governance. Formalising expectations via a SCOC, embedding ESG clauses into contracts, and implementing screening mechanisms such as vendor self-declarations and onboarding protocols can raise standards across the supplier base.

Such practices go beyond compliance. They improve transparency, reduce operational disruptions, and elevate service quality, supporting tenant satisfaction and long-term occupancy. Vendors aligned with ESG principles are more likely to demonstrate workforce stability and sustainable practices, strengthening KIP REIT's resilience.

Moreover, this positions KIP REIT as a forward-looking REIT that resonates with institutional investors, ESG index providers, and socially responsible tenants. Effective supply chain governance thus shifts from being a defensive safeguard to a strategic enabler, mitigating risk, reinforcing trust, and driving sustainable value creation across both financial and social dimensions.

WHY IS THIS TOPIC MATERIAL TO US?

KIP REIT's ability to deliver safe, clean, and vibrant retail environments depends not only on our Managed Assets, but also on the vast network of vendors, contractors and service providers we work with every day. These third-party business partners range from security personnel and maintenance technicians to cleaning crews who play an essential role in ensuring seamless day-to-day operations across our Managed Assets. For a service-centric retail REIT like ours, their performance is not just peripheral. It directly impacts tenant satisfaction, shopper experience, and ultimately, unitholder value.

Supply chain management is therefore a strategic priority. It is the mechanism through which our values, governance standards, and social commitments are extended beyond internal operations to our broader service ecosystem. In a sector that relies heavily on outsourced labour, ensuring that our vendors, contractors and service providers operate ethically, legally and responsibly is both a moral imperative and a business necessity.

We are acutely aware that some segments of our supply chain, particularly outsourced frontline roles, carry heightened social risks, including wage inequality, unfair employment terms, or lack of health and safety protections. Without adequate safeguards, these risks can lead to reputational damage, operational disruptions, and diminished stakeholder trust. Conversely, a well-governed, values-aligned supply chain offers a clear path to resilience, accountability and inclusive growth.

By engaging business partners who share our commitment to fair labour practices, responsible sourcing, and ESG alignment, KIP REIT not only mitigates risks but also uplifts the broader ecosystem in which we operate. Responsible supply chain practices are a cornerstone of how we honour our obligations to investors, tenants, and the communities we serve by transforming transactions into long-term partnerships rooted in trust and transparency.

WHAT IS OUR COMMITMENT?

KIP REIT is committed to fostering a supply chain that upholds the highest standards of integrity, accountability, and social responsibility. Our approach to procurement and contractor management is guided by internationally recognised frameworks, including the Universal Declaration of Human Rights ("**UDHR**"), the core conventions of the International Labour Organisation ("**ILO Core Conventions**"), and the UN Guiding Principles on Business and Human Rights ("**UNGPs**").

We are working toward the implementation of a formal SCOC, which will articulate our expectations in key areas such as fair wages, working conditions, non-discrimination, environmental stewardship, and business ethics. While our ESG maturity in this area is still evolving, we are in the pipeline to embed relevant clauses in newly awarded contracts and conducting joint performance walkthroughs with our Property Manager to ensure on-ground alignment.

Our commitment extends beyond compliance. We aim to build ethical and inclusive supplier relationships that support local communities, create economic opportunities, and ensure that every vendor, contractor and service provider share in our collective responsibility to uphold human dignity and environmental accountability. As we advance, we will continue strengthening our internal procurement governance, expanding ESG screening protocols, and prioritising vendors who demonstrate a genuine alignment with our values.

SUPPLY CHAIN MANAGEMENT

WHAT IS OUR APPROACH?

KIP REIT's approach to supply chain management is rooted in structured oversight, progressive integration of ESG expectations, and close operational collaboration with our Property Manager. We recognise that responsible procurement is not a standalone function but a continuous process that intersects compliance, service quality, and stakeholder trust.

In FY2024, we began formalising the integration of ESG considerations across our third-party engagements. Building on this foundation, FY2025 saw us further enforce and enhance these practices by embedding clearer requirements, strengthening monitoring mechanisms, and aligning vendors more closely with our sustainability standards.

Procurement Due Diligence

All our vendors, contractors and service providers onboarded follow a review process that verifies business legitimacy and statutory compliance. Generally, all our vendors, contractors and service providers undergo our due diligence process which verifies business legitimacy through registration and ownership checks, assesses financial stability via creditworthiness reviews, confirms operational capabilities against industry standards, and ensures full compliance with tax, labour, and licensing requirements.

In FY2024, we have incorporated preliminary sustainability screening into our vendor onboarding process. Building on this foundation, KIP REIT is in the midst of developing a phased and scalable approach to ESG integration where an enhanced sustainability disclosure will be launched, targeting strategic vendors in high-impact categories.

Localised Supply Chain Strategy

Our vendor base consists entirely of Malaysian entities, with a strong emphasis on regionally based small and medium enterprises ("**SMEs**"). This localised approach to supply chain management provides strategic advantages by combining proximity with trusted relationships, enabling quicker issue resolution and more efficient logistics – both of which are critical for seamless mall-level operations.

At the same time, it enhances economic inclusion by supporting local businesses and contributing to the resilience and sustainability of the regional economy. By aligning procurement practices with our broader commitments to responsible sourcing and community engagement, we ensure that our supply chain remains agile, socially impactful, and firmly embedded within the communities we serve.

Annual Supplier Evaluation

KIP REIT undertakes a thorough and systematic annual evaluation of all existing outsourcing vendors, suppliers and service providers to rigorously assess their performance and identify opportunities for continuous improvement. This evaluation process is a cornerstone of our commitment to maintaining exceptional service standards, operational excellence, and sustainable business practices.

Evaluation Scope and Criteria

1. Responsiveness
2. Price Competitiveness
3. Delivery Performance
4. Quality Assurance
5. After-Sales Service
6. Management Effectiveness
7. Financial Stability

HOW IS OUR OVERALL PERFORMANCE?

Throughout FY2025, KIP REIT continued to strengthen its supply chain management by progressively embedding sustainability considerations and improving oversight. Our approach included vendor vetting, a focus on engaging local suppliers, regular performance monitoring, and supplier assessments. These efforts have supported more reliable service delivery while gradually aligning our procurement practices with responsible business standards.

Vendor Onboarding Due Diligence

Our vendor onboarding process verifies business legitimacy, financial stability, operational capabilities, and statutory compliance for all prospective and existing vendors, contractors and service providers. This ensures a credible and compliant supplier network, safeguarding KIP REIT against operational and reputational risks.

ESG ASSESSMENT ASSESSED (%)

FY2024	FY2025
43%	100%

During FY2024, KIP REIT piloted the integration of preliminary sustainability screening into our vendor onboarding, achieving a coverage rate of 43%. In FY2025, we advanced this initiative to **reach 100% of our vendors, contractors and service providers**, marking a significant milestone in strengthening ESG integration within our procurement framework.

Localised Supply Chain

During FY2024, KIP REIT achieved full localisation of its supply chain by engaging exclusively Malaysian suppliers, with a strong focus on regionally based SMEs. This strategy enhanced operational responsiveness, streamlined logistics, and supported regional economic resilience.

Looking ahead into FY2025, we sustained this 100% local procurement approach, reinforcing our commitment to SME support and inclusive economic growth. Beyond operational benefits, prioritising local suppliers continued to strengthen tenant satisfaction, underpin high occupancy levels, and contribute to portfolio growth and net property income performance.

LOCAL SUPPLIERS

100%
Local Suppliers

100%
Proportion of spending on local suppliers

Annual Supplier Evaluation

KIP REIT conducts an annual evaluation of outsourced suppliers to ensure alignment with operational and sustainability standards. In FY2025, all vendors, contractors and service providers assessed against key performance criteria met or exceeded expectations, underscoring the effectiveness of this process in driving service quality and reliability.

The evaluation framework not only highlights performance gaps for timely corrective action but also fosters accountability and transparency across the supply chain. By encouraging vendors, contractors and service providers to adopt best practices and adapt to evolving ESG requirements, it enhances risk management in areas such as compliance, health and safety, and environmental impact, ultimately safeguarding KIP REIT's reputation and reinforcing stakeholder trust.

ANNUAL SUPPLIER EVALUATION

100%
Suppliers subjected to Annual Supplier Evaluation

100%
Outsourced supplier met or exceeded performance expectations

SUPPLY CHAIN MANAGEMENT

WHAT IS OUR NEXT INITIATIVE?

We recognise that the environmental and social performance of our vendors, contractors and service providers directly influences tenant satisfaction and retention across our retail properties. To support this link, we are taking steps to gradually enhance supplier engagement, building the groundwork for improved standards, clearer accountability, and stronger long-term value across our supply chain.

Central to this initiative is the development of the SCOC, which will be rolled out in FY2026. The SCOC will articulate our expectations regarding labour standards, workplace safety, environmental stewardship, and ethical business conduct.

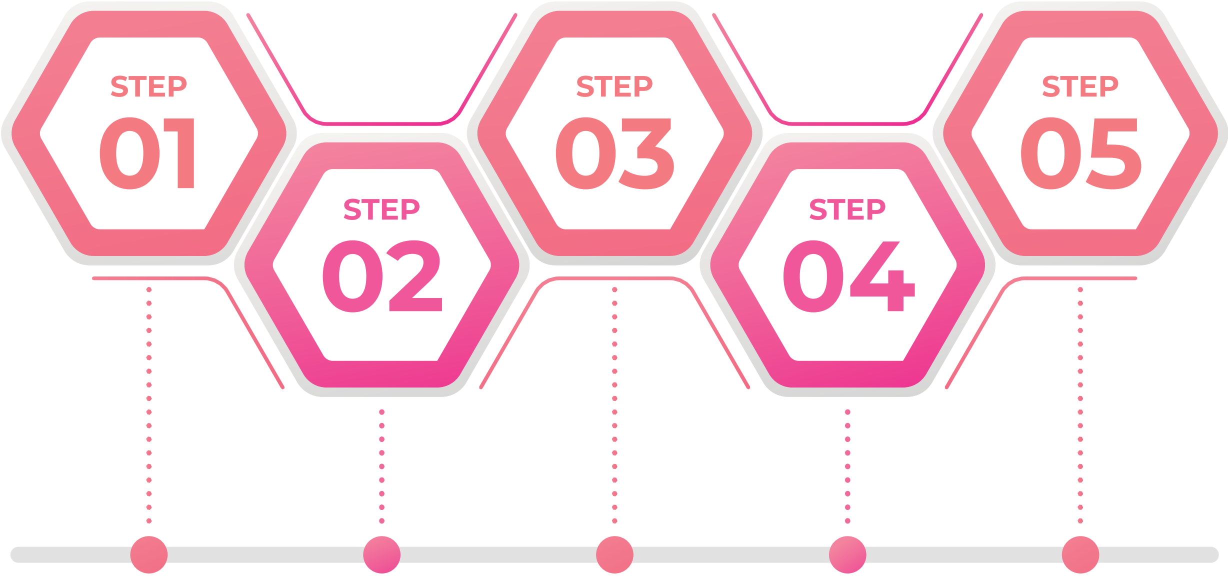
WHAT IS OUR OUTLOOK?

Strengthening Supply Chain Governance

Guided by the principles of pragmatism, mutual accountability, and continuous improvement, we will develop supply chain governance that prioritises awareness and shared responsibility across all suppliers rather than relying solely on top-down enforcement. This forward-looking approach will provide a scalable and adaptable framework that evolves with regulatory changes and stakeholder expectations, forming the foundation for the next phase of our supply chain initiatives. The implementation plan ("**Implementation Plan**") on next page will be developed as part of our medium-to-long term ESG roadmap to guide our efforts.

Building Strategic Supplier Relationships

To facilitate meaningful progress in sustainable practices, as part of our medium-to-long term ESG roadmap, we will develop a five-stage engagement process for vendor development to progressively enhance ESG maturity amongst suppliers.



Connect
Building relationships through introductory ESG awareness sessions, such as introducing KIP REIT's SCOC and ESG Roadmap.

Assess
Requiring all suppliers to complete the ESG assessment.

Learn
Providing knowledge-sharing sessions to assist suppliers to understand ESG principles.

Commit
Promoting progressive alignment with KIP REIT's SCOC

Measure and Report
Setting measurable ESG targets, improvement plans and timelines for suppliers.

Collectively, these efforts represent a pragmatic and scalable response to our current ESG maturity stage. They demonstrate our commitment to elevating sustainable practices within our local supply chain while maintaining operational resilience and stakeholder trust. We will continue to refine and adapt our approach in response to evolving regulatory requirements, stakeholder expectations, and operational insights.

Implementation Plan

Development of Implementation Plan (2025–2028)

Objective: Assess local suppliers' ESG maturity and readiness for the SCOC adoption.

- Develop a phased, practical approach for rolling out the SCOC.
- Engage internal mall operations teams to identify key risk areas and develop realistic and achievable standards.
- Conduct a baseline assessment of suppliers' awareness and adoption of sustainable practices across ESG dimensions.
- Categorise suppliers based on ESG maturity and risk profile.

Phase 1 (2028–2030)

Objective: Integrate ESG requirements and the SCOC with all existing suppliers.

- Organise knowledge-sharing sessions to help suppliers understand and implement the SCOC.
- Establish open channels for supplier feedback to refine the SCOC and address implementation challenges.
- Conduct informal audits to identify early warning signs and reinforce behavioural expectations.

Phase 2 (2030–2035)

Objective: Achieve comprehensive SCOC adoption and embed ESG standards across all local supplier relationships.

- Conduct supplier engagement to communicate the importance of the SCOC through briefings, written notifications, and supplier workshops, as well as provide guidance on compliance expectations.
- Require regular self-declaration forms and ESG compliance updates from the suppliers.
- Incorporate SCOC adherence into annual supplier audit.
- Regularly review and update the SCOC to reflect changes in regulations, industry standards, and stakeholder expectations.

VISION 4
Enriching Human Capital and Social Ecosystems

COMMUNITY INVESTMENT AND DEVELOPMENT

Strengthening communities through inclusive engagement, targeted investments, and partnerships that uplift livelihoods, foster resilience, and create lasting shared value.

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING

GRI | 3-3, 413-1

Concerned Stakeholders

- Employees
- Tenants
- Property Manager
- Shoppers and Local Communities

RISK AND OPPORTUNITY

1 Corporate Social Responsibility → Strategic Impact and Reputation

Risk	Opportunity
Poorly planned Corporate Social Responsibility ("**CSR**") efforts risk wasted resources, limited impact, and stakeholder skepticism, undermining credibility with investors, tenants, and communities.	A structured CSR strategy, focused on education, healthcare, and development, delivers measurable impact, enhances reputation, and builds goodwill with ESG-conscious stakeholders.

2 NGO Partnerships → Amplified Impact and Synergies

Risk	Opportunity
Weak due diligence or misaligned Non-Governmental Organisation ("**NGO**") partnerships can create reputational risks, ineffective programs, and wasted resources.	Collaborations with credible NGOs enhance program effectiveness, leverage external expertise, and demonstrate authentic commitment, strengthening reputation and stakeholder trust.

3 Community Giving Programs → Sustainable Social Investment

Risk	Opportunity
Inconsistent or short-term charitable giving approaches fail to build lasting community relationships and may be perceived as opportunistic rather than genuine. Without proper program evaluation and community feedback mechanisms, donations and volunteer initiatives risk missing their intended impact, potentially leading to community disappointment and wasted resources that could have been deployed more effectively.	Long-term giving programs such as scholarships, facility support, and employee volunteering foster sustainable community ties, boost employee engagement, and reinforce KIP REIT's social license to operate.

WHY IS THIS TOPIC MATERIAL TO US

For KIP REIT, the vitality of the communities surrounding our Managed Assets is directly linked to the long-term value, relevance, and sustainability of our portfolio. Our properties do not exist in isolation, they serve as places where people live, work, shop, and gather. When communities face challenges such as poverty, food insecurity, or poor health, it can diminish the vibrancy of our Managed Assets, weaken tenant engagement, and limit growth potential.

By engaging with the NGOs, community groups, and local stakeholders, we gain valuable insights into pressing social needs and design initiatives that deliver meaningful impact. Our efforts focus on alleviating poverty through support for underprivileged households, improving access to food and daily necessities, and promoting health and wellbeing through awareness and outreach programs. These initiatives help uplift communities around our Managed Assets, ensuring they remain resilient, inclusive, and sustainable.

At the same time, investing in community development reinforces our social license to operate and deepens trust with tenants, shoppers, and stakeholders. By fostering safe, inclusive, and supportive environments, we enhance the attractiveness of our Managed Assets, drive footfall, and strengthen tenant performance, all of which contribute to stable long-term returns for unitholders. Community Investment and Development is therefore not only about fulfilling social responsibility, but also about creating shared value that supports both societal progress and the resilience of our business.

WHAT IS OUR COMMITMENT?

Our commitment to Community Investment and Development reflects our responsibility to create shared value and reinforces our social licence to operate. We recognise that the success of our Managed Assets is closely tied to the strength and resilience of surrounding communities. By addressing pressing social challenges and building inclusive, supportive environments, we enhance community wellbeing while safeguarding the long-term vibrancy and sustainability of our Managed Properties.

We are committed to:

- **Strengthening community partnerships** by engaging with NGOs, community groups, and local stakeholders to better understand local needs, co-create solutions, and deliver impactful programmes.
- **Alleviating poverty and hardship** through initiatives that support underprivileged households, improve access to food and essential resources, and provide targeted community assistance.
- **Promoting health and inclusivity** by implementing outreach and awareness programmes that address community wellbeing, nurture safe and welcoming environments, and encourage social integration.
- **Empowering long-term resilience** by supporting education, capacity-building, and skill development initiatives that create opportunities for sustainable community advancement.

COMMUNITY INVESTMENT AND DEVELOPMENT

WHAT IS OUR APPROACH?

KIP REIT's community investment philosophy is simple: create meaningful change that benefits both communities and our business. We concentrate our efforts across five key areas:

01 Advance Health Awareness

We champion healthier lifestyles by supporting preventive healthcare, community wellness programmes, and awareness campaigns that strengthen overall physical and mental wellbeing.

02 Support the Underprivileged

We uplift vulnerable groups by providing food aid, essential resources, and livelihood support, helping to reduce inequalities and improve quality of life.

03 Increase Environmental Awareness

We promote sustainable living through community engagement on recycling, conservation, and green initiatives, fostering collective responsibility for environmental protection.

04 Promote Public Awareness

We organise outreach programmes and campaigns that highlight key social issues, nurture civic responsibility, and encourage inclusivity within communities.

05 Empower Younger Generation

We invest in education and youth development, equipping future generations with the skills, opportunities, and confidence to succeed.

COMMUNITY INVESTMENT AND DEVELOPMENT

WHAT IS THE VALUE WE CREATED IN FY2025?

1 IMPACT STORY
Orphan House Visits: Heartbeats Beyond Walls

- **Date** : 20 November 2024
- **Organisers** : REIT Manager, KIPMall Bangi & KIPMall Kota Warisan
- **Orphanages** : Rumah Bakti Al-Kausar (Bangi), Shepherd's Centre Foundation (Semenyih), and Rumah Bakti Nur Ain (Bangi)
- **Races** : Malay, Chinese, Indian, Orang Asli (indigenous peoples) & Nigerian

Total Number of Beneficiaries
39 orphans

Total Amount Invested
RM5,800

Sponsorships
30 goody bags worth of RM2,450 sponsored by HeroMarket and KIPMall Bangi

We brightened the lives of children at several local orphanages during our heartwarming Children's Day visit. Through fun activities, thoughtful gifts and shared moments, we hope to make the children feel valued, appreciated and reminded that they are never alone.

What touched our hearts the most was witnessing alumni of the orphanage return to contribute in their own special ways to the younger generation. **We were deeply moved by such acts as they significantly reflect a meaningful cycle of kindness and community support, proving that when children are nurtured with kindness, love and care, they grow into individuals who carry those values forward, regardless of having lost their parents**. It is this beautiful cycle that breathes life into purposeful and lasting value which reflect what society truly needs.

It was also both heart-warming and eye-opening to witness the beautiful tapestry of diversity among the children in the orphanages we visited. Despite coming from different racial, ethnic, gender and age backgrounds, they share strong bonds and meaningful connections with one another. Within their community flourished genuine acceptance, heartfelt interaction, unbounded kindness and a remarkable sense of unity. Their ability to embrace differences and live in harmony serves as a powerful reminder of the values of diversity, equity and inclusion, a foundation upon which a truly compassionate society is built.

Beholding the shared laughter of children from all walks of life and seeing the alumni returning as beacons of hope, this Children's Day visit initiative reflects our dedication to making a meaningful difference in the lives of children from underprivileged backgrounds, while also reinforcing the values of compassion, kindness and inclusivity, and creating long term positive impact.

2 IMPACT STORY
Breast Cancer Awareness: Hands that Heal, Hearts that Listen

- **Date** : 17 April 2025 & 24 April 2025
- **Locations** : KIP Hotel & KIPMall Kota Warisan

Collaboration
Breast Cancer Welfare Association Malaysia ("**BCWA**")

Total Amount Invested
RM600.00

Total Number of Attendees
80 was taught Breast Self-Examinations ("**BSE**")

Total Number of Clinical Examinations
46 Clinical Breast Examinations ("**CBE**")

As part of our health and wellbeing outreach, KIP REIT partnered with the BCWA to bring Breast Awareness Talks and Clinical Breast Examinations directly to our employees. The initiative carried a powerful, uncompromising message: breast cancer does not discriminate. It transcends gender, age, and background, affecting anyone in its path.

Across the two sessions, 90 participants attended, where BCWA's expert team shared crucial information about early warning signs, risk factors, and the lifesaving practice of BSE. Of these, 46 courageously chose to undergo on-site CBE, taking that vital step from awareness to action.

What resonated most deeply was the recognition that breast cancer is not exclusively a women's issue – it is fundamentally a human issue. Like all matters of health, it begins with awareness and flourishes through community support. We saw how shared knowledge can empower individuals, and how personal courage can inspire collective action.

Through BCWA's skilled hands and listening hearts, the sessions reminded us that behind every medical examination lies a profound act of human care. Ultimately, it is these connections that matter most: **the hands that heal, the hearts that listen, and the courage that compels us to show up for one another**. Every checkup scheduled, every question asked, and every quiet moment of care carries the potential to change – or even save – a life.

COMMUNITY INVESTMENT AND DEVELOPMENT

3 IMPACT STORY
Blood Donation: A Gift that Saves Lives

Locations
KIPMall Bangi, KIPMall Masai, KIPMall Kota Tinggi & KIPMall Melaka

Total Amount Invested
RM452

Donors
1,014 donors

Every drop of blood carries the promise of life. In FY2025, our blood donation initiatives became more than just a campaign – they were a lifeline for countless patients in need. At a time when hospitals across the country faced critical shortages, our employees and community members came together with a shared purpose: to give the gift of life. A total of **1,014 donors** stepped forward, and their generosity helped channel vital blood supplies to national blood banks.

The impact of this initiative extended far beyond replenishing medical stocks. For recipients, a single donation meant hope, healing, and a second chance at life. It was a powerful reminder of the difference one selfless act can make – that just an hour of time could save up to three lives. Many donors shared that the experience deepened their compassion and inspired them to continue donating regularly, turning an act of kindness into a lasting commitment.

For KIP REIT, the initiative reaffirmed our role as more than just a shopping destination. We are a community hub, deeply rooted in the places we serve. By organising simultaneous drives across our Managed Assets, we created accessible platforms for thousands of community members to participate in this life-saving cause.

This effort created ripple effects across our malls and the wider community, fostering empathy, volunteerism, and social responsibility. By raising awareness of the importance of consistent blood donation, we inspired a sense of collective responsibility, proving that when communities unite for a common purpose, the outcome can be nothing short of life-changing.

4 IMPACT STORY
Ramadhan Charity: Sharing Blessings, Spreading Hope

Locations
KIPMall Bangi, KIPMall Masai, KIPMall Kota Tinggi, KIPMall Tampoi, KIPMall Melaka & KIPMall Kota Warisan

Total Amount Invested
RM17,660.70

Total Number of Beneficiaries
Approximately 3,853 beneficiaries

Ramadhan is a time of reflection, compassion, and giving, through our Ramadhan charity initiative in FY2025, we continued to embrace these values by extending care to those who needed it most. In the spirit of the holy month, almost all Managed Assets came together to organise a series of heartfelt community charity initiatives that embodied compassion, generosity, and solidarity. This program was designed not only to provide material support but also to uplift the spirits of underprivileged families, orphans, students, and local communities during the blessed month, ensuring that they too could experience the joy, warmth, and dignity of Ramadhan. With the collective support of our employees, we were able to touch the lives of approximately **3,853 beneficiaries**, providing them with essential food items, daily necessities, and financial aid.

From iftar (breaking of fast) gatherings with Asnaf families and Sahur deliveries to low-income households, to Bubur Lambuk and food basket distributions, each initiative was carried out with strong collaboration between mall management, tenants, NGOs, and volunteers. Together, these efforts reached thousands of beneficiaries, including underprivileged families, orphans, students, single mothers, and senior citizens, ensuring they had essential food, festive clothing, and aid in preparation for Hari Raya.

For many families, this assistance meant more than just material support. It was a reminder that they were not alone, their struggles were seen, and that compassion from the community was within reach. The smiles of children receiving food packs, the relief of parents given one less burden to carry, and the gratitude expressed by the elderly were all powerful testaments to the difference this initiative made.

The Ramadhan charity also reinforced the values of empathy and unity. It brought together people from different walks of life to serve a common purpose which is to give back to the community and to uplift the less fortunate. Many of our employees and volunteers shared how the experience deepened their sense of gratitude, strengthened their connection to the community, and reminded them of the true meaning of Ramadhan: selflessness, kindness, and shared humanity.

Through this initiative, we did more than provide aid, we fostered hope, dignity, and belonging. The Ramadhan charity initiative stands as a reflection of our ongoing commitment to social responsibility and our belief that together, through small acts of giving, we can create lasting impact and build a more compassionate society.

COMMUNITY INVESTMENT AND DEVELOPMENT

5 IMPACT STORY
Recycling for a Sustainable Future

Locations
KIPMall Bangi, KIPMall Masai, KIPMall Kota Tinggi, KIPMall Tampoi, KIPMall Melaka, KIPMall Senawang, KIPMall Kota Warisan and DPulze Shopping Centre

Total Amount Invested
RM5,826.00

Total Number of Participants
Approximately 886 participants

In FY2025, our malls became hubs of environmental consciousness and community engagement through a series of creative and impactful recycling initiatives. These programs went beyond waste collection, they inspired creativity, educated communities, and empowered people of all ages to take small yet meaningful steps toward sustainability.

The EcoBoat Challenge at **KIPMall Masai** captured imaginations by blending sustainability with engineering creativity. Participants designed boats from recycled materials, later testing them in a water pool, much to the delight of the crowd. This hands-on competition not only showcased innovative reuse of everyday items but also reminded the community that waste can be transformed into something purposeful and fun.

At **KIPMall Tampoi**, in collaboration with **SWM Environment**, a recycling walkathon and exhibition brought together students, teachers, parents, and local authorities. Activities such as a recycling quiz, creative competitions, and a recycling counter collected over **135 kg of recyclable materials**, demonstrating that collective efforts can create tangible results.

Similarly, **KIPMall Kota Tinggi**'s CSR collaboration with SWM Environment reinforced the power of partnerships. Coinciding with a local preschool innovation program, the initiative attracted students, teachers, and families, successfully **collecting 696 kg of recyclables**. Creative furniture displays made from reused materials added an educational layer, showing how waste can be innovatively repurposed.

At **KIPMall Melaka**, multiple events promoted sustainable practices in fun and family-friendly ways. The Drive Thru Recycle program, in collaboration with **SWCorp Melaka**, enabled community members to exchange recyclables for cash, **collecting nearly 500 kg of items ranging from e-waste to fabrics**. Another highlight was the Recycled Vehicle Design Competition, which encouraged parent-child teams to build toy vehicles from waste materials, sparking creativity while teaching children the importance of reusing. Melaka also hosted a 3D Poster Competition in conjunction with World Environment Day, where families created art pieces from recyclables, transforming waste into messages of conservation.

The Trash to Cash initiative at **KIPMall Senawang** mobilised **over 50 community members**, resulting in **two lorry loads of recyclable materials being collected**. Participants also learned practical waste-sorting skills, fostering greater responsibility toward protecting the environment.

Meanwhile, **KIPMall Bangi**'s "Recycle Campaign with Trash4Cash and Tech Waste" expanded the movement by addressing both household recyclables and e-waste. By rewarding participants with cash or eco-points, it promoted the concept of a circular economy and encouraged families to rethink waste as a valuable resource.

Across all these initiatives, the outcomes were consistent: stronger community bonds, reduced waste, and heightened environmental awareness. Families, children, students, and even casual shoppers left with more than just knowledge as they left inspired to live more sustainably.

Together, these recycling events stand as a testament to our belief that every action counts. Whether through competitions, creative projects, or practical recycling drives, our community showed that with collaboration, innovation, and awareness, we can collectively build a cleaner and greener future.

COMMUNITY INVESTMENT AND DEVELOPMENT

6 IMPACT STORY
Honouring Indigenous Heritage

Locations
KIPMall Bangi, KIPMall Masai, KIPMall Kota Tinggi & KIPMall Tampoi

Total Amount Invested
RM7,335.60

Total Number of Beneficiaries
Approximately 1,055 beneficiaries

In FY2025, our commitment to cultural preservation and inclusive community engagement was reflected through a series of meaningful initiatives celebrating the heritage of Malaysia's indigenous communities. These efforts were not only about showcasing traditions but also about fostering unity, empowerment, and mutual respect.

One such initiative was our CSR collaboration with **Jabatan Kemajuan Orang Asli** ("**JAKOA**") and **Pusat Khidmat Rakyat Parlimen Pulai**, where the spirit of togetherness came alive through sports, cultural exchange, and donation activities. With the participation of **more than 500 attendees and 62 families** receiving essential household donations, the event created an environment where community bonds were strengthened, and the values of inclusivity and support were deeply reinforced.

At **KIPMall Masai**, the "Jalinan Kasih" program with the **Orang Asli Community of Kampung Kuala Masai** provided a platform to highlight indigenous traditions, creativity, and way of life. Traditional performances, cultural exhibitions, and interactive activities brought together people from all walks of life, fostering inter-community harmony and giving the public an opportunity to appreciate the cultural richness of the **Orang Asli Seletar** community. This initiative also echoed the Orang Asli's deep connection with nature by showcasing traditional instruments made from forest and marine elements, aligning closely with sustainability values.

Further amplifying this commitment, **KIPMall Kota Tinggi** hosted the "Program Kebudayaan Sehari Bersama Masyarakat Orang Asli Kota Tinggi", in collaboration with JAKOA Johor, schools, and local entrepreneurs. The two-day celebration drew strong community participation and featured traditional performances, cultural exhibitions, indigenous games, and the "Pasar Asli" weekend market, where Orang Asli vendors showcased traditional crafts, food, and handmade products. The event not only promoted cultural awareness but also supported economic empowerment, offering the community valuable opportunities to generate income and connect with a wider audience.

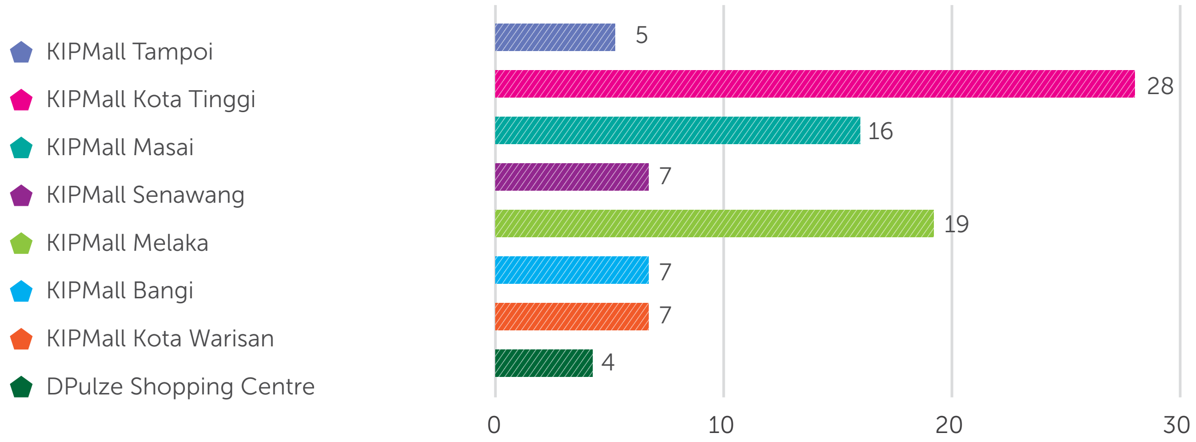
Together, these initiatives highlighted the importance of celebrating indigenous culture, promoting social sustainability, and encouraging cultural exchange. For the Orang Asli, it meant visibility, recognition, and empowerment. For the wider community, it was a chance to learn, connect, and celebrate Malaysia's cultural diversity.

Through these collective efforts, we reinforced our role as a community partner and cultural bridge, fostering an environment where traditions are preserved, diversity is embraced, and indigenous communities feel seen, valued, and supported. These programs stand as a testament to the power of collaboration in building stronger, more inclusive communities while safeguarding the heritage that defines our shared identity.

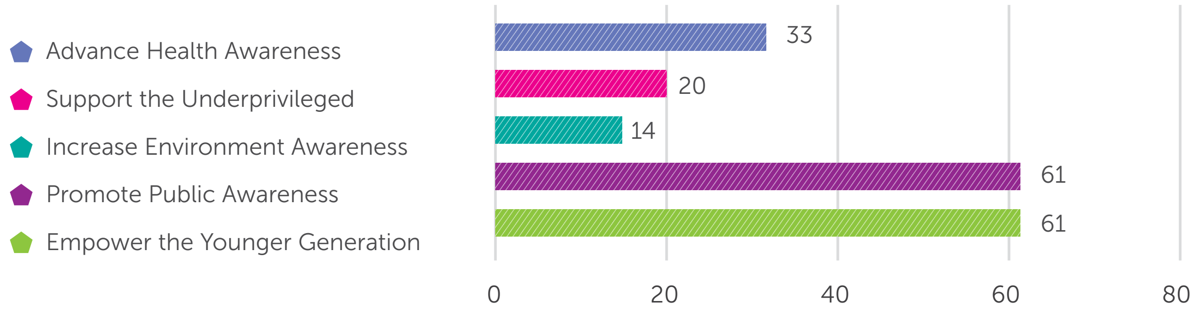
COMMUNITY INVESTMENT AND DEVELOPMENT

HOW IS OUR OVERALL PERFORMANCE?

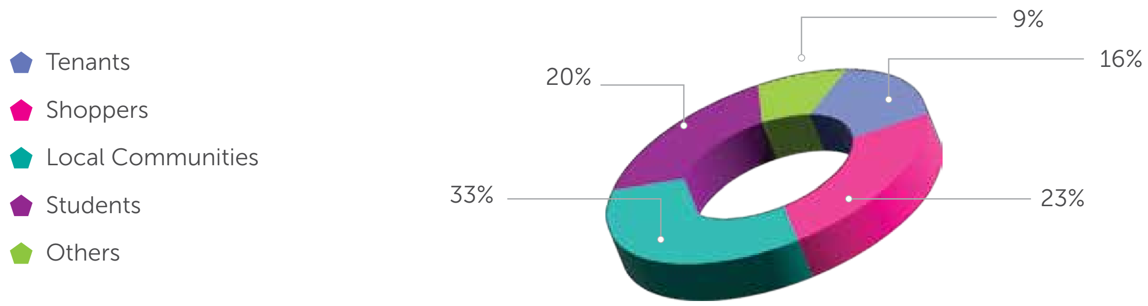
While we do not present the full list of activities carried out, the data below provides a perspective on the overall initiatives that we had conducted in FY2025. These initiatives, spanning across multiple Managed Assets and communities, reflect our ongoing commitment to creating social value and making a positive difference in people's lives.



In FY2025, we organised a total of **93 community** events across our Managed Assets. The bar chart above provides a breakdown of how many events were held at each location, reflecting our efforts to engage local communities consistently across the portfolio.



The bar chart above illustrates how the 93 community events we organised in FY2025 aligned with our key ESG objectives. While the total count across categories exceeds 93, this is because several events were designed to address multiple ESG objectives concurrently, reflecting our integrated approach to creating social value.



The pie chart above illustrates the composition of our community events by target audience. In FY2025, our initiatives reached a diverse range of stakeholders, highlighting the broad and inclusive reach of our engagement efforts.

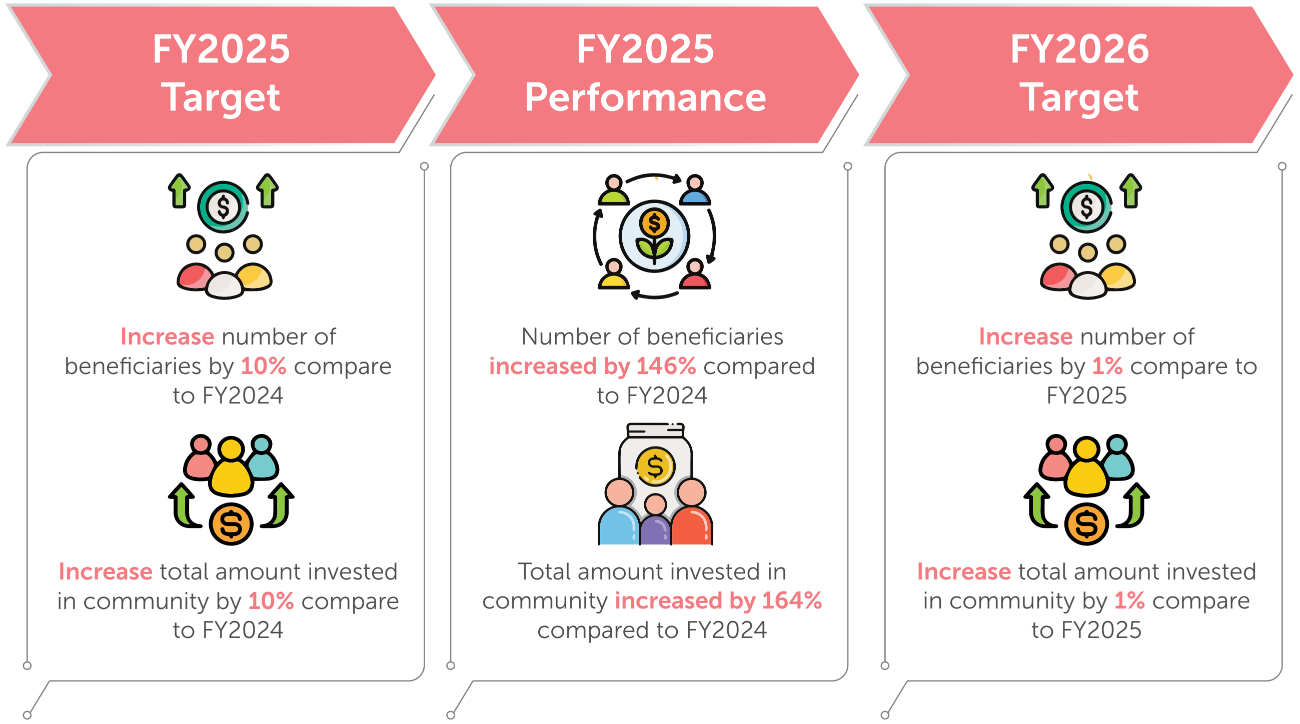
Our Community Impact Initiatives

Performance Indicators	2023	2024	2025
Total Number of Beneficiaries	N/A	7,002	17,248
Total Amount Invested in the Community (RM)	N/A	22,406	59,241.53

KIP REIT's community impact initiatives demonstrated strong growth momentum over the review period. **The number of beneficiaries more than doubled, rising from 7,002 in FY2024 to 17,248 in FY2025 (+146% YoY).** This surge reflects the scaling up of outreach programmes across multiple Managed Assets and the successful deepening of partnerships with NGOs and community stakeholders.

Total community investment also recorded a steep increase, from RM22,406 in FY2024 to RM59,241.53 in FY2025 (+164% YoY). While spending growth slightly outpaced beneficiary growth, the average cost per beneficiary remained highly efficient at RM3.43 in FY2025 versus RM3.20 in FY2024. This indicates that programme expansion was executed without significant dilution of cost efficiency, underscoring effective resource allocation and operational discipline.

The sustained uplift in both beneficiaries and investment signals that KIP REIT is embedding community development as a core pillar of its long-term strategy.



COMMUNITY INVESTMENT AND DEVELOPMENT

WHAT IS OUR NEXT INITIATIVE?

Looking ahead, we aim to take our community initiatives to the next level by centralising efforts across all our Managed Assets. While in the past, activities were carried out selectively in different locations, beginning FY2026, we will ensure that every mall plays an active role in hosting impactful programmes on a monthly basis. This centralised approach not only strengthens consistency but also maximises the reach and positive impact we create within the communities we serve.

As part of this commitment, we are introducing key themed months to engage our stakeholders meaningfully. A **Health Awareness Month** will be organised to promote healthier lifestyles and empower the community withknowledge on preventive healthcare, wellness and fitness. Similarly, a **Recycle Initiative Month** will be launched toinstil stronger environmental consciousness, encourage sustainable practices, and reduce the carbon footprint acrossour communities. In addition, our annual **Ramadhan Charity Month** will continue as a flagship programme, extendingcompassion and support to underprivileged families so that they too can share in the joy and dignity of the holy month.

Through these upcoming initiatives, we are not only creating opportunities for engagement but also reinforcing our long-term commitment to building healthier, more sustainable, and more compassionate communities across all our Managed Assets.

WHAT IS OUR OUTLOOK?

Short Term

Our focus will be to ensure that all Managed Assets collectively organise and implement the same community event in certain selected month. This centralised approach will create consistency across locations, strengthen our identity as a socially responsible organisation, and amplify the impact of our outreach efforts by ensuring that no community is left behind.

As we build momentum, the next step will be to introduce an employee volunteer programme. By empowering employees to actively participate and contribute their time, skills, and energy, we aim to foster a deeper sense of purpose and ownership. This will not only strengthen employee engagement and morale but also expand the reach and effectiveness of our community initiatives.

Medium Term

We plan to donate to schools and art projects, reinforcing our commitment to education and cultural development. At the corporate level, we aim to establish a flagship CSR initiative focused on tree planting, complemented by extended employee involvement in community programmes such as mangrove rehabilitation, reforestation efforts, and elephant care initiatives. These activities will not only contribute to environmental conservation but also provide employees with meaningful opportunities to connect with nature and the communities we serve.

Long Term

In the long run, we aspire to establish ourselves as a trusted community partner with a sustainable ecosystem of impactful initiatives. This will include forming long-term partnerships with NGOs, government agencies, schools, and local communities to co-create programmes that address pressing social, health, and environmental challenges. By embedding community development into our long-term strategy, we aim to create lasting, measurable impact and position our Managed Assets as hubs of positive change for generations to come.

GRI CONTENT INDEX

Statement of Use	KIP REIT has reported the information cited in this GRI content index for the period 1 July 2024 until 30 June 2025 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	PAGE
Reporting Scope and Boundary		
GRI 2: General Disclosures 2021	2-1 Organisational details	64 – 66
	2-2 Entities included in the organisation's sustainability reporting	
	2-3 Reporting period, frequency and contact point	
	2-4 Restatements of Information	
UNSDGs		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	70 – 71
Sustainability Governance		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	72 – 76
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
Sustainability Framework and Policies		
GRI 2: General Disclosures 2021	2-23 Policy commitments	77 – 79
	2-24 Embedding policy commitments	
Stakeholder Engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	80 – 81
Materiality Assessment		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	82 – 87
	3-2 List of material topics	
	3-3 Management of material topics	
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	88 – 91
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
Operational Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	92 – 95
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	
	203-2 Significant indirect economic impacts	
Corporate Governance and Anti-Corruption		
GRI 2: General Disclosures 2021	2-15 Conflicts of Interest	96 – 105
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	
	2-27 Compliance with laws and regulations	
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE
Cyber Security and Data Privacy		
GRI 2: General Disclosures 2021	2-23 Policy commitments	106 – 111
GRI 3: Material Topics 2021	3-1 Process to determine material topics	
	3-3 Management of material topics	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Risk Management		
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	112 – 115
	2-25 Processes to remediate negative impacts	
GRI 3: Material Topics 2021	3-3 Management of material topics	
Climate Resilience		
GRI 3: Material Topics 2021	3-3 Management of material topics	116 – 129
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	
Energy Efficiency and GHG Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	130 – 147
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
Water Stewardship		
GRI 3: Material Topics 2021	3-3 Management of material topics	148 – 155
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	
	303-3 Water withdrawal	
	303-5 Water consumption	
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	156 – 163
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
Responsible Resource Use		
GRI 3: Material Topics 2021	3-3 Management of material topics	164 – 169
Human Rights and Labour Standards		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	170 – 181
	2-7 Employees	
	2-16 Communication of critical concerns	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 401: Employment 2016	401-3 Parental leave	
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	

GRI STANDARD	DISCLOSURE	PAGE
Diversity, Equity and Inclusion		
GRI 2: General Disclosures 2021	2-7 Employees	182 – 191
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	
Employee Wellness and Wellbeing		
GRI 3: Material Topics 2021	3-3 Management of material topics	192 – 205
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Human Capital Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	206 – 215
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	
	404-3 Percentage of employees receiving regular performance and career development reviews	
Strategic Partnership		
GRI 2: General Disclosures 2021	2-28 Membership associations	216 – 219
GRI 3: Material Topics 2021	3-3 Management of material topics	
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	220 – 227
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
Supply Chain Management		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	228 – 233
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
	308-2 Negative environmental impacts in the supply chain and actions	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	
	414-2 Negative social impacts in the supply chain and actions taken	
Community Investment and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	234 – 248
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	
Sustainability Assurance Statement		
GRI 2: General Disclosures 2021	2-5 External assurance	260 - 263

PERFORMANCE DATA TABLE

Performance Indicators		FY2023	FY2024	FY2025
Economic Performance (RM'000)				
Revenue		83,750	102,159	136,133
Operating Costs		21,598	23,342	39,310
Profit after Taxation		60,792	47,314	115,135
Distribution to Unitholders		36,799	39,497	45,483
Operational Performance				
Net Lettable Area (sq ft)				
KIPMall Bangi		285,454	287,456	292,450
KIPMall Masai		156,782	156,791	157,531
KIPMall Kota Tinggi		76,337	78,071	78,071
KIPMall Tampoi		170,550	170,526	170,526
KIPMall Melaka		196,822	199,094	202,506
KIPMall Senawang		117,030	119,767	122,065
KIPMall Kota Warisan		N/A	191,986	192,864
Dpulze Shopping Centre		N/A	N/A	323,260
Average Occupancy Rate				
KIPMall Bangi		74.0%	83.9%	87.4%
KIPMall Masai		94.9%	96.2%	97.2%
KIPMall Kota Tinggi		89.1%	91.4%	93.1%
KIPMall Tampoi		94.7%	97.4%	97.7%
KIPMall Melaka		89.8%	95.3%	98.1%
KIPMall Senawang		86.4%	62.9%	85.1%
KIPMall Kota Warisan		N/A	99.5%	99.2%
Dpulze Shopping Centre		N/A	N/A	99.7%
Corporate Governance and Anti-Corruption				
Percentage of employees who have received training on anti-corruption				
REIT Manager	Senior Management	N/A	100%	100%
	Management	N/A	100%	100%
	Executive	N/A	100%	100%
	Non-executive	N/A	0%	0%
Service Provider	Senior Management	N/A	100%	100%
	Management	N/A	100%	100%
	Executive	N/A	100%	100%
	Non-executive	N/A	100%	100%
Group	Senior Management	N/A	100%	100%
	Management	N/A	100%	100%
	Executive	N/A	100%	100%
	Non-executive	N/A	100%	100%
Cyber Security and Data Privacy				
Reported Cybersecurity Incidents		0	0	1
Complaint concerning breaches of customer privacy and losses of customer data		0	0	0
IT Disaster Recovery Exercise Completion Rate		100%	100%	100%

Performance Indicators	FY2023	FY2024	FY2025
Energy Efficiency and GHG Management			
Energy Consumption (GJ)			
Grid-sourced Electricity Consumption	22,256	33,543	32,537
Renewable Energy Generated	10,930	17,334	17,216
Fuel Consumption	N/A	248	219
Total Energy Consumption	33,186	51,125	49,972
Carbon Emissions			
Scope 1 GHG Emissions (tCO2e)	0.95	1.07	14.45
Scope 2 GHG Emissions (tCO2e)	3,617	7,062	6,964
Scope 2 GHG Emissions Intensity (tCO2e/m^2)	0.153	0.393	0.417
Scope 3 GHG Emissions (tCO2e) (Employee Commuting and Business Travel)	112.76	103.87	168.61
Total GHG Emissions (tCO2e)	3,730.71	7,166.94	7,147.06
Water Stewardship			
Total Water Consumption (m^3)	206,420	204,883	216,576
Water Use Intensity (m^3/m^2)	13.88	13.27	13.62
Waste Management			
Total Waste Generated (RM)	447,767	559,520	590,036
Total Waste Disposed to Landfill (Tonne)	N/A	5,760	5,247
Total Waste Recycled (Tonne)	N/A	96.59	195.77
Total Waste Generated (Tonne)	N/A	5,856.59	5,442.77
Responsible Resource Use			
Paper Consumption (kg)	157,341	157,644	186,017
Human Rights and labour Standards			
Total Employees			
REIT Manager	13	17	21
Service Provider	78	91	140
Group	91	108	161
New Hire Rate			
REIT Manager	100%	47%	43%
Service Provider	44%	40%	55%
Group	52%	41%	53%
Number of New Hires			
REIT Manager	13	8	9
Service Provider	34	36	77
Group	47	44	86

Employment Types		FY2023		FY2024		FY2025	
REIT Manager	Permanent Staff	13	100%	16	94%	21	100%
	Contract Staff	0	0%	1	6%	0	0%
Service Provider	Permanent Staff	58	74%	81	89%	126	90%
	Contract Staff	20	26%	10	11%	14	10%
Group	Permanent Staff	71	78%	97	90%	147	91%
	Contract Staff	20	22%	11	10%	14	9%

PERFORMANCE DATA TABLE

Performance Indicators		FY2023		FY2024		FY2025	
Parental Leaves							
Employees applied for parental leaves		2		7		6	
Employees returned after parental leaves		2		7		6	
Employees returned to work after parental leaves ended that were still employed 12 months after their return to work		2		7		4	
Local Employment							
Percentage of local employees		100%		100%		100%	
Percentage of new local hires		100%		100%		100%	
Number of interns engaged		N/A		N/A		2	
Percentage of interns offered permanent roles		N/A		N/A		50%	
Labour Standards Non-Compliance and Human Rights Grievances							
Number of incidents concerning labour standards non-compliance		0		0		0	
Number of substantiated complaints concerning human rights violations		0		0		0	
Incidents of violations involving rights of indigenous people		0		0		0	
Diversity, Equity and Inclusion							
Board Diversity							
Gender	Male	4	67%	4	67%	4	67%
	Female	2	33%	2	33%	2	33%
Age	< 30	0	0%	0	0%	0	0%
	30-50	2	33%	2	33%	2	33%
	> 50	4	67%	4	67%	4	67%
Years of Tenure	0 – 3	1	17%	1	17%	1	17%
	4 – 6	2	33%	2	33%	2	33%
	7 – 9	3	50%	3	50%	3	50%
	10 – 12	0	0%	0	0%	0	0%
Nationality	Malaysian	6	100%	6	100%	6	100%
Employees By Gender (Categorised by Job Category – REIT Manager)							
Senior Management	Male	1	33%	1	25%	1	25%
	Female	2	67%	3	75%	3	75%
Management	Male	1	20%	2	33%	3	50%
	Female	4	80%	4	67%	3	50%
Executive	Male	1	20%	1	14%	3	30%
	Female	4	80%	6	86%	7	70%
Non-Executive	Male	0	0%	0	0%	1	100%
	Female	0	0%	0	0%	0	0%
Employees By Gender (Categorised by Job Category – Service Provider)							
Senior Management	Male	0	0%	2	100%	2	100%
	Female	1	100%	0	0%	0	0%
Management	Male	6	86%	10	77%	12	60%
	Female	1	14%	3	23%	8	40%
Executive	Male	14	48%	10	34%	19	37%
	Female	15	52%	19	66%	33	63%
Non-Executive	Male	23	56%	25	53%	21	32%
	Female	18	44%	22	47%	45	68%

Performance Indicators		FY2023		FY2024		FY2025	
Employees By Gender (Categorised by Job Category – Group)							
Senior Management	Male	1	25%	3	50%	3	50%
	Female	3	75%	3	50%	3	50%
Management	Male	7	58%	12	63%	15	58%
	Female	5	42%	7	37%	11	42%
Executive	Male	15	44%	11	31%	22	35%
	Female	19	56%	25	69%	40	65%
Non-Executive	Male	23	56%	25	53%	22	33%
	Female	18	44%	22	47%	45	67%
Employees by Job Category, Age and Gender – REIT Manager							
Job Category	Senior Management	3	23%	4	24%	4	19%
	Management	5	38.5%	6	35%	6	28%
	Executive	5	38.5%	7	41%	10	48%
	Non-executive	0	0%	0	0%	1	5%
Age	< 30	3	23%	0	0%	5	24%
	30-50	8	62%	15	88%	14	67%
	> 50	2	15%	2	12%	2	9%
Gender	Male	3	23%	4	24%	8	38%
	Female	10	77%	13	76%	13	62%
Employees by Job Category, Age and Gender – Service Provider							
Job Category	Senior Management	1	1%	2	2%	2	2%
	Management	7	9%	13	14%	20	14%
	Executive	29	37%	29	32%	52	37%
	Non-executive	41	53%	47	52%	66	47%
Age	< 30	24	31%	30	33%	47	33.5%
	30-50	48	61%	53	58%	81	58%
	> 50	6	8%	8	9%	12	8.5%
Gender	Male	43	55%	47	52%	54	39%
	Female	35	45%	44	48%	86	61%
Employees by Job Category, Age and Gender – Group							
Job Category	Senior Management	4	5%	6	6%	6	4%
	Management	12	13%	19	18%	26	16%
	Executive	34	37%	36	33%	62	38%
	Non-executive	41	45%	47	43%	67	42%
Age	< 30	27	30%	30	28%	52	32%
	30-50	56	61%	68	63%	95	59%
	> 50	8	9%	10	9%	14	9%
Gender	Male	46	51%	51	47%	62	39%
	Female	45	49%	57	53%	99	61%
New Hires by Job Category, Age and Gender – REIT Manager							
Job Category	Senior Management	2	15%	1	12.5%	0	0%
	Management	6	46%	4	50%	2	22%
	Executive	5	39%	3	37.5%	6	67%
	Non-executive	0	0%	0	0%	1	11%

PERFORMANCE DATA TABLE

Performance Indicators		FY2023		FY2024		FY2025	
Age	< 30	3	23%	1	12.5%	6	67%
	30-50	9	69%	7	87.5%	3	33%
	> 50	1	8%	0	0%	0	0%
Gender	Male	2	15%	2	25%	4	44%
	Female	11	85%	6	75%	5	56%
New Hires by Job Category, Age and Gender – Service Provider							
Job Category	Senior Management	0	0%	0	0%	0	0%
	Management	2	6%	3	9%	10	13%
	Executive	9	26%	12	33%	24	31%
	Non-executive	23	68%	21	58%	43	56%
Age	< 30	1	3%	17	47%	36	47%
	30-50	17	50%	18	50%	40	52%
	> 50	16	47%	1	3%	1	1%
Gender	Male	20	59%	19	53%	48	62%
	Female	14	41%	17	47%	29	38%
New Hires by Job Category, Age and Gender – Group							
Job Category	Senior Management	2	4%	1	2%	0	0%
	Management	8	17%	7	16%	12	14%
	Executive	14	30%	15	34%	30	35%
	Non-executive	23	49%	21	48%	44	51%
Age	< 30	4	9%	18	41%	42	49%
	30-50	26	55%	25	57%	43	50%
	> 50	17	36%	1	2%	1	1%
Gender	Male	22	47%	21	48%	52	60%
	Female	25	53%	23	52%	34	40%
Employee Wellness and Wellbeing							
Employee Turnover Rate							
REIT Manager		77%		29%		19%	
Service Provider		36%		23%		23%	
Group		42%		24%		22%	
Number of Employee Departures							
REIT Manager		10		5		4	
Service Provider		28		21		32	
Group		38		26		36	
Employee Net Promoter Score							
REIT Manager		56%		62%		76%	
Service Provider		40%		54%		69%	
Average		48%		58%		73%	
Human Capital Development							
Total Amount Invested in Training (RM)							
REIT Manager		12,827.25		30,974.05		62,407.90	
Service Provider		22,320.00		29,344.00		11,144.00	
Group		35,147.25		60,318.05		73,551.90	
Total Training Hours by Entities							
REIT Manager		124		397		723.5	
Service Provider		1,790		2,011		2,251	
Group		1,914		2,408		2,974.5	

Performance Indicators		FY2023	FY2024	FY2025
Total Training Hours by Gender				
REIT Manager	Male	N/A	90	369.5
	Female	N/A	307	354
Service Provider	Male	N/A	1,033	952.5
	Female	N/A	978	1,298.5
Group	Male	N/A	1,123	1,322
	Female	N/A	1,285	1,652.5
Total Training Hours by Job Category				
REIT Manager	Senior Management	26	50	87.5
	Management	73	147	320
	Executive	17	200	296
	Non-executive	8	0	20
Service Provider	Senior Management	44	126	79
	Management	298	334	271.5
	Executive	701	592	1,012.5
	Non-executive	747	959	888
Group	Senior Management	70	176	166.5
	Management	371	481	591.5
	Executive	718	792	1,308.5
	Non-executive	755	959	908
Occupational Safety and Health				
Numbers of Hours Worked				
REIT Manager				
Number of hours worked		21,552	24,156	43,680
Number of fatalities		0	0	0
Number of lost time injuries (LTIs)		0	0	0
Number of restricted work cases (RWCs)		0	0	0
Number of medical treatment cases (MTCs)		0	0	0
Number of minor first-aid cases		0	0	0
Lost time incident rate		0	0	0
Service Provider				
Number of hours worked		160,512	178,980	320,320
Number of fatalities		0	0	0
Number of lost time injuries (LTIs)		0	0	0
Number of restricted work cases (RWCs)		0	0	0
Number of medical treatment cases (MTCs)		0	0	0
Number of minor first-aid cases		0	0	0
Lost time incident rate		0	0	0
Supply Chain Management				
ESG Assessment Assessed		N/A	43%	100%
Local Suppliers		100%	100%	100%
Proportion of spending on local suppliers		100%	100%	100%
Annual Supplier Evaluation		100%	100%	100%
Community Investment and Development				
Total Number of Beneficiaries		N/A	7,002	17,248
Total Amount Invested in the Community (RM)		N/A	22,406	59,241.53

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	100.00 *	100.00
Management	Percentage	-	100.00	100.00
Executive	Percentage	-	100.00	100.00
Non-executive	Percentage	-	100.00 *	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	9,218.33 *	14,201.39 *	13,881.11
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	0.95 *	1.07 *	14.45
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	3,617.00 *	7,062.00 *	6,964.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	112.76 *	103.87 *	168.61
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	206.420000 *	204.883000 *	216.576000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	5,856.59 *	5,442.77
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	96.59 *	195.77
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	5,760.00 *	5,247.00
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	70 *	176 *	167
Management	Hours	371 *	481 *	592
Executive	Hours	718	792	1,309
Non-executive	Hours	755 *	959 *	908
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	21.98 *	10.19 *	8.70
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	3 *	1 *	0
Management	Number	6 *	3 *	5
Executive	Number	8	9	12
Non-executive	Number	21 *	13 *	19
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	75.00 *	66.67 *	66.67

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2023	2024	2025
Senior Management Above 50	Percentage	25.00 *	33.33 *	33.33
Management Under 30	Percentage	8.33 *	0.00	0.00
Management Between 30-50	Percentage	75.00 *	84.21 *	80.77
Management Above 50	Percentage	16.67 *	15.79 *	19.23
Executive Under 30	Percentage	17.65 *	13.88 *	22.58
Executive Between 30-50	Percentage	73.53 *	80.56 *	69.35
Executive Above 50	Percentage	8.82 *	5.56 *	8.07
Non-Executive Under 30	Percentage	48.78 *	53.19 *	56.72
Non-Executive Between 30-50	Percentage	46.34 *	40.43 *	40.30
Non-Executive Above 50	Percentage	4.88 *	6.38 *	2.98
Gender Group by Employee Category				
Senior Management Male	Percentage	25.00 *	50.00 *	50.00
Senior Management Female	Percentage	75.00 *	50.00 *	50.00
Management Male	Percentage	58.33 *	63.16 *	57.69
Management Female	Percentage	41.67 *	36.84 *	42.31
Executive Male	Percentage	44.12 *	30.56 *	35.48
Executive Female	Percentage	55.88 *	69.44 *	64.52
Non-Executive Male	Percentage	56.10 *	53.19 *	32.84
Non-Executive Female	Percentage	43.90 *	46.81 *	67.16
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	66.67 *	66.67 *	66.67
Female	Percentage	33.33 *	33.33 *	33.33
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	33.33 *	33.33 *	33.33
Above 50	Percentage	66.67 *	66.67 *	66.67
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	169	118
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	22,406.00	59,241.53
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	7,002	17,248

Internal assurance | External assurance | No assurance | (*)Restated

SUSTAINABILITY ASSURANCE STATEMENT

Deloitte.

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

P.O. Box 10093
50704 Kuala Lumpur
Malaysia

Tel: +60 3 7610 8888
Fax: +60 3 7726 8986
myaaa@deloitte.com
www.deloitte.com/my

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON SUBJECT MATTER INFORMATION IN KIP REAL ESTATE INVESTMENT TRUST SUSTAINABILITY STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

To the Board of Directors of KIP REIT Management Sdn Bhd

We have been engaged by KIP Real Estate Investment Trust ("the REIT") to perform an independent limited assurance engagement on selected sustainability indicators (collectively, the "Subject Matter Information") as reported by the REIT in its Sustainability Statement for the year ended 30 June 2025 (the "Sustainability Statement 2025").

The Subject Matter Information in the Sustainability Statement 2025 on which we provide limited assurance is included in the Appendix to this report which has been stamped for identification purposes.

Limited Assurance Conclusion

Based on the procedures we have performed as described under the "Summary of the work we performed as the basis of our assurance conclusion" and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information contained in the REIT's Sustainability Statement 2025, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

We do not express an assurance conclusion on information in respect of earlier periods included in, linked to, or from the Sustainability Statement 2025 or any other information accompanying the said document.

Applicable Criteria

The Subject Matter Information as included to the attached Appendix needs to be read and understood together with the Applicable Criteria, which the REIT is exclusively responsible for selecting and applying.

The Applicable Criteria used for the reporting of the Subject Matter Information are as follows:

- The Global Reporting Initiative ("GRI") Universal Standards 2021 disclosures;
- Greenhouse Gas ("GHG") Protocol;
- The Bursa's Sustainability Reporting Guide (3rd Edition).

Independence and Quality Management

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

(Forwards)

The firm applies International Standard on Quality Management 1 ("ISQM-1") Quality Management for Firms that Perform Audits or Reviews of Historical Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The Manager's Responsibilities

The Manager of the REIT is responsible for:

- Selecting or establishing the suitable Applicable Criteria for preparing the Subject Matter Information;
- Preparing the Subject Matter Information included in the Sustainability Statement 2025 in accordance with the Applicable Criteria; and
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information, and explanations to allow successful completion of services.

Our Responsibilities

Our responsibility is to form a conclusion whether, based on the procedures performed, anything has come to our attention that causes us to believe Subject Matter Information contained in the REIT's Sustainability Statement 2025, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

We conducted our engagement in accordance with the approved standard for with *International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of the REIT's use of the Applicable Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Summary of the work we performed as the basis of our assurance conclusion

Our engagement included such procedures as we consider necessary in the circumstances, including, but not limited to:

- Evaluated the suitability in the circumstances of the REIT's use of the Applicable Criteria, as the basis for preparing the Subject Matter Information;
- Through inquiries, obtained an understanding of the REIT's control environment, processes and information systems relevant to the preparation of the Subject Matter Information, but we did not evaluate the design, implementation, or operating effectiveness of any particular control activity;
- Evaluated whether the REIT's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates were based, and we did not separately develop our own estimates against which to evaluate the REIT's estimates;
- Tested a number of selected items to or from supporting records, as appropriate;
- Performed analytical procedures by comparing the expected targets to actual emissions or consumption, and by comparing current period to prior period, and made inquiries of management to obtain explanations for any significant differences we identified; and
- Considered the presentation and disclosure of the Subject Matter Information.

(Forwards)

SUSTAINABILITY ASSURANCE STATEMENT

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information report has been prepared, in all material respects, in accordance with the Applicable Criteria.

Inherent Limitations

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw, to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Subject Matter Information needs to be read and understood together with the Applicable Criteria and Reporting Standards, set out in the Sustainability Statement 2025, which the REIT has used to prepare the Subject Matter Information.

Restriction on Use

This report is made solely to the Board of Directors of the REIT in accordance with the terms of our engagement. Our work has been undertaken for the purpose of providing a limited assurance conclusion on the Subject Matter Information. As a result, this report may not be suitable for another purpose. We consent to the inclusion of this report in the REIT's Sustainability Statement 2025 to be disclosed on the website of the REIT at www.kipreit.com.my, to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter Information for 2025.

We do not accept or assume responsibility to anyone other than the Board of Directors of the REIT for our work, for this limited assurance report, or for the conclusions we have reached.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)
Kuala Lumpur
10 September 2025

Appendix
Subject Matter Information

The Subject Matter Information reported in KIP REIT's Sustainability Statement 2025 on which we provide limited assurance, consists of:

Common Sustainability Matters	Applicable Criteria	Business Units Subjected to Limited Assurance	Reported Amount in 2025	Reference to Sustainability Report (Page No.)
Social				
Labour Practices and Standards	GRI 404-1: Average hours of training per year per employee	**Kuala Lumpur** • KIP REIT Management Sdn Bhd • KIP Property Services Sdn Bhd **Selangor** • KIPMall Bangi • KIPMall Kota Warisan **Negeri Sembilan** • KIPMall Senawang **Melaka** • KIPMall Melaka **Johor** • KIPMall Masai • KIPMall Kota Tinggi • KIPMall Tampoi	15 hours	Page 213
Environment				
Energy Management	GRI 302-1: Total Energy Consumption	**Kuala Lumpur** • KIP REIT Management Sdn Bhd • KIP Property Services Sdn Bhd **Selangor** • KIPMall Bangi • KIPMall Kota Warisan **Negeri Sembilan** • KIPMall Senawang **Melaka** • KIPMall Melaka **Johor** • KIPMall Masai • KIPMall Kota Tinggi • KIPMall Tampoi	49,972 GJ *Elec. Consumption: 32,537 GJ* *Fuel Consumption: 219 GJ* *Renewable Energy: 17,216 GJ*	Page 143
Water	GRI 303: Total Volume of Water Used		216,576 m^3	Page 152
Waste Management	GRI 306: Total waste generated, and a breakdown of the following: - total waste diverted from disposal; - total waste directed to disposal.		195.77 tonne 5,247 tonne	Page 161 Page 160
Emissions Management	GRI 305-1: Direct (Scope 1) GHG Emissions - Mobile Combustion		14.45 tCO2e	Page 145
	GRI 305-2: Energy Indirect (Scope 2) GHG Emissions – Purchased Electricity		6,964 tCO2e	Page 145
	GRI 305-3: Other indirect (Scope 3) GHG emissions – Category 6 Business Travel		4.98 tCO2e *Manager: 0.75 tCO2e* *Service Provider: 4.23 tCO2e*	Page 145

BOARD OF DIRECTORS' PROFILES

Standing, from left to right: -

MS. ONG TZU CHUEN

DATO' ONG KOOK LIONG

MS. ONG PUI SHAN

Sitting, from left to right: -

MR. CHIAM TAU MENG

DATUK DR SYED HUSSAIN BIN SYED HUSMAN, PJN. JP

DATUK MOHAMED ARSAD BIN SEHAN

DATUK DR SYED HUSSAIN BIN SYED HUSMAN, PJN. JP

Chairman/Senior Independent Non-Executive Director

AGE
68

Datuk Dr Syed Hussain bin Syed Husman, PJN. JP was appointed to the Board as a Senior Independent Non-Executive Director on 20 April 2016. He is the Chairman of the Board and is also a member of Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC").

He holds a Bachelor in Business Studies and a Master in Business Administration ("MBA") from Western Illinois University, United States of America ("USA"). He further advanced his academic credentials by obtaining a Doctorate of Philosophy in Labour Relations in London, United Kingdom, as well as a Doctorate in Business Administration from Asia e University, Malaysia. In 2002, he attended the Senior Management Development Programme at Harvard Business School, USA.

Over the years, he has gained extensive leadership experience in the field of human resources, having held senior positions at Procter & Gamble Malaysia and Singapore, Rothmans of Pall Mall (Malaysia) Berhad, British American Tobacco Berhad, Ramunia Holdings Berhad, and Petrofield (M) Sdn Bhd.

Datuk Dr Syed Hussain is currently the Executive Director and Chief Executive Officer ("CEO") of SVTT Resources Sdn Bhd, a position he has held since 2011. He is also an Independent Non-Executive Director of Can-One Berhad.

In addition, he holds prominent roles in public and professional bodies, including serving as the President of the Malaysian Employers Federation and a member of the Board of the Employees Provident Fund as an Employers' Representative. Additionally, he is also appointed to the Ahli Majlis Negara Bagi Keselamatan dan Kesihatan Pekerjaan, the Advisory Council of Malaysian Society for Occupational Health and Safety, National Wages Consultative Council, Ahli Majlis Penasihat Buruh Kebangsaan, Ahli Majlis Pekerjaan Negara, Ahli Majlis TVET Negara, council member of the Malaysian Qualifications Agency under the Ministry of Higher Education and also a governing board member of the International Labour Organisation.

Datuk Dr Syed Hussain does not have any family relationships with any Director and/ or major unitholder of KIP REIT. He has attended all nine (9) Board meetings held during FYE 2025.

BOARD OF DIRECTORS' PROFILES

DATO' ONG KOOK LIONG

Managing Director

AGE
65

Dato' Ong Kook Liong was appointed to the Board as an Executive Director on 18 December 2015 and was subsequently redesignated as Managing Director on 18 August 2022. He is also the Chairman of KIP REIT's ISC.

A licensed CMSL holder under the Capital Markets and Services Act 2007, Dato' Ong brings over thirty years of proven expertise in property development and management services, retail management and hospitality. He began his career in 1989 with MBF Property Services Sdn Bhd before moving on to Tanco Properties Sdn Bhd. By 1993, he was appointed Executive Director of Media Group of Companies' property development division, where he played a pivotal role in delivering landmark projects such as Summit Square, Summit Parade, Summit City and Plaza Bukit Mertajam.

Since co-founding the KIP Group of Companies in 1997, Dato' Ong has been instrumental in conceptualising and delivering the KIPMall brand, overseeing their construction and retail positioning. His vision in establishing a sustainable community-centric retail model laid the foundation for KIP REIT's portfolio today. Under his leadership, the Group has expanded into a diversified mix of retail and industrial assets, reinforcing its position as a trusted and resilient REIT in Malaysia.

Dato' Ong is a major unitholder of KIP REIT, a substantial shareholder of the Manager and the father of Ms. Ong Pui Shan, the Executive Director cum CEO of KIP REIT. He does not hold directorships in any other public company and listed issuer. He demonstrated his strong commitment to governance by attending all nine (9) Board meetings held during FYE 2025.

MS. ONG PUI SHAN

Executive Director cum CEO

AGE
37

Ms. Ong Pui Shan was appointed to the Board as a Non-Independent Non-Executive Director on 30 November 2018. She was subsequently redesignated as an Executive Director on 18 August 2022. On 5 April 2023, she was appointed as Chief Executive Officer. She also chairs the Sustainability Steering Committee in her capacity as Chief Sustainability Officer ("CSO"), and serves as Chief Investment Officer ("CIO") of the ISC.

Armed with a Bachelor of Arts from the University of Melbourne and a Master of Science in Marketing from the University of the West of England, Ms. Ong began her career in 2011 with Summit Holidays as Marketing and Branding Manager, where she drove brand visibility and market expansion. In 2012, she joined the KIP Group of Companies, and was appointed Group CEO in 2017. In this role, she spearheaded the execution of business strategies and oversaw the development, operations and financial performance of the Group, which spans property development, mall management and hospitality.

Today, as CEO of KIP REIT, Ms. Ong provides strategic direction and leadership across the organisation. She partners closely with division heads to ensure delivery of operational and financial targets, white working with the Chief Financial Officer ("CFO") on budgeting, investment risk assessments and returns analysis for the Board. Her dual focus on sustainability and investment ensures that KIP REIT remains resilient and positioned for long-term growth.

Ms. Ong Pui Shan is the daughter of Dato' Ong Kook Liong, the Managing Director of KIP REIT. She does not hold directorships in any other public company and listed issuer. She has attended all nine (9) Board meetings held during FYE 2025.

BOARD OF DIRECTORS' PROFILES

MS. ONG TZU CHUEN

Executive Director

AGE
42

Ms. Ong Tzu Chuen was appointed to the Board as an Executive Director on 18 August 2022. She also serves as the Deputy Chairman of the ISC.

She graduated with a Bachelor of Commerce (Accounting) from Macquarie University, Australia. She is a member of the Certified Practising Accountant ("CPA"), Australia since 2004 and a member of the Malaysian Institute of Accountants ("MIA") since 2020. Her professional career began in 2003 as a Junior Accountant in Sydney, Australia. In 2006, she returned to Malaysia and joined Hextar Group of Companies, where she held various finance and management roles.

With over a decade of corporate management experience, she has developed expertise in identifying, evaluating and developing investment opportunities as well as overseeing the establishment and expansion of various companies across many industries in Southeast Asia.

Currently, she is also a Non-Independent Non-Executive Director of Hextar Industries Berhad. She is the sister of Dato' Ong Choo Meng, a major unitholder of KIP REIT. She has attended all nine (9) Board meetings held during FYE 2025.

DATUK MOHAMED ARSAD BIN SEHAN

Independent Non-Executive Director

AGE
72

Datuk Mohamed Arsad bin Sehan was appointed to the Board as an Independent Non-Executive Director on 20 April 2016. He is the Chairman of the NC and also a member of the ARMC and RC.

He holds a Bachelor of Economics (Statistics) from the University of Malaya. His professional experience spans over three (3) decades in the banking industry, having worked with Bank Bumiputera Malaysia Berhad and Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). During his tenure at Bank Raykat, he held various senior management positions, including General Manager of Commercial Banking, Assistant General Manager of Banking Operations, Sector Head of Financing and Division Head of Planning and Development and Corporate Services. He also spent seven (7) years as the Managing Director and CEO of a private limited company dealing in the manufacturing and supply of standby power systems while on secondment from Bank Rakyat.

After retiring from Bank Rakyat, Datuk Mohamed Arsad spent eight (8) years as the Managing Director and Executive Director of PureCircle Sdn Bhd, a subsidiary of PureCircle Limited.

He is currently an Independent Non-Executive Director of Inari Amertron Berhad and Insas Berhad. He is also a member of Board of Trustees of Yayasan Can Wan Kian Joo. He does not have any family relationships with any Director and/ or major unitholder of KIP REIT. Datuk Mohamed Arsad has attended all nine (9) Board meetings held during FYE 2025.

BOARD OF DIRECTORS' PROFILES

MR. CHIAM TAU MENG

Independent Non-Executive Director

AGE
72

Mr. Chiam Tau Meng was appointed to the Board as an Independent Non-Executive Director on 15 April 2019. He is also the Chairman of the ARMC and RC and a member of the NC.

He holds a Bachelor of Commerce Degree majoring in Accountancy from the University of Otago, Dunedin, New Zealand. Mr. Chiam is an Associate Chartered Accountant with Chartered Accountants Australia and New Zealand, as well as a Chartered Accountant with the MIA.

Mr. Chiam began his professional career in 1977 with Tolley Industries Ltd in New Zealand as a Corporate Accountant. In 1979, he returned to Malaysia and joined Malaysian Containers Bhd as a Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Bhd as the General Manager of Corporate Services. He left Menang Corporation (M) Bhd in 1989 and joined Bee Hin Holdings Sdn Bhd as a General Manager of Corporate Finance. In 1993, he joined BDO Binder Management Consultants Sdn Bhd as a Director until 1994. In the same year, he incorporated CTM Consulting as a Principal, a position he still holds.

He is currently an Independent Non-Executive Director of Tri-Mode System (M) Berhad. He does not have any family relationships with any Director and/ or major unitholder of KIP REIT. He has attended all nine (9) Board meetings held during FYE 2025.

Notes: -

Saved as disclosed above, none of the Directors: -

(a) has conflict of interest or potential conflict of interest with the Company and its subsidiary including any interest in any competing business with the Company.
(b) has been convicted of any offence in the past five (5) years other than traffic offences, if any.
(c) was publicly sanctioned or imposed with penalty by the regulatory bodies during FYE 2025.

MANAGEMENT TEAM PROFILES

Managing Director

DATO' ONG KOOK LIONG*

Executive Director / CEO

MS. ONG PUI SHAN*

Executive Director

MS. ONG TZU CHUEN*

* For more information, please refer to the Board of Directors' Profiles section.

MANAGEMENT TEAM PROFILES

Chief Financial Officer

MS. LIM BOON BOON

AGE
46

Ms. Lim Boon Boon was appointed as the CFO of KIP REIT on 13 June 2024. She is a Chartered Accountant with the MIA and holds a fellowship with the Associate of Chartered Certified Accountants ("ACCA").

Ms. Lim holds a Bachelor of Arts in Accounting and Financial Management from the University of Sheffield, UK. Her professional journey began in 2004 with Ernst & Young in Shanghai, where she served as Audit Manager for approximately four (4) years. She subsequently joined Kencana Petroleum Berhad, holding the position of Finance Manager from 2009 to 2013. In 2014, she became the AVP Performance Reporting, Tax and Capital Management of AXA Affin General Insurance Malaysia Berhad. In 2018, she joined QBE Insurance Malaysia Berhad as the Head of Finance MY and Head of Finance Ops, Asia.

Prior to her current appointment, Ms. Lim was the Group Financial Controller of Fuse Group, where she was responsible for overseeing all aspects of financial management and reporting functions across operations in multiple Southeast Asian countries.

Chief Operating Officer, Northern and Central Region

MR. DESMOND LEE KHIM LEONG

AGE
60

Mr. Desmond Lee Khim Leong was appointed as KIP REIT's Chief Operating Officer ("COO"), Northern and Central Region on 1 July 2024.

He graduated from upper secondary education with strong academic foundation in Arts and Music.

Drawing from over 28 years of expertise across property and retail sectors, Mr Desmond Lee has transformed KIPMalls into vibrant, thriving destinations through his strategic vision, proven sales performance, and creative insight.

His career journey spans three distinct phases: 15 years in the music industry, followed by 5 years in property sales, before transitioning into retail leasing and management where he built more than 23 years of specialised expertise.

In 2017, he joined KIP Property Services Sdn Bhd to lead the management of KIP REIT portfolio, bringing his expertise in tenant acquisition strategies, retail mix curation, lease optimisation, and occupancy maximisation that consistently delivers enhanced rental yields and commercial performance for stakeholders.

Riding a wave of success in FY2025, he has rewritten the playbook: turned KIPMall Senawang from underperformer to standout, landed the game-changing DPulze Shopping Centre acquisition, and unleashed KIPMall Bangi's potential with a transformation that is already turning heads.

Chief Operating Officer, Southern Region

MR. MOHD NIZAM BIN HJ. ABD. HAMID

AGE
46

Mr. Mohd Nizam Bin Hj. Abd. Hamid was appointed as KIP REIT's COO, Southern Region on 1 July 2024.

After completing his Diploma in Architecture from Petaling Jaya Community College, he began his career in the retail industry and joined KIP REIT in 2003 as a Marketing Executive. Over the years, he developed strong leadership skills and an in-depth understanding of mall operations, progressing to hold several key positions within the KIP REIT, particularly in leasing, marketing, advertising and tenant management.

With over 20 years of experience in the retail property sector, he has played an instrumental role in the growth and repositioning of multiple assets under KIP REIT. He currently oversees the operational and leasing functions for all KIP REIT assets in Johor and Melaka, with responsibilities that include driving AEIs, optimising tenant mix, and delivering operational efficiencies to enhance overall mall performance.

In recent years, he has also spearheaded key ESG initiatives in the Southern Region, such as the adoption of solar energy systems, implementation of energy-efficient solutions and structured waste management programs, in line with KIP REIT's sustainability goals.

Hailing from Johor Bahru, Mr. Nizam continues to be a core leader in aligning on-ground operations with the long-term strategic direction of KIP REIT.

Senior Manager, Business Development

MR. SEAN LIM SENG YEOW

AGE
41

Mr. Sean Lim Seng Yeow was appointed as the Senior Manager of Business Development department at KIP REIT on 2 January 2024. Graduated with a Diploma in Construction Management from Imperial College, he brings over a decade of dynamic experience in real estate development and strategic business growth.

Mr. Lim began his career in 2005 with the KIP Group of Companies as a Sales and Marketing Executive, rapidly ascending to Sales and Marketing Manager over eight (8) successful years. He spearheaded the development and execution of innovative sales and marketing strategies that drove numerous high-profile projects to completion.

Demonstrating his entrepreneurial spirit, Mr. Lim ventured out in 2013 to establish his own thriving real estate practice, handling complex project sales and strategic land/building transactions. His business acumen shone in 2018 when he forged a successful partnership with TNO Molecq Development Sdn Bhd, delivering an impressive first project with a gross development value of approximately RM48 million.

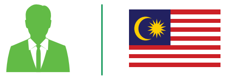
Since joining KIP REIT, Mr. Lim has delivered exceptional results, successfully completing approximately RM550 million worth of strategic property acquisitions that have significantly expanded and enhanced KIP REIT's portfolio diversification and market presence.

MANAGEMENT TEAM PROFILES

Legal & Compliance Manager

MR. NORTHON LEE TZE SIANG

AGE
38



Mr. Northon Lee Tze Siang was appointed as the Legal Manager of KIP REIT on 29 September 2023, bringing extensive expertise in corporate law and capital markets. His appointment as the Compliance Officer of KIP REIT was subsequently approved by the Securities Commission Malaysia in November 2024.

He graduated with a Bachelor of Laws degree from the University of London and a Master of Commercial Law from the University of Malaya. He was admitted to the Malaysian Bar in December 2015 and completed the Certified ESG Professional Programme in 2024, positioning him at the forefront of sustainable business practices and legal expertise.

His professional journey began with Messrs. Philip Ting & Kwan, where he served as a Legal Associate, specialising in sophisticated financial transactions, including mergers and acquisitions, private equity investments, venture capital structuring, and complex corporate restructuring matters. He subsequently joined GHL Systems Berhad as an Assistant Manager of Legal, Compliance and Sustainability, where he demonstrated exceptional versatility in managing commercial contract negotiations, strategic acquisitions, complex litigation, intellectual property protection, regulatory compliance oversight, third party audit coordination, and sustainability initiatives.

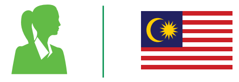
Since joining KIP REIT, Mr. Lee has successfully spearheaded the acquisition of DPulze Shopping Centre – the largest acquisition undertaken by KIP REIT since its initial public offering. He also led both debt capital and equity capital market transactions to fund this strategic acquisition, demonstrating remarkable financial acumen and comprehensive understanding of capital markets.

In addition to his transactional achievements, Mr. Lee has since FYE 2025 also driven KIP REIT's ESG initiatives, leveraging his certified ESG professional credentials to advance the fund's sustainability framework. His leadership has established robust ESG practices that align with responsible investment principles and reinforce KIP REIT's commitment to creating long-term sustainable value for all stakeholders.

Group Human Resource Manager

MS. LINDA YAU OI KAM

AGE
58



Ms. Linda Yau Oi Kam was appointed as the Group Human Resource ("HR") Manager on 1 November 2022.

She graduated from Stamford College Malaysia with a Diploma in Executive Secretaryship. She also holds a Diploma in Human Resource Management from the University of Newcastle, Australia.

Ms. Linda has more than 20 years' experience in human resources with comprehensive expertise in HR management. Prior to joining KIP REIT, she held the position of Head of HR at several other private organisations, such as Meda Group and Binanamik Group. She has also served in the HR department of KIP private group, including its hospitality division.

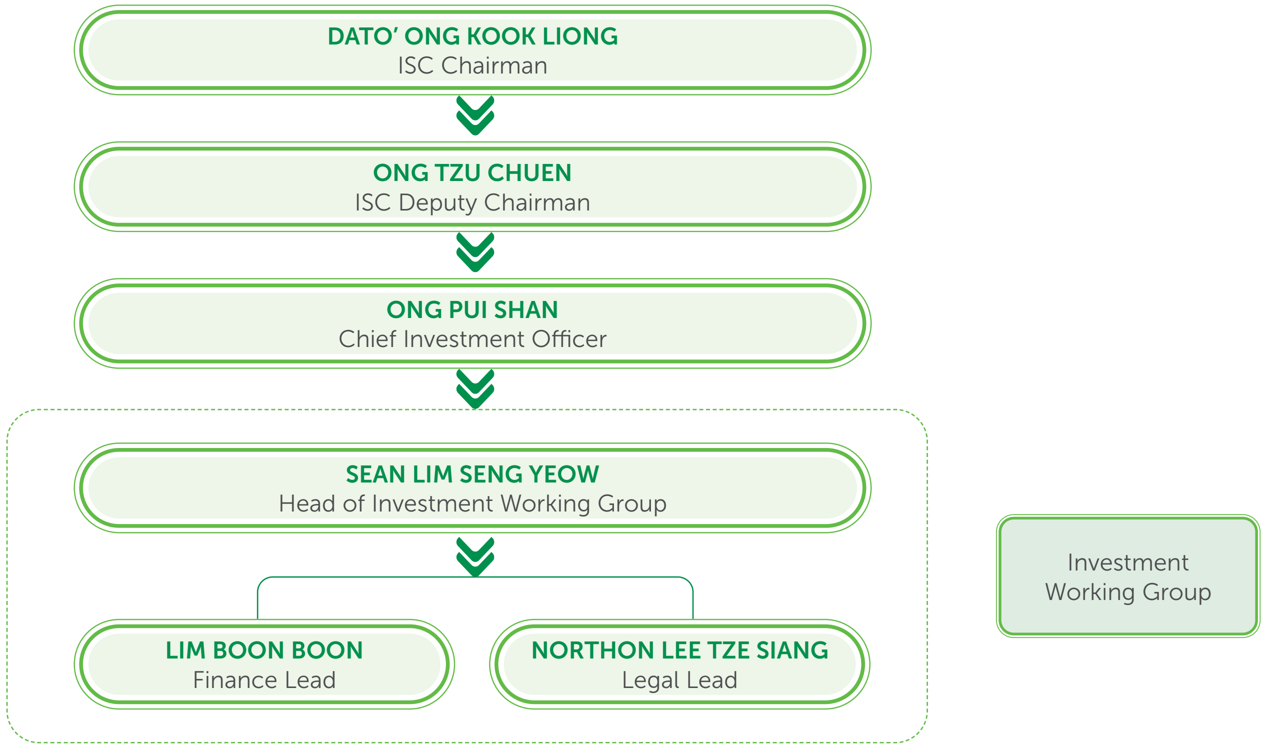
In the capacity of Group HR Manager of KIP REIT, she manages the full spectrum of HR and office administration functions at KIP REIT, encompassing talent acquisition and recruitment, employee relation, performance management, HR policy and compliance, learning and development and employee welfare and compensation. She also oversees the HR for KIP Property Services Sdn Bhd, the service provider of KIP REIT, by collaborating closely with their HR team on all HR related matters.

Notes: -

Save as disclosed above, none of the Senior Management: -

(a) has conflict of interest or potential conflict of interest with the Company and its subsidiary including any interest in any competing business with the Company.
(b) has been convicted of any offence in the past five (5) years other than traffic offences, if any.
(c) was publicly sanctioned or imposed with penalty by the regulatory bodies during FYE 2025.

INVESTMENT STEERING COMMITTEE PROFILES



The Manager remains dedicated to enhancing both overall income and value of investment properties by implementing active asset management and enhancement strategy, acquisition growth strategy, capital and risk management and return of investment. To provide unitholders with regular consistent and stable returns, the ISC plays a pivotal role in overseeing the operation and administration of investments, acquisitions and divestments in KIP REIT. The ISC holds managerial control over the investment process and procedures, ensuring strategic alignment with KIP REIT's objectives. Additionally, the ISC conducts assessments of investment proposals based on a set of prescribed criteria and reports directly to the Board with comprehensive recommendations, including the rationale for or against the investment and key considerations, for approval or rejection.

As of 30 June 2025, ISC is made up of six (6) members, comprising three (3) Executive Directors and three (3) Senior Management. During FYE 2025, there were a total of twelve (12) ISC meetings held and the attendance records are as follows: -

Members of ISC	Position in ISC	Date of Appointment to ISC	Meetings Attendance
Dato' Ong Kook Liong	ISC Chairman	18 August 2022	12/12
Ms. Ong Tzu Chuen	ISC Deputy Chairman	18 August 2022	12/12
Ms. Ong Pui Shan	Chief Investment Officer	18 August 2022	12/12
Mr. Sean Lim Seng Yeow	Head of Investment Working Group	25 March 2024	12/12
Ms. Lim Boon Boon	Finance Lead	28 June 2024	12/12
Mr. Northon Lee Tze Siang	Legal Lead	24 October 2023	12/12

The profiles of ISC members are set out in the Board of Directors' Profiles or Management Team Profiles in this Annual Report. None of the ISC members has conflict of interest or potential conflict of interest, including any interest in any competing business with KIP REIT and has been convicted of any offence within the past five (5) years and has been imposed any penalty by the relevant regulatory bodies during the FYE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In today's fast-changing business landscape, strong corporate governance is the foundation of resilience and long-term value creation. Guided by this principle, the Board places strong emphasis on upholding robust corporate governance practices in KIP REIT to protect and enhance our unitholders' value and stakeholders' interests. This commitment is reflected in our adherence to the principles and recommendations of the MCCG, ensuring that our governance framework not only remains effective but also evolves in step with the needs of our business and the expectations of the market.

In accordance with Paragraph 15.25(1) and Practice Note 9 of the MMLR, the Board is pleased to present this Corporate Governance Overview Statement ("CG Statement"), which provides a concise overview of KIP REIT's application on the following three (3) key corporate governance principles outlined in the MCCG during FYE 2025: -

Principle A	Principle B	Principle C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Manager

KIP REIT is constituted by the Deeds entered into between the Manager and the Trustee. In accordance with these Deeds, the Manager is entrusted to manage KIP REIT with due care and diligence to safeguard the best interests of the unitholders. The Manager holds a valid CMSL licensed by the SC to perform such management activities. The Trustee, on the other hand, is tasked with the responsibility to oversee such management on behalf of unitholders.

The Manager is primarily responsible to carry out all necessary activities related to the management of KIP REIT and its assets. This includes executing measures aligned with the strategic direction set by the Board and implementing KIP REIT's investment strategy. Key management activities encompass various areas such as formulating overall strategy, managing risks, carrying out acquisitions and disposals activities, developing business plans as well as monitoring its performance against market performance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD OF DIRECTORS

Serving as the highest governing authority, the Board provides overall leadership, strategic direction and guidance to both the Manager and KIP REIT. To this end, it has established a clear set of vision, mission and core values to ensure the fulfilment of obligations to unitholders and other stakeholders. In discharging its fiduciary duties and responsibilities, the Board is guided by prevailing legal and regulatory requirements including the CA 2016, MMLR and MCCG, as well as the Manager's constitution and Board Charter.

At KIP REIT, the Board Charter serves as a primary governance framework, setting out the Board's roles, responsibilities, authority and processes to ensure effective oversight and discharge of responsibilities. It covers, among others, the following key areas: -

(i) Board composition, size and balance;
(ii) Roles and responsibilities of the Manager, the Board, Board Committees and individual Directors;
(iii) Segregation of duties between Board Chairman and Chief Executive Officer;
(iv) Appointment and re-election of Directors;
(v) Annual performance evaluation of the Board, Board Committees and individual Directors, and issues and decisions reserved for the Board.

To ensure continued legal compliance and relevance, the Board Charter was last reviewed and updated by the Board on 24 July 2025. The Board Charter is made publicly available for public's reference on KIP REIT's website at www.kipreit.com.my/corporate-governance-and-policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD OF DIRECTORS (CONT'D)

The Board is led by Datuk Dr. Syed Hussain bin Syed Husman, PJN, JP, the Chairman / Senior Independent Non-Executive Director, who provides stewardship, ensures overall effectiveness and instils high standards of corporate governance in the Board. The Board Chairman is a Senior Independent Non-Executive Director and he is free from any relationships or conflicts of interest within KIP REIT, thereby acting independently and in the best interest of KIP REIT's unitholders. To ensure a balance of power and impartial oversight, the roles of Board Chairman and Chief Executive Officer are held by two (2) distinct individuals with clearly defined responsibilities as follows: -

Board Chairman

Datuk Dr. Syed Hussain bin Syed Husman, PJN, JP

Provides overall leadership to the Board by guiding its strategic direction and governance framework, ensuring overall effectiveness, fostering open and constructive discussions, setting meeting agendas and promoting cohesive decision-making in the best interests of unitholders and stakeholders.

Executive Director / Chief Executive Officer

Ong Pui Shan

Leads the execution of the Board's strategies by translating them into day-to-day business operations, focusing on driving performance, optimising resource management and delivering operational and financial results, while keeping the Board informed on key developments and risks.

To ensure the effective discharge of its duties, the Board is further supported by the Board Committees and Company Secretary, as outlined below: -

Board Committees

The Board has delegated certain responsibilities and authorities to three (3) Board Committees, namely the ARMC, NC and RC, to enhance its efficiency and effectiveness. The Terms of Reference governing ARMC, NC and RC are clearly outlined and available on KIP REIT's website at www.kipreit.com.my/corporate-governance-and-policies.

Currently, the Board Chairman is also a member of the ARMC, NC and RC. However, this does not compromise his objectivity when deliberating on the findings and recommendations reported by the Board Committees. This is because all Independent Non-Executive Directors collectively discuss meeting affairs as a team during the respective Board Committees' meetings. Additionally, the Board Chairman does not engage in KIP REIT's day-to-day managerial and operational affairs.

Company Secretary

The Board is supported by a qualified and competent Company Secretary, Ms. Foo Siew Loon, who is qualified under Section 235(2)(a) of the CA 2016 and is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). She is entrusted to advise the Board on administrative matters, governance practices, meeting procedures and regulatory compliance. During FYE 2025, she attended all Board and Board Committee meetings and recorded all the deliberations, discussions and decisions made during the meetings.

In ensuring the continued effectiveness of her role, the Company Secretary remains committed to staying abreast of the latest regulatory and corporate governance developments through continuous training and industry updates. The Board is satisfied with her performance and competency in discharging her duties during FYE 2025.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD AND BOARD COMMITTEES MEETING

According to the Board Charter, the Board is required to meet at least once every quarter to facilitate the effective discharge of its responsibilities. Meeting schedules for the Board and Board Committees were arranged in advance, allowing Directors to reserve their dates and coordinate their schedule. Prior to each meeting, notices, agendas and meeting papers containing relevant reports were circulated within three (3) to seven (7) days in advance, enabling the Directors with ample time to review materials and consider agenda items thoroughly, and when necessary, to seek clarification from Management to support their informed decision-making. All Directors have unrestricted access to all information pertaining to KIP REIT's business and affairs, as well as the advice and services from the Management, Company Secretary, External Auditor and Internal Auditor to facilitate their decision-making process. Following the conclusion of each meeting, the meeting minutes were circulated to the Board and/or Board Committee within four (4) weeks for review and subsequently tabled for confirmation at the next meeting.

The Board is satisfied with the Directors' dedication, effort and time commitment through full attendance at all Board and Board Committees meetings during FYE 2025, summarised as follows: -

Directors	Board Meeting	Board Committees		
		ARMC	NC	RC
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP *Chairman / Senior Independent Non-Executive Director*	9/9	8/8	1/1	3/3
Dato' Ong Kook Liong *Managing Director*	9/9	-	-	-
Ms. Ong Pui Shan *Executive Director / Chief Executive Officer*	9/9	-	-	-
Ms. Ong Tzu Chuen *Executive Director*	9/9	-	-	-
Datuk Mohamed Arsad bin Sehan *Independent Non-Executive Director*	9/9	8/8	1/1	3/3
Mr. Chiam Tau Meng *Independent Non-Executive Director*	9/9	8/8	1/1	3/3

NOMINATION COMMITTEE REPORT

The NC is solely made up by Independent Non-Executive Directors as follows: -

Position	Director	Directorship
Chairman	Datuk Mohamed Arsad bin Sehan	Independent Non-Executive Director
Member	Datuk Dr Syed Hussain bin Syed Husman, PJN. JP	Chairman / Senior Independent Non-Executive Director
Member	Mr. Chiam Tau Meng	Independent Non-Executive Director

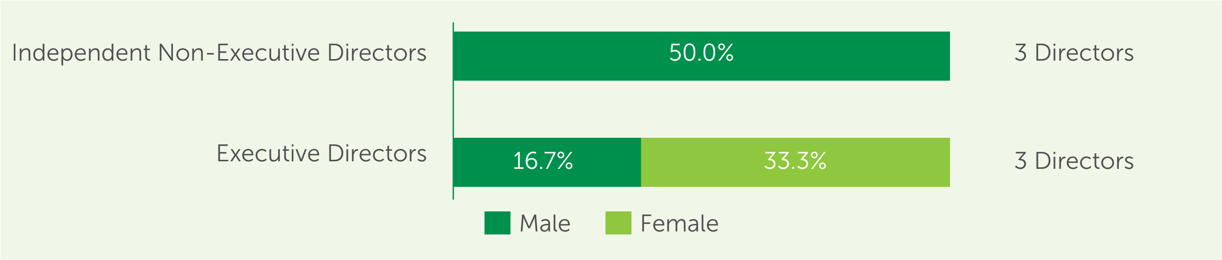
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT (CONT'D)

(A) Board Balance, Composition and Diversity

As at 30 June 2025, the Board comprises six (6) Directors, with the overall composition as follows: -



The Board through the NC regularly reviews the structure, size and composition of the Board to ensure the mix of Directors' skills remain aligned with KIP REIT's strategy. To support this, the Board has adopted a Diversity Policy to guide the recruitment, development and appointment of individuals to the Board and Senior Management, focusing on skill sets, knowledge and experience. The Diversity Policy also sets a target of at least 30.0% of women representation on the Board and at least 20.0% of women representation in Senior Management. The Diversity Policy is published in KIP REIT's website at https://www.kipreit.com.my/corporate-governance-and-policies/.

As at 30 June 2025, the Board comprises two (2) women Directors, constituting 33.3% female Board representation, exceeding the 30.0% female Board representation target. In order to maintain and improve the gender ratio of the Board, we have incorporated gender diversity considerations into our Board nomination and selection processes to ensure balanced representation across all Board appointments. As part of our continued commitment to advancing gender diversity and strengthening our governance capabilities, we have set a target to appoint a qualified female independent non-executive director to join our Board with effect from 1 July 2026, being the commencement of our FYE 2027. This strategic appointment will further enhance our female Board representation beyond the regulatory threshold and reinforce our dedication to fostering an inclusive and diverse boardroom environment that drives stakeholder value creation.

In accordance to Paragraph 15.02(1)(a) of the MMLR and Practice 5.2 of the MCCG, half of the Board comprises Independent Directors. During FYE 2025, the Board was satisfied that none of the Independent Directors had any relationships or conflicts of interest that could, or could be perceived to, materially interfere with their independent judgement or their ability to act in the best interests of KIP REIT. In addition, to preserve Board independence, Independent Directors are subject to a maximum cumulative tenure of twelve (12) years, as prescribed in the Board Charter and Paragraph 1.01 of the MMLR. As at 30 June 2025, all our Independent Non-Executive Directors remain within the prescribed tenure limit.

The Board members bring with them diverse professional backgrounds and industry experience, contributing a wide range of perspectives, skills and insights to the decision-making and oversight process. This collective expertise forms a strong foundation for effective governance and supports KIP REIT in achieving its strategic and operational objectives. Further details on each Director's qualifications and experience are set out in the Board of Directors' Profiles section within this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT (CONT'D)

(B) Directors' Appointment and Re-election

The NC is also delegated with the responsibility of screening and conducting an initial selection of candidates for Board and Senior Management appointment before making recommendations to the Board for approval. In this aspect, the Fit and Proper Policy serves as a guiding framework for both the NC and the Board by setting out the following three (3) fit and proper criteria for reviewing and assessing the suitability of individuals for these roles: -

Character and Integrity | **Experience and Competence** | **Time and Commitment**

The Fit and Proper Policy is made publicly available on KIP REIT's website at https://www.kipreit.com.my/corporate-governance-and-policies/. Where necessary, the Board and the NC may engage independent sources, such as the Institute of Corporate Directors Malaysia and Lead Women Sdn Bhd, to identify suitably qualified candidates for appointment to the Board.

The Fit and Proper Policy is also applicable for the re-election of Directors. Pursuant to the Manager's Articles of Association, one-third (1/3) of the Board for the time being, shall retire from office and be eligible for re-election provided that at all times, each Director shall retire from office once at least in each three (3) years, but shall be eligible for re-election. In this regard, Mr. Chiam Tau Meng and Ms. Ong Tzu Chuen shall retire from office this financial year and, being eligible, they have offered themselves for re-election. The NC has reviewed and recommended such re-election to the Board with the following justifications: -

(i) Mr. Chiam Tau Meng, as an Independent Non-Executive Director, enriched Board discussions with his impartial perspective and dedicated sufficient time and effort to his role during FYE 2025. As an Associate Chartered Accountant with Chartered Accountants Australia and a Chartered Accountant with the MIA, he leveraged his financial expertise, governance knowledge and industry insight in his capacity as Chairman of the ARMC, effectively leading the ARMC in overseeing financial reporting as well as risk management and internal control system; and

(ii) Ms. Ong Tzu Chuen, being the Executive Director, leveraged her extensive industry knowledge and operational expertise to bring valuable insights grounded in market realities and operational performance to the Board. She had been instrumental in translating the Board's strategic vision into measurable business outcomes during FYE 2025.

(C) Board Evaluation

During FYE 2025, the Board, through the NC, conducted an annual evaluation of the overall effectiveness and performance of the Board, the Board Committees and individual Directors. Supported by Company Secretary, this evaluation involved internal self-assessments, where Directors evaluated their own individual performance as well as the performance of the Board and each Board Committee.

The assessment criteria encompassed various dimensions, including fit and proper evaluation, contribution, performance, personal calibre and personality. Specific consideration was also given to the independence of Independent Directors, particularly their relationship with KIP REIT and involvement in significant transactions with KIP REIT, if any.

Based on the assessment results for FYE 2025, the Board is satisfied with the current size and composition of the Board and Board Committees, which are considered well-balanced with the right mix of high-calibre individuals possessing the necessary skills, qualifications, experience and credibility. The Board, through the NC, also ensured that all Independent Non-Executive Directors remain objective, independent of management and are free from any business or other relationships that may impair their ability to exercise independent judgement in the best interests of KIP REIT and unitholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION COMMITTEE REPORT (CONT'D)

(D) Directors' Professional Development

To uphold the overall competence and effectiveness of the Board, our Directors actively pursued continuous professional development by participating in seminars and training programmes. These initiatives kept them abreast of the latest industry trends, regulatory updates, best governance practices and other emerging matters relevant to their roles and responsibilities.

During FYE 2025, the Directors have attended the following training programmes: -

Director	Training Programmes Attended	Date
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP	• Achieving Boardroom Excellence: Redefining Corporate Directorship for The Modern Era • Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	20/11/2024 27/05/2025 27/05/2025 27/05/2025
Dato' Ong Kook Liong	• Invest Malaysia 2024 • PKJ771: ESG, Stakeholder Capitalism and Sustainable and Responsible Investment • Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	26/09/2024 19/12/2024 27/05/2025 27/05/2025 27/05/2025
Ms. Ong Pui Shan	• Bursa Academy: Conflict of Interest and Governance of Conflict of Interest • M-REITs Reconfigured: Growth Markets, Prospects & Alternative Asset Classes • Invest Malaysia 2024 • Natural Language Processing 2024: Unleashing Your Business & Personal Potential • Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	13/08/2024 10/09/2024 26/09/2024 23-29/11/2024 27/05/2025 27/05/2025 27/05/2025
Ms. Ong Tzu Chuen	• Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	27/05/2025 27/05/2025 27/05/2025
Mr. Chiam Tau Meng	• Bursa Academy: Conflict of Interest and Governance of Conflict of Interest • Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing • Mandatory Accreditation Programme Part II: Leading for Impact • Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	13/08/2024 24/09/2024 09-10/10/2024 27/05/2025 27/05/2025 27/05/2025
Datuk Mohamed Arsad bin Sehan	• Navigating ISSB: Regulatory Updates and Insights • PDPA Amendments 2024: Key Changes and Compliance Priorities • Anti-Bribery Management – Are you ready?	27/05/2025 27/05/2025 27/05/2025

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

REMUNERATION COMMITTEE REPORT

The RC comprises solely Independent Non-Executive Directors, as follows: -

Position	Director	Directorship
Chairman	Mr. Chiam Tau Meng	Independent Non-Executive Director
Member	Datuk Mohamed Arsad bin Sehan	Independent Non-Executive Director
Member	Datuk Dr Syed Hussain bin Syed Husman, PJN. JP	Chairman / Senior Independent Non-Executive Director

(A) Board and Senior Management Remuneration

The Board has established a Remuneration Policy to determine the remuneration of the Board and Senior Management based on the principle of fostering a strong, performance-oriented environment that attracts, motivates and retains high-calibre talent while ensuring that they are fairly rewarded for their contributions. This Remuneration Policy is published on KIP REIT's website at https://www.kipreit.com.my/corporate-governance-and-policies/, subject to periodic review by the RC to ensure alignment with current market practices.

According to the Remuneration Policy, the remuneration for Executive Directors and Senior Management is determined based on their scope of duties and responsibilities, skills and experience, corporate and individual performance as well as prevailing market practice and economic situation. In contrast, the Non-Executive Directors shall only receive directors' fees and meeting allowances aligned their roles and responsibilities, time commitment, contributions to the Board and market rate. The fee shall be fixed in sum and not based on commissions or a percentage of profits or turnover.

Under the REIT structure, the Directors are remunerated by the Manager from the fees it generates, rather than by KIP REIT. As the Manager and KIP REIT are separate entities, there is no direct remuneration link between the management team and KIP REIT. However, the Manager determines remuneration packages with reference to both the overall performance of KIP REIT as well as respective departmental and individual objectives, such as sustainability and training initiatives alongside financial performance. This ensures a well-rounded and comprehensive approach that is not solely driven by financial outcomes.

On an annual basis, the RC assesses the remuneration packages of the Executive Directors and Senior Management of KIP REIT before making recommendation to the Board. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

The Board acknowledged the recommendation of Practice 8.1 of the MCCG to disclose the remuneration of Directors a named basis. However, the Board is of the view that the disclosure of individual remuneration information on a named basis may not be in the best interest of the Manager. After due consideration of sensitivity and confidentiality of remuneration details, the Board opted for the disclosure of the remuneration of our Directors for FYE 2025 in bands of RM50,000 on an unnamed basis as follows: -

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 – RM100,000	-	3
RM500,000 – RM550,000	1	-
RM900,000 – RM950,000	1	-
RM950,000 – RM1,000,000	1	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ETHICS AND INTEGRITY

Beyond composition, evaluation and remuneration, the Board recognises that effective corporate governance also rests on a strong ethical foundation. In this regard, the Board remains committed to fostering sound business conduct and cultivating a strong corporate culture anchored in integrity, transparency and fairness. To this end, the Manager has formalised a Directors' Code of Conduct and an Employee Code of Conduct Policy (collectively known as "the Codes") to set out the ethical standards expected of all Directors and employees in handling KIP REIT's information, assets and dealings with external parties. All Directors and employees are required to uphold values such as integrity, transparency, fairness, responsibility, excellence, commitment, dedication, diligence and professionalism, while contributing to the social and environmental well-being of the communities in which KIP REIT operates.

To reinforce our governance practices, the Board reviewed and updated the Anti-Bribery and Corruption Policy ("ABC Policy") on 21 April 2025. The updated ABC Policy reinforces KIP REIT's unwavering zero-tolerance stance against all forms of bribery and corruption by establishing robust frameworks for prevention, detection and reporting. The policy provides detailed guidelines covering high-risk areas including gifts and hospitality, money laundering prevention, conflict of interest management, third-party transactions, procurement activities, and real estate dealings. Additionally, it incorporates due diligence processes, comprehensive training programs and protected whistleblowing mechanisms to ensure full compliance with applicable anti-corruption laws and maintain the highest standards of integrity across all business operations and stakeholder relationships.

The Manager has also established a Whistleblowing Policy to support the implementation of the Codes and ABC Policy, providing a secure and confidential channel for individuals to report any illegal, unethical or improper conduct without fear of retaliation. This Whistleblowing Policy was latest reviewed and updated on 17 February 2025. Guided by the policy, whistleblower may rise their concerns to the Compliance Officer or the Chairman of ARMC, through either one of the following approaches: -

By Post

KIP REIT Management Sdn Bhd

Unit B-6, Block B, Tingkat 6, Menara KIP, No.1, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur

By Email

whistleblower@kipreit.com.my

Website Submission

https://www.kipreit.com.my/whistleblowing/

All the Codes, ABC Policy and Whistleblowing Policy can be found on KIP REIT's website at https://www.kipreit.com.my/corporate-governance-and-policies/. For FYE 2025, the Board reports that the Manager received one (1) report made by a whistleblower regarding alleged improper dealings between employees and service providers. However, upon investigation, no substantial evidence was found to substantiate the allegation.

Recognising the importance of sustainable business practices in generating long-term value and enhancing business resilience, the Board reviewed and revised the Sustainability Policy on 17 February 2025, outlining KIP REIT's sustainability framework, governance structure and reporting approach. With the Sustainability Policy in place, KIP REIT is committed to integrate ESG values across all aspects of management, operations and decision-making processes, wherever viable.

At KIP REIT, the Board is ultimately responsible for setting KIP REIT's sustainability direction and ensuring that strong governance principles, anchored in integrity and ethics, support the achievement of its sustainability objectives. The SSC, led by the CSO who is also our Executive Director / Chief Executive Officer, Ms. Ong Pui Shan, is responsible for overseeing KIP REIT's ESG related risks and opportunities as well as setting the strategic direction. Supporting the SSC, the SWG, comprising several management personnel, is tasked to execute the sustainability initiatives, manage material sustainability matters and develop relevant policies and targets.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

SUSTAINABILITY MANAGEMENT (CONT'D)

The Board acknowledges the importance of regular engagement with various stakeholders in developing and refining KIP REIT's sustainable strategies and priorities. These interactions support KIP REIT to better understand the evolving needs and expectations from various stakeholders in order to ensure that the sustainability strategies remain relevant and effective. Further details of KIP REIT's stakeholder engagement approach are delineated in the Sustainability Statement within this Annual Report.

To ensure continuous improvement, our Directors attended sustainability-related trainings during FYE 2025 to stay abreast with the latest sustainability trend. A comprehensive list of Directors' training is available in the NC Report within this CG Statement. The Board also receives updates from the SSC on the mapping of risks identified in the risk register to sustainability risks for materiality assessment purposes in FYE 2025.. Furthermore, the Board is continuously updated with the latest sustainability issues and trends through updates from the Limited Assurance Auditor and the SSC. In view of the dynamic business landscape, the Board has continued to integrate sustainability-related criteria into the performance evaluations of the Board and Senior Management for FYE 2025.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC is primarily responsible to oversee the financial integrity as well as the overall risk management and internal controls in KIP REIT. To ensure its independence and effectiveness, the ARMC comprises exclusively Independent Non-Executive Directors, as follows: -

Position	Director	Directorship
Chairman	Mr. Chiam Tau Meng	Independent Non-Executive Director
Member	Datuk Mohamed Arsad bin Sehan	Independent Non-Executive Director
Member	Datuk Dr Syed Hussain bin Syed Husman, PJN. JP	Chairman / Senior Independent Non-Executive Director

The positions of Board Chairman and ARMC Chairman are held by separate individuals, namely Datuk Dr Syed Hussain bin Syed Husman, PJN. JP and Mr. Chiam Tau Meng respectively. This clear segregation of roles enhances the Board's objectivity and independence in assessing the findings and recommendations presented by the ARMC.

Mr. Chiam Tau Meng is an Associate Chartered Accountant with the Chartered Accountants Australia and New Zealand and a Chartered Accountant with the MIA. He has more than 45 years of working experience in finance, accounting and corporate affairs. Meanwhile, Datuk Mohamed Arsad bin Sehan has developed his accounting and financial expertise more than 30 years of experience in the banking industry.

While two-third (2/3) of the ARMC members are financial expert, the ARMC as a whole is financial literate and possesses the necessary skills and knowledge to understand KIP REIT's business and to oversee the matters under their purview, including the financial reporting and auditing process. All ARMC members also keep themselves updated with the latest developments in accounting and auditing standards, practices and rules through continuous professional development and updates by the Management and External Auditor.

The ARMC's independence is further safeguarded through a provision in its Terms of Reference, which mandates a cooling-off period of at least three (3) years prior to the appointment of any former partner from the external audit firm as a member of the ARMC. To date, none of the current ARMC members is a former key audit partner for KIP REIT.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Summary of Activities

The activities undertaken by the ARMC in discharging its functions and duties during FYE 2025 are summarised as follows: -

(A) Financial Reporting

(i) Ensured the following processes and controls have been implemented in line with KIP REIT's Finance Department Policies to support an effective financial reporting function: -

- Verification and approval of financial transactions in accordance with prescribed authority matrix;
- Execution of proper month end closing according to the stipulated checklist and timeline;
- Preparation and review of annual budget and cash flow projection within the stipulated timeframe; and
- Consultations from Company Secretary and External Auditor to ensure the compliance with the MMLR and relevant disclosure requirements.

(ii) Reviewed and deliberated on the unaudited quarterly financial results and annual audited financial statements and recommended the same to the Board for consideration and approval. Both the unaudited quarterly financial results and annual audited financial statements were made in compliance with the Deeds, REIT Guidelines, MFRS, IFRS, CA 2016 and MMLR;

(iii) Discussed with both the Management and the External Auditor on the accounting policy, principles and standards applied as well as their judgement of the items that may affect the financial statements as well as issues arising from the statutory audit;

(iv) Reviewed the proposed income distribution together with the solvency test of KIP REIT and recommended the same for the Board's approval; and

(v) Reviewed the quarterly rolling forecast, the gap between targets and actual performance of the five-year strategic plan and the annual budget for financial year ending 30 June 2026, and recommended to the Board for notation and/or approval.

(B) External Audit

(i) Reviewed the audit plan for FYE 2025 presented by the External Auditor, detailing the areas of technology integrated audit approach, audit scope, potential key audit matters, target audit timeline, audit procedures and proposed audit fee prior to the commencement of audit and recommended the same for the Board's approval.

To uphold a high level of transparency and independence, the engagement partner responsible for auditing KIP REIT's financial statements is required to be rotated every five (5) years. Hence, before accepting the audit engagement, the ARMC has reviewed the External Auditor's audit plan for the FYE 2025 and has ensured that the independence of the engagement partner is in compliance with the relevant professional and regulatory requirements;

(ii) Reviewed and discussed with the External Auditor on the audit findings and significant accounting adjustments as well as the judgements and accounting estimates which had been reviewed and evaluated by the External Auditor;

(iii) Reviewed key audit matters identified by External Auditor with regards to the financial statements;

(iv) Conducted two (2) private meetings with the External Auditor on 25 July 2024 and 21 April 2025 without the presence of Managing Director, Executive Directors and Management to discuss over key issues of concern arising from audit engagement in an objective manner; and

(v) Conducted an annual assessment and evaluation of External Auditor's suitability, independence, performance and effectiveness, by taking the considerations of qualifications, experience, objectivity, competency, resources and reliability as well as provision of non-audit services. As a result, the ARMC is satisfied with the suitability and independence of the External Auditor and recommended the re-appointment of PwC to the Board for approval.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Summary of Activities (Cont'd)

(C) Internal Audit

(i) Reviewed and approved internal audit plan presented by the Internal Auditor, outlining the proposed audit scope, areas, objective, timeline, key risk and fees;

(ii) Reviewed and deliberated on the internal audit reports, including the audit findings, key risks, proposed recommendations for improvements as well as the Management's responses for proposed action plan along with target implementation timeframe;

(iii) Monitored the outcome of the follow-up status on the previous audit findings presented by the Internal Auditor to ascertain the extent to which agreed action plans have been implemented by the Management;

(iv) Conducted two (2) private sessions with the Internal Auditor on 21 October 2024 and 21 April 2025 respectively, without the presence of Managing Director, Executive Directors and Management, to discuss over the key issues of concern arising from audit engagement in an objective manner; and

(v) Evaluated the performance and effectiveness of the internal audit function and satisfied with the competence and independence of the Internal Auditor in performing their scope of duties in FYE 2025.

(D) Risk Management and Internal Control

(i) Reviewed KIP REIT's Risk Register and deliberated on the meetings minutes of the Risk Management Working Group on a quarterly basis;

(ii) Reviewed the performance of the ABMS on a quarterly basis; and

(iii) Evaluated the effectiveness of KIP REIT's risk management procedures by the Risk Management Working Group for the FYE 2025, covering the consideration of risk appetite, risk profile and risk management framework.

(E) RPT and Conflict of Interest

(i) Reviewed the RPT entered or to be entered into by KIP REIT on a quarterly basis. The key consideration during RPT review include: -

- The RPT should be in the best interest of KIP REIT;
- The RPT should not be less favourable to KIP REIT than an arm's length transaction between independent parties;
- The RPT should be compared with at least two (2) other contemporaneous transactions with unrelated third parties, wherever practicable;
- The RPT should be appropriately approved and disclosed in compliance with the REIT Guidelines and the MMLR;
- The RPT should be abstained from voting at the Board meetings for interested parties; and
- The RPT should be properly documented.

During FYE 2025, the ARMC has ensured that RPTs involving the proposed acquisition of properties and leases from respective vendors related to major unitholders were conducted in compliance with regulatory requirements and best practices. The ARMC verified that these transactions were executed on an arm's length basis and normal business terms, supported by independent professional valuations. All necessary approvals were obtained from the ARMC, Board and relevant regulatory authorities, with adequate disclosure made to Bursa Securities and unitholders to ensure transparency and protection of minority interests; and

(ii) Reviewed the conflict of interest and/or potential conflict of interest situation that may arise in KIP REIT by the consideration of its nature, extend and materiality of the conflict. For FYE 2025, the ARMC concluded that none of the Directors have any conflict of interest and/or potential conflict of interest with KIP REIT.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Summary of Activities (Cont'd)

(E) Annual Report

(i) Reviewed the ARMC Report and Statement on Risk Management and Internal Control, and recommended to the Board for approval and inclusion in the Annual Report 2024.

Internal Audit Function

The Board has outsourced its internal audit function to an independent professional firm, Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly Malaysia"), to review the adequacy and effectiveness of KIP REIT's risk management and internal control system.

During FYE 2025, the Board, through the ARMC, satisfied that the Internal Auditor is independent and free from any relationships or conflict of interests, enabling them to perform their internal audit review objectively, impartially, proficiently and with due professional care. The Internal Auditor was led by Mr. Kuan Yew Choong, the Partner of Internal Audit & Risk Advisory of Baker Tilly Malaysia. Mr. Kuan is a Fellow member of the ACCA, a Chartered Accountant with the MIA and a Chartered Member of the Institute of Internal Auditors ("IIA") Malaysia. Depending on the scope of works, 3 to 4 personnel, including an experienced Team Leader, were assigned to carry out the internal audit engagement. The internal audit reviews were carried out based on the approved internal audit plan in compliance with the International Standards for the Professional Practice of Internal Auditing, which forms part of the International Professional Practices Framework ("IPPF") by the IIA.

During FYE 2025, the Internal Auditor conducted four (4) internal audit reviews and four (4) follow-up reviews in the following areas: -

Internal Audit Coverage Area	Internal Audit Cycle
Human Resource & Compensation Management	Q1, FYE 2025
Compliance Review – Corporate Liability Obligations	
Follow-up Review on Mall Operation – Billing and Credit Control Management and Leasing & Tenant Management	
Follow-up Review of Investment Management and Legal and Compliance Management	
Mall Operation – Tenant Performance, Customer Complaint, Incident Reporting Management	Q3, FYE 2025
Mall Operation – Security and Safety & Health Management	
Follow-up Review on Human Resource & Compensation Management and Compliance Review – Corporate Liability Obligations	
Follow-up Review on previous pending issues as per Follow-up Audit Report issued in October 2024	

To ensure a smooth conduct of internal audit review, the Internal Auditor was granted comprehensive and unrestricted access to all relevant internal documents which were necessary for the conduct of internal audit engagement. The ARMC also has full and unrestricted access to all necessary information and resources in KIP REIT to support the Internal Auditor, whenever necessary. Additionally, to uphold the highest level of independence, the Internal Auditor was authorised to report directly to the ARMC.

Upon conclusion of audit reviews, the Internal Auditor presented the internal audit report, covering the identified weaknesses along with proposed corrective actions, to the ARMC during the scheduled meetings. The Management was then responsible for implementing the recommended corrective actions to address the identified weaknesses within the stipulated timeframe. The Internal Auditor subsequently conducted follow-up reviews to ensure proper implementation of the said action plans, and reported the same to the ARMC.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

ADEQUATE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

At KIP REIT, the Board affirms its overall responsibility to maintain a sound risk management and internal control system, which encompasses financial, operational, legal and regulatory compliance, to safeguard unitholders' investments, stakeholders' interests and KIP REIT's assets. Through the ARMC, the Board has implemented an ERM system with reference to ISO 31000:2018, which outlines structured framework and processes to identify, evaluate and manage risks effectively.

The ERM Framework is supported by several key internal control measures in place, such as Standard Operating Procedures ("SOPs"), Business Continuity Plan ("BCP"), annual budget, five-year strategic plan, ABC Policy and ABMS. Collectively, these measures address four (4) core control areas, namely operation controls, financial controls, investment controls and compliance controls.

Further details on the risk management and internal control system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

STAKEHOLDERS COMMUNICATION

The Board acknowledges that fostering transparent, regular and effective communication with stakeholders is vital to achieve a mutual understanding of respective objectives and expectations. During FYE 2025, the Manager leveraged on the following communication channels and platforms to disseminate meaningful information on a timely basis: -

(i) Corporate website at www.kipreit.com.my;
(ii) Investor relations;
(iii) Meetings and discussions with fund managers and financial analysts for equity research coverage;
(iv) Quarterly financial results and annual report;
(v) Corporate announcements made to Bursa Securities; and
(vi) AGM and Unitholders' Meeting ("UM").

General public may also reach out to the Manager through the "Send Us a Message" section on our website at www.kipreit.com.my/contact/ to raise enquiries, suggest improvements or lodge complaints, if any.

By leveraging these communication channels, the Board is able to engage with stakeholders in an effective, transparent and continuous manner, thereby enabling them to make well-informed investment decisions. While the Board is dedicated to publishing as much information as possible, it also remains mindful of the legal and regulatory requirements governing the disclosure of material and price-sensitive information.

MEANINGFUL GENERAL MEETINGS

AGM and UM continue to serve as the primary platforms for engaging with unitholders, providing them with quality information about KIP REIT. These sessions offer unitholders the opportunity to address and clarify concerns while gaining deeper insights into KIP REIT's business and corporate developments.

During FYE 2025, KIP REIT convened both the Eighth (8th) AGM and an UM on 2 October 2024, followed by another UM on 23 January 2025. All general meetings were conducted virtually via Remote Participation Electronic Voting ("RPEV") facility provided by Boardroom Share Registrars Sdn Bhd ("Boardroom").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

MEANINGFUL GENERAL MEETINGS (CONT'D)

To ensure that unitholders had sufficient time to prepare themselves and make necessary arrangements to attend meetings, the notices and agendas of all general meetings were circulated in advance in compliance with MCCG and MMLR as illustrated as follows: -

Notes: -
(1) *As recommended by Practice 13.1 of the MCCG.*
(2) *As required by Paragraph 7.15 of the MMLR.*

In view of the virtual conduct of the 8th AGM and UMs, the Board is cognisant of the importance to protect unitholders' personal data and privacy. In this regard, the Board sought confirmation from the Boardroom regarding its cyber hygiene practices. All Boardroom's Lumi AGM application system ("Lumi") and suppliers' services were developed by trained and highly skilled in-house developers in accordance to Open Worldwide Application Security Project ("OWASP") principles and are certified to the ISO/IEC 27001:2013 international standard. In addition, Lumi is hosted on a secured cloud platform and is regularly and extensively conducted with penetration testing by independent and accredited third-party experts. Lumi is also adopting strong and industry best-practice encryption techniques and audit trail to protect customers' data from unauthorised access.

The general meetings were attended by all Directors, demonstrating their commitment to engage with unitholders. During the general meetings, unitholders were given ample time and opportunity to submit questions through the RPEV platform, with all questions transparently displayed on screen for real-time visibility. The Board then addressed these questions and concerns in an adequate and effective manner. The Company Secretary and Senior Management also attended the general meetings to support the Board by providing additional clarification in response to the queries, if required.

The Board appointed Sky Corporate Services Sdn Bhd as the independent scrutineer to verify the poll results at the general meetings. Upon the conclusion of the general meetings, the outcomes of all proposed resolutions were duly announced to Bursa Securities on the same day. The minutes of the 8th AGM and UMs were published on KIP REIT's website at www.kipreit.com.my/annual-general-meeting and www.kipreit.com.my/investor-relations/unitholders-meeting within 30 business days after the conclusion of the meetings.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is of the view that KIP REIT has complied with and shall remain committed to attaining the highest possible corporate governance standards through the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable and appropriate. The Board will continue to improve and advance in corporate governance policies and procedures as necessary.

This CG Statement was reviewed and approved by the Board on 10 September 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the MMLR, the Board is pleased to present the Statement on Risk Management and Internal Control, which outlines the main features and scope of KIP REIT's risk management and internal control system for the FYE 2025. This statement is prepared in accordance with the Practice 10.1 and 10.2 of the MCCG and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities and Guidelines on Listed Real Estate Investment Trusts issued by Securities Commission Malaysia.

BOARD RESPONSIBILITIES

The Board holds the ultimate responsibility over KIP REIT's risk management and internal control system. Guided by the Board Charter, the Board is responsible for reviewing the adequacy and effectiveness of KIP REIT's internal control framework and ensuring that all identified risks are appropriately managed to safeguard unitholders' investments, stakeholders' interests and KIP REIT's assets.

In this regard, the Board has established an ongoing process for reviewing and assessing KIP REIT's risk management and internal control system in alignment with its risk appetite and tolerance level in this dynamic business environment. To ensure an effective discharge of responsibility, the Board is supported by the ARMC to regularly oversee and monitor the effectiveness and adequacy of the risk management and internal control system.

Given the inherent limitations of any risk management and internal control system, such system is designed to identify and manage risks within an acceptable level, rather than eliminate them. As such, it can only provide reasonable but not absolute assurance of its effectiveness against any material financial misstatements, losses, fraud or any unforeseeable events. Nevertheless, the Board, together with the ARMC, is committed to strengthening KIP REIT's risk management and internal control system to uphold a culture of resilience and strong governance.

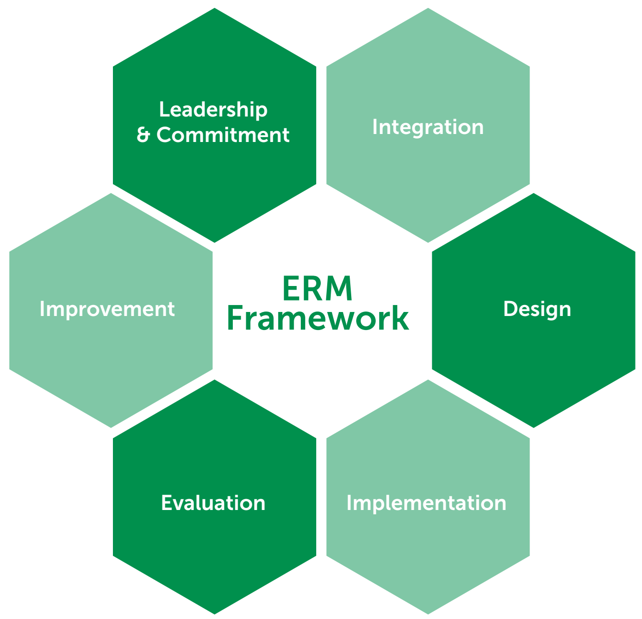
MAIN FEATURES OF RISK MANAGEMENT SYSTEM

The Board recognises that effective risk management is essential in today's dynamic business environment. In response, the Board has adopted an ERM system in accordance with ISO 31000:2018, an internationally recognised standard issued by the International Organisation for Standardisation ("ISO") that sets out a structured and systematic framework for effective risk management.

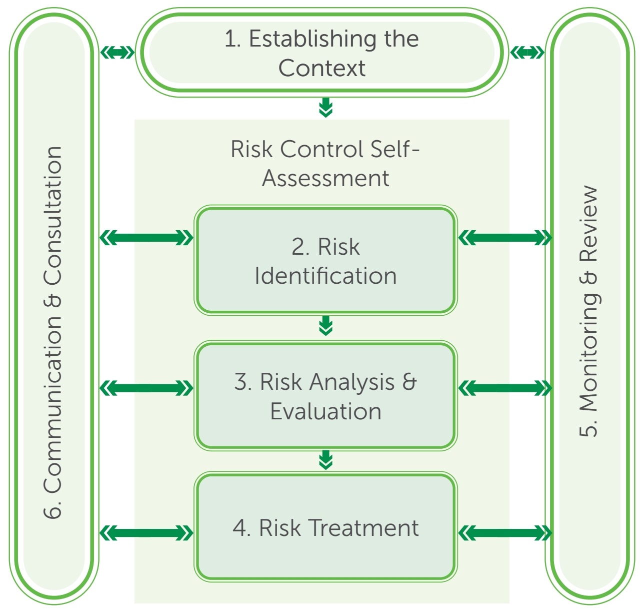
KIP REIT's Directors and employees are guided by the ERM Standard Operating Manual, which provides a comprehensive description and procedures of the ERM system. All risks identified by the ARMC are recorded in the Risk Register to facilitate ongoing reviews with appropriate mitigation plans, ensuring that the risks are managed within acceptable levels.

The overview of KIP REIT's ERM framework and process are illustrated as below: -

ERM Framework



ERM Process



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MAIN FEATURES OF RISK MANAGEMENT SYSTEM (CONT'D)

Both the ERM framework and process are interconnected. In particular, the ERM framework delineates the approaches adopted by KIP REIT to integrate ERM within the organisation, while the ERM process outlines the overall procedures for identifying, managing and addressing risks.

The ERM framework is built upon six (6) key components and is fundamentally driven by the leadership direction and decision-making of the Board and Senior Management. In demonstrating leadership and setting the tone from the top, the Board is responsible for defining KIP REIT's risk appetite and tolerance levels to ensure alignment with its risk management objectives. This direction ensures the integration of ERM into KIP REIT's governance, strategic planning, and operational processes. Additionally, the Board shall instil the Management's accountability and oversight in embedding the ERM framework to ensure its overall efficiency and effectiveness.

Meanwhile, the remaining four (4) components, i.e. design, implementation, evaluation and improvement, refer to the key elements and procedures in the ERM framework to ensure its relevance to KIP REIT's business nature and the industry in which it operates in.

With the adoption of ERM framework, the Board has implemented a 6-step ERM process, covering stages from establishing the context to communication and consultation. Firstly, the Board, together with the ARMC, establishes a common understanding on the basis in which the risk management activities operate in. In this phase, the Board and ARMC shall consider both KIP REIT's internal and external environment in order to determine the strategic and organisational context, risk management context, risk evaluation criteria and stakeholder identification.

Next, the Board and the ARMC undertake a set of risk control self-assessment process within the context established earlier. All the potential and existing risks related to KIP REIT are identified and documented in the Risk Register and subsequently analysed for their likelihood and impact by aligning the existing control within KIP REIT. These results are then documented in the Risk Heat Map, Risk Register and Corporate Risk Profile.

If the Board and ARMC determine that existing control is inadequate, an appropriate risk treatment strategy will be developed to address the identified risks. These may include risk avoidance, risk reduction, risk sharing and risk acceptance. As part of this process, the Board and ARMC will perform a cost-benefit analysis to select the most suitable risk treatment approach, ensuring that it brings the expected protection/impact within the desired risk tolerance level.

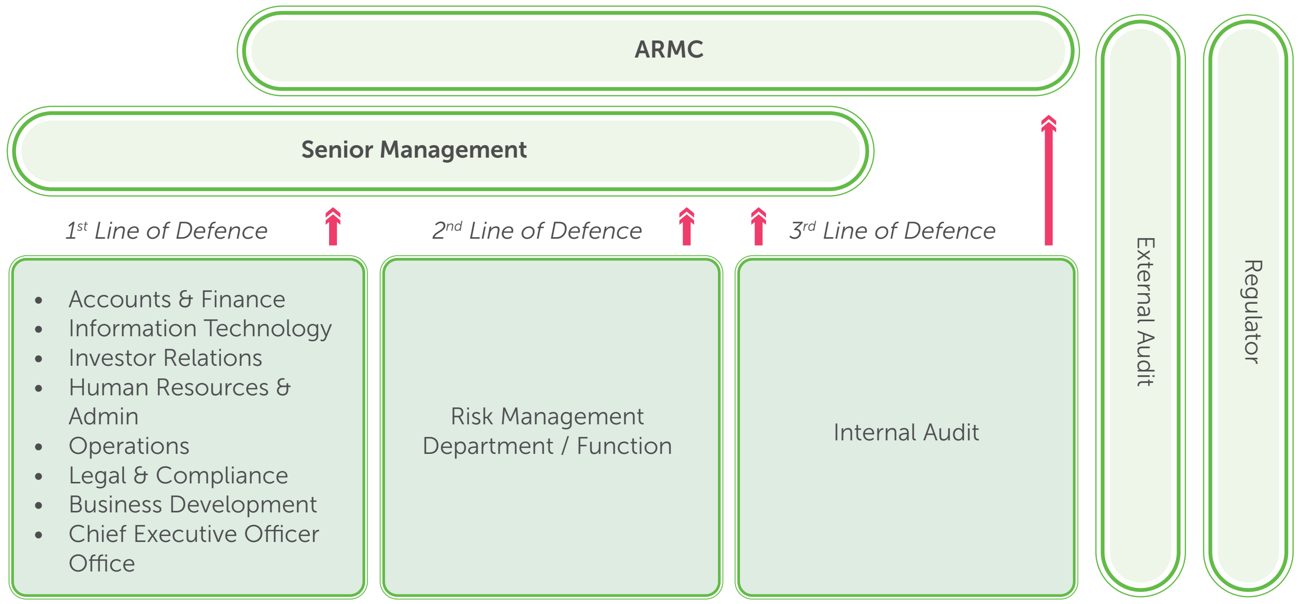
Subsequently, the Risk Register is reviewed quarterly by the Board and ARMC to ensure that identified risks reflect the current business environment and that the risk responses remain effective to address the relevant risks within the acceptable tolerance levels. Each Head of Department is responsible for maintaining risk records within their purview and regularly reporting to the Legal and Compliance Manager, who in turn reports to the ARMC.

Lastly, the Board and ARMC shall ensure that communication and consultation are consistently present throughout the implementation of the ERM framework. This continuous engagement promotes a common understanding among stakeholders regarding KIP REIT's risk management framework and overall risk appetite. Where necessary, risk related training sessions will be conducted to enhance employees' risk management knowledge and awareness.

On 19 August 2024, the SC revised the Guidelines on Technology Risk Management to broaden its scope to include technology risks with immediate effect. In response, the Manager has formalised a Technology Risk Management Framework. To support the effectiveness of the disaster recovery planning, the Manager also implemented the IT disaster recovery exercise, which involved the upgrading of its existing IT system to enhance resilience.

MAIN FEATURES OF RISK MANAGEMENT SYSTEM (CONT'D)

ERM Governance Structure



To ensure an effective risk management, the Board has established a governance structure to oversee the implementation of the ERM system within the organisation. Under this governance structure, whilst the Board is supported by the External Auditor and governed by the local regulator, it has also established three (3) lines of defence, as illustrated in the figure above.

The first (1st) line of defence, which also known as operational management, refers to the controls implemented at operational levels, where each department/function is responsible for managing its respective risks within its purview.

The second (2nd) line of defence refers to the risk management department/function, which is tasked to monitor risk management practices and performance within the organisation. They are also empowered to facilitate the top-down communication of risk information to relevant stakeholders. The Risk Management Working Group, led by both the Managing Director and Executive Director/CEO, conducted quarterly review of the Risk Register and provides regular updates to the ARMC during the scheduled ARMC meetings, including any emerging risks that may be identified.

The third (3rd) line of defence consists of the Internal Auditor, who provides independent assurance on the effectiveness of KIP REIT's governance as well as risk management and internal control system which are supported by the 1st and 2nd lines of defence. The Internal Auditor plays a critical role in the governance of the ERM framework by evaluating and examining the existing controls to identify any internal control deficiencies that require improvement and enhancement.

Both the Senior Management and the ARMC serve as the governing bodies to oversee KIP REIT's risk management activities. Senior Management is responsible for monitoring all three (3) lines of defences, while the ARMC oversees the internal audit function directly. Additionally, the ARMC reviews the adequacy of KIP REIT's risk appetite and tolerance level on an annual basis. The Board, serving as the ultimate governing body, remains dedicated to reviewing KIP REIT's risk management system regularly or as and when necessary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MAIN FEATURES OF INTERNAL CONTROL SYSTEM

The Board is cognisant of the importance of sound internal control to support the effective functioning of the risk management system. In this regard, the ARMC is entrusted with overseeing the effectiveness of internal control activities, while the Management is accountable for the implementation of internal control practices into the daily operations. In the event if any significant internal control deficiencies are identified, the ARMC shall highlight such issues to the Board.

The key features of KIP REIT's internal control system include: -

Operational Controls

(a) SOPs

To ensure smooth functioning of operations, the Board has established several policies and/or procedures which serve as the guidance for all employees in managing of KIP REIT's portfolio.

The Board acknowledges that regular reviews and continuous improvements on SOPs are essential to remain current and relevant with the latest business environment which KIP REIT operates. During the financial year under review, the Board has introduced a new SOP alongside revisions to some existing SOPs as follows: -

Introduction of New SOP
1. Employee Performance Management Policy

Amendments on Existing SOPs
1. Payroll Processing Policy
2. KRM & KPS Employee Handbook
3. KRM ED and C-Suite Handbook

(b) Business Continuity Plan ("BCP")

The Manager, as a CMSL holder, is required to maintain a business continuity arrangement for the assurance of timely resumption and continuation of core activities in the event of any operational disruption. In this regard, the Manager has in place a BCP across all KIP REIT's portfolio. In compliance with the Securities Commission Malaysia's Guiding Principles on Business Continuity, the Manager had on 15 May 2025 conducted an annual BCP test and reported such outcome to the Board for review and approval.

Financial Controls

(a) Five-Year Strategic Plan

In the stewardship of KIP REIT, the Manager has maintained a Five-Year Strategic Plan that provides a clear strategic direction in portfolio management, taking into account the evolving business environment. The plan outlines the strategic targets for KIP REIT's growth, both organically by leveraging on its current competitive advantage and inorganically via acquisition opportunities. The Board, through the ARMC, reviewed KIP REIT's actual performance against the targets set in the Five-Year Strategic Plan on a half yearly basis.

(b) Annual Budget

KIP REIT's annual budget is prepared through a target-setting process that carried out by each department with detailed reviews at all operational levels. The preparation of the annual budget is also further guided by the Five-Year Strategic Plan. Throughout FYE 2025, the Manager is guided by the annual budget approved by the Board in managing KIP REIT's portfolio and making appropriate decision-making. The Management will report to the Board and ARMC on the variance noted between actual financial performance and the approved annual budget during scheduled meetings on a quarterly basis.

(c) Related Party Transactions ("RPTs")

The ARMC conducted review of the RPTs entered or to be entered into by KIP REIT on a quarterly basis to ensure that all RPTs are conducted at arm's length basis under normal commercial terms with proper disclosure made to Bursa Securities.

During the financial year under review, KIP REIT did not seek any mandate from its unitholders in relation to the approval of Recurrent Related Party Transactions ("RRPT").

MAIN FEATURES OF INTERNAL CONTROL SYSTEM (CONT'D)

Compliance Controls

The Board recognises that regular reviews and continuous improvements to governance policies are essential for upholding integrity, strengthening ethical conduct, and ensuring alignment with current regulatory requirements and industry best practices. During the financial year under review, the Board demonstrated its commitment to robust governance through strategic policy development and systematic enhancement of existing frameworks.

(a) Policies

As part of its governance strengthening initiatives, the Board focused on enhancing its policy framework during the financial year through the introduction of new policies and comprehensive review of existing ones. These policy developments ensure that KIP REIT's governance framework remains current, robust, and aligned with evolving regulatory expectations:

Introduction of New Policies
1. Directors' Conflict of Interest Policy

Enhancements to Existing Policies
1. ABC Policy
2. Gifts, Hospitality, Donations and Similar Benefits Policy
3. Employees' Conflict of Interest Policy
4. Whistleblowing Policy

(b) Anti-bribery Management System ("ABMS")

Building on its established compliance framework, KIP REIT continued to operate its comprehensive ABMS during the financial year. This system operates through a structured governance framework, with the Compliance Officer providing quarterly progress updates that are regularly reviewed by both the ARMC and the Board.

(c) Annual Compliance Plan

In line with recommendations from the Internal Auditor, KIP REIT has established a formal annual compliance planning process. The comprehensive annual compliance plan is presented to both the ARMC and the Board for approval on an annual basis, ensuring strategic oversight and alignment with KIP REIT's risk management framework and regulatory obligations.

(d) Compliance Training Program

To reinforce compliance awareness across the organisation, KIP REIT also implemented a structured Compliance Training Program. This program features annual refresher training sessions for all employees, providing comprehensive coverage of key compliance areas including anti-bribery and anti-corruption requirements, updates on enhanced policies and procedures, employees' code of conduct, and personal data protection obligations.

Through this systematic approach to training and awareness, KIP REIT ensures that all personnel maintain current understanding of their compliance obligations, thereby supporting the organisation's commitment to maintaining the highest standards of corporate governance and ethical conduct.

Investment Controls

At KIP REIT, ISC holds overall responsibility for the operation and administration of investment, acquisition and divestment. The ISC is supported by the Investment Steering Working Group ("ISWG"), led by the Chief Investment Officer. A set of prescribed criteria is used by the ISC to assess for investment proposals and conduct due diligence process to ensure alignment with KIP REIT's strategic objectives. The ISC's findings, which outline the merits and risks of the investment proposals, are reported directly to the Board for consideration and approval. In the case of related party transactions, the findings are first presented to the ARMC for review and approval before being submitted to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Manager outsourced its internal audit function to an independent professional firm, Baker Tilly Monteiro Heng Governance Sdn Bhd ("Internal Auditor"), to assist the Board and ARMC in providing independent assessment on the overall adequacy and effectiveness of KIP REIT's internal control system.

During FYE 2025, as outlined in the approved internal audit plan, the Internal Auditor conducted four (4) internal audit reviews and four (4) follow-up reviews in the following operational areas: -

Internal Audit Coverage Area	Internal Audit Cycle
Human Resource & Compensation Management	Q1, FYE 2025
Compliance Review – Corporate Liability Obligations	
Follow-up Review on Mall Operation – Billing and Credit Control Management and Leasing & Tenant Management	
Follow-up Review of Investment Management and Legal and Compliance Management	
Mall Operation – Tenant Performance, Customer Complaint, Incident Reporting Management	Q3, FYE 2025
Mall Operation – Security and Safety & Health Management	
Follow-up Review on Human Resource & Compensation Management and Compliance Review – Corporate Liability Obligations	
Follow-up Review on previous pending issues as per Follow-up Audit Report issued in October 2024	

Following the completion of audit reviews, the Internal Auditor reported directly to the ARMC by presenting the audit findings along with the proposed corrective actions at the ARMC meetings. The Management was then responsible for implementing the recommended corrective actions to address the identified issues within the stipulated timeframe. The Internal Auditor subsequently conducted follow-up review on the implementation of these corrective actions and reports the outcomes to the ARMC.

Based on the internal audit review conducted during FYE 2025, the Board, through the ARMC, is satisfied that there were no significant weaknesses identified that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Annual Report.

The total professional fees incurred for the outsourced internal audit function for the FYE 2025 amounted to RM88,000.

MANAGEMENT'S ASSURANCE

The Executive Director / Chief Executive Officer, representing the Management, have provided the Board with reasonable assurance that KIP REIT's risk management and internal control system operated adequately and effectively in all material respects throughout the financial year under review and up to the date of approval of this statement.

During FYE 2025, no significant internal control deficiencies or material weaknesses were identified that resulted in material losses, contingencies or uncertainties would require separate disclosure in this Annual Report. The Board is of the view that the existing system is satisfactory and adequate to safeguard unitholders' investments, stakeholders' interests and KIP REIT's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITOR

Pursuant to Paragraph 15.23 of the MMLR, the External Auditor has reviewed this statement. The External Auditor's review was performed in accordance with the Audit and Assurance Practice Guide 3 issued by the MIA. Audit and Assurance Practice Guide 3 does not require the External Auditor to consider whether this statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of KIP REIT's risk management and internal control system.

This statement was reviewed and approved by the Board on 10 September 2025.

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

At KIP REIT, the Manager acknowledges that open and transparent communication is essential to fostering trust, building value and instilling confidence among stakeholders. We believe that timely and accurate information provides our stakeholders with meaningful insights and enables them to make informed decisions aligned with their interests and objectives.

As such, the Manager has established a corporate communication framework that outlines the engagement approach and frequency for each stakeholders' group, catering to different levels of engagement and information required. The framework is reviewed annually by the Board to ensure the effectiveness of communication channels adopted by the Manager. By engaging stakeholders through various communications channels shown in the following sections, the Manager gains a better understanding of the stakeholders' expectations.

Press Release and Media Coverage

In line with our commitment to transparent communication and fostering strong relationships with stakeholders, the Manager actively engages with the investment community through press releases. This initiative offers a valuable platform to share comprehensive insights into our business developments, trends, challenges and future prospects.

During the FYE 2025, the Manager, through the Investor Relations ("IR") Team, has shared our financial performance and achievements via the following press releases published on Bursa Securities: -

Date	Title
25 July 2024	KIP REIT Announces 25.2% Increase in NPI to RM77.8 million for FY2024
21 October 2024	KIP REIT Posts 19.4% Growth in NPI and Declares 1.52 sen DPU For Q1FY25
21 January 2025	KIP REIT Reports Robust Q2FY25 Performance With 32.7% Revenue Growth
23 January 2025	KIP REIT Unitholders Approve RM98.3 million Acquisitions
21 April 2025	KIP REIT's Revenue Soars 61.1%

In addition to the press releases announced on Bursa Securities, we have leveraged broader media exposure through newspaper publications such as Berita Harian, Berita Kini, Bernama, Business Times, Business Today, China Press, Dagang News, EdgeProp, eNanyang, Oriental Daily, Sin Chew Daily, The Edge, The Malaysian Reserve, The Star, The Sun and Utusan Malaysia. These media releases are accessible on our company's website at https://www.kipreit.com.my/newsroom.

Equity Research via Bursa Research Incentive Scheme ("Bursa RISE")

KIP REIT is among the first batch of listed companies to participate in the Bursa RISE programme, which aims to enhance the visibility of listed companies and their trading activity through research coverage and marketing activities by engaging licensed research analysts.

During the FYE 2025, we continued to engage TA Securities Holdings Berhad ("TA Securities") and Affin Hwang Investment Bank Berhad ("Affin Hwang Investment") to improve our corporate profile through the dissemination of updates on KIP REIT's financial and operational performance, ensuring stakeholders were well-informed about our progress and overall market positioning. In addition, the IR Team and the Manager provided quarterly updates on KIP REIT's corporate profile presentation, portfolio status, prospects and outlook, as well as ESG initiatives at the Analyst and Fund Managers Meeting Day after the quarterly results announcements. We also organised one-on-one meetings with other analysts and fund managers, allowing for more focused discussions.

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Equity Research via Bursa Research Incentive Scheme ("Bursa RISE") (Cont'd)

The engagement events held during the FYE 2025 are shown as below: -

Date	Event
17 July 2024	One-on-one Meeting with Malacca Securities Sdn Bhd
25 July 2024	Analyst and Fund Managers Briefing on Q4 FYE 2024 Results
26 July 2024	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Resilience of Essential Retail Amid Rising Living Costs" by TA Securities
26 August 2024	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Acquiring Hypermarket in Gerik for RM14.8 million" by TA Securities
30 August 2024	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Acquiring Four Industrial Properties for RM98.3 million" by TA Securities
20 September 2024	Virtual Meeting with Investment Analyst from Principal Asset Management Berhad
2 October 2024	KIP REIT's 8th AGM & EGM
22 October 2024	Analyst and Fund Managers Briefing on Q1 FYE 2025 Results
22 October 2024	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Positioned for Accelerated Growth" by TA Securities
24 October 2024	Work-in-Progress Meeting with Ms. Lim Boon Boon (CFO)
11 November 2024	Small Group Meeting with Kenanga Research and Malaysian Timber Council
18 December 2024	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Net Assets to Propel Growth" by TA Securities
19 December 2024	Virtual Meeting with Senior Analyst from TA Securities
21 January 2025	Analyst and Fund Managers Briefing on Q2 FYE 2025 Results
23 January 2025	KIP's EGM on Proposed Acquisition of four (4) Industrial Properties
4 February 2025	Interview by Starbiz Media
13 February 2025	One-on-one Meeting with Senior Analyst from TA Securities
27 February 2025	One-on-one Meeting with AIA
11 March 20225	One-on-one Meeting with CIMB Securities Sdn Bhd
19 March 2025	One-on-one Meeting with Equity Analyst from Hong Leong Asset Management Berhad
28 March 2025	One-on-one Meeting with Maybank Investment Research
8 April 2025	One-on-one Meeting with Research Analysts from Apex Securities, held as part of the Bursa RISE Programme Initiative
10 April 2025	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Acquiring RM118.0 million Worth of Assets from Sponsor" by TA Securities
11 April 2025	Small Group Meeting and Site Visit with Kenanga Research and Doh Capital Sdn Bhd
21 April 2025	Analyst and Fund Managers Briefing on Q3 FYE 2025 Results
22 April 2025	Publication of Analyst Report entitled "KIP Real Estate Investment Trust - Earnings Lifted by Retail and Asset Additions" by TA Securities
22 April 2025	Publication of Analyst Report entitled "DPulze Contribution Boosts 9MFY25 DPU by 2% YOY" by Affin Hwang Investment
30 April 2025	One-to-one Meeting with Research Analysts from Affin Hwang Investment
2 May 2025	Work-in-Progress Meeting with Ms Valerie Ong (CEO) and Ms Lim Boon Boon (CFO)
6 May 2025	One-on-one Meeting with UOB Kay Hian Securities (M) Sdn Bhd
22 June 2025	Participation by Ms Valerie Ong (CEO) as a panelist at Invest Fair Malaysia 2024 in the session titled "Are REITs Still a Smart Investment in 2025? Opportunities, Challenges & What's Next"

Equity Research via Bursa Research Incentive Scheme ("Bursa RISE") (Cont'd)

Analyst Reports by TA Securities and Affin Hwang

Malaysian REIT Managers Association ("MRMA")

As an active member of MRMA, KIP REIT participated in the *Malaysian REIT Forum 2024* held on 10 September 2024, organised by MRMA, to exchange insights on industry trends, regulatory updates, and best practices within the REIT industry.

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Quarterly Financial Results, Annual Report and Announcement Made via Bursa Securities

Pursuant to the Supplementary Trust Deed dated 29 September 2020 between the Trustee and the Manager, the issuance of reports and related documents has been digitalised, enhancing the timeliness of information dissemination.

KIP REIT provides timely and accurate disclosures, including quarterly financial results, annual reports, press releases, income distributions, changes in corporate information and etc through company announcements on Bursa Securities website. These announcements are also accessible on KIP REIT's website at https://www.kipreit.com.my/investor-relations/bursa-announcements/.

Both the quarterly financial results and annual report are prepared in accordance with the MMLR and REIT Guidelines to provide our stakeholders with comprehensive information on KIP REIT's financial and operational performance, business development and prospect. While we aim to maintain high level of transparency by disclosing as much information as possible, we are also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

General Meetings

During FYE 2025, KIP REIT convened both Eighth (8th) AGM and Unitholders' Meeting on 2 October 2024, followed by another Unitholders' Meeting on 23 January 2025. All meetings were conducted virtually.

The AGM serves as the principal forum for engagement between the Board and unitholders. It provides a platform for the Board to update unitholders on KIP REIT's strategic development and portfolio updates. The Board is also committed to addressing queries and providing clarity on matters of interest to unitholders. Through the AGM, unitholders are able to gain a better understanding on KIP REIT's strategic direction, performance and future prospects. Unitholders are encouraged to exercise their voting rights during the AGM to ensure their views are effectively represented. From the financial year ended 30 June 2021 ("FYE 2021") onwards, the Manager has conducted virtual AGM through live streaming and online voting via RPEV facilities to enhance accessibility and convenience for unitholders.

Whilst KIP REIT conducts the AGM every year, the Manager may call for Unitholders' Meetings for any specific situations that require attention and approval of unitholders beyond the AGM. On 2 October 2024, a Unitholders' Meeting was held to seek approval for the proposed acquisition of DPulze Shopping Centre and proposed private placement. Subsequently, on 23 January 2025, another Unitholders' Meeting was held to seek approval for the proposed acquisition of four (4) industrial properties. Unitholders were allowed to raise their queries or concerns and exercise their voting rights during the Unitholders' Meeting.

In adherence to Practice 13.1 of the MCCG, the Manager ensures that the notice of AGM is circulated to unitholders at least 28 days prior to the AGM. This allows the unitholders sufficient time to review the annual report and make necessary arrangements.

IR Portal and E-Mail

The messaging function on our company's website at https://www.kipreit.com.my/contact/ and the email of IR Team (info@kipreit.com.my) provides an avenue for inquiries and encourages interactions with unitholders and/or other stakeholders. The IR Team will then address the queries/concerns accordingly.

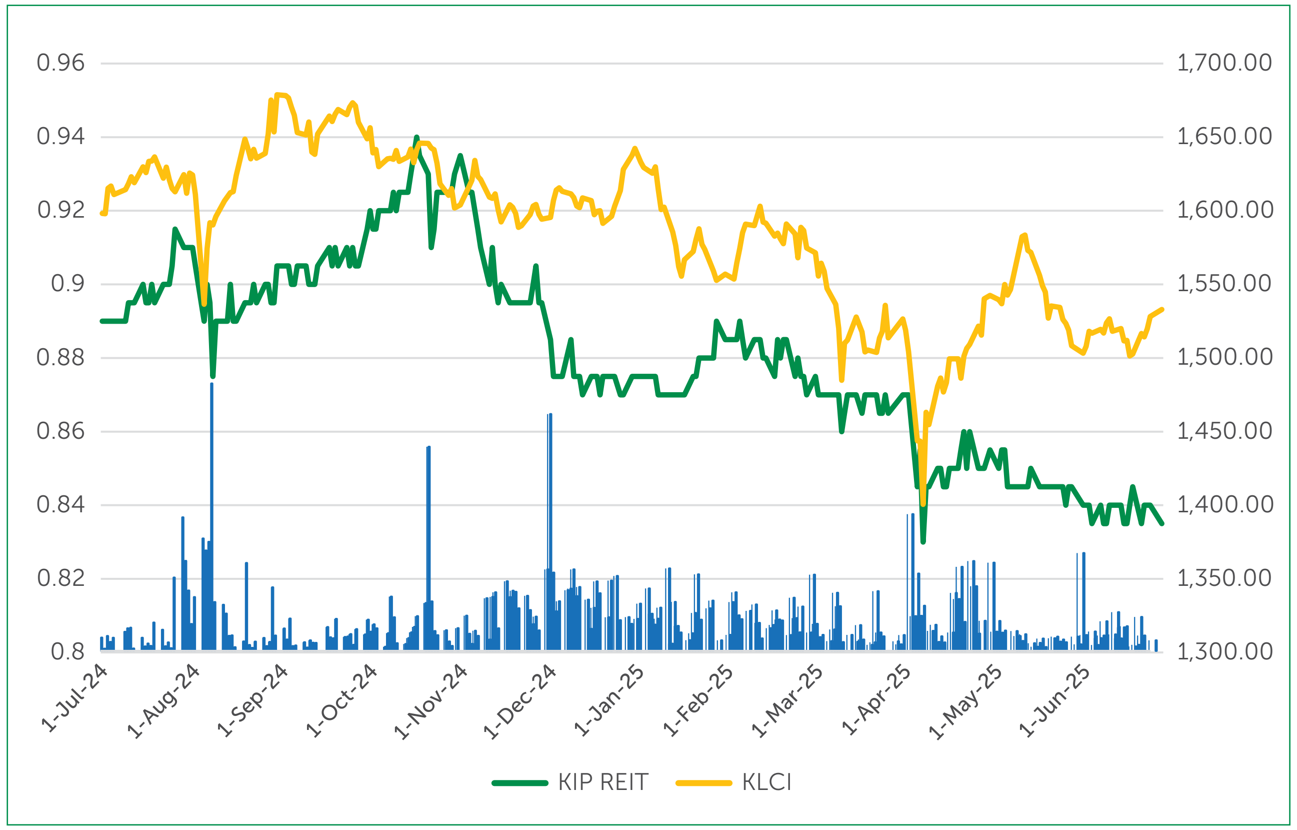
Trading Performance

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Share Price as at 30 June (RM)	0.845	0.890	0.900	0.895	0.835
Highest Traded Share Price (RM)	0.910	0.920	0.920	0.910	0.945
Lowest Traded Share Price (RM)	0.790	0.820	0.880	0.885	0.820
NAV per Unit after income distribution (RM)	1.016	1.097	1.088	1.095	1.120
Total Trading Volume ('000)	52,697	132,604	113,146	132,672	276,903
Market Capitalisation ('000)	426,979	449,717	545,724	553,674	666,856
Total Units ('000)	505,300	505,300	606,360	618,630	798,630

Note: -

Source: Yahoo Finance & Company announcement on Bursa Securities website.

KIP REIT's Share Price Performance against KLCI's Performance



DIRECTORS' RESPONSIBILITY STATEMENT FOR PREPARATION OF THE FINANCIAL STATEMENTS

Pursuant to the Paragraph 15.26(a) of the MMLR , the Directors are pleased to report that the financial statements of KIP REIT for the FYE 2025 have been prepared in accordance with the applicable MFRS, IFRS, the Deeds, REIT Guidelines, the provisions of the CA 2016 and the MMLR.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of KIP REIT as at the end of the financial year, as well as the financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FYE 2025, the Directors have: -

- applied appropriate accounting policies consistently;
- ensured compliance with the applicable accounting standards, including MFRS and IFRS, subject to any material departure being explained in the financial statements;
- made reasonable and prudent judgements and estimates; and
- ensured the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the proper accounting records and other relevant documentation for the preparation of financial statements are maintained with reasonable accuracy. Additionally, the Directors have overall responsibility for taking reasonable measures to safeguard KIP REIT's assets, detect and prevent fraud and other irregularities.

This statement was approved by the Board on 10 September 2025 .

MANAGER'S REPORT

The Manager of KIP Real Estate Investment Trust ("KIP REIT" or "Fund"), KIP REIT Management Sdn. Bhd. ("Manager"), is pleased to submit their report and audited financial statements of KIP REIT and its wholly-owned subsidiary, KIP REIT Capital Sdn. Bhd. ("Group") for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITY OF THE MANAGER

The principal activity of the Manager is the management of KIP REIT. There has been no significant change in the nature of this activity during the financial year.

THE FUND AND ITS INVESTMENT OBJECTIVE

KIP REIT is a Malaysia-domiciled real estate investment trust ("REIT") established on 2 November 2016 pursuant to the deed of trust dated 2 November 2016, an amended and restated deed dated 12 December 2019, and a supplementary deed dated 29 September 2020 (collectively referred to as the "Deeds") between the Manager and Pacific Trustees Berhad ("Trustee"), listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 February 2017 and regulated by the Securities Commission Act 1993, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the Listing Requirements of Bursa Securities, the Rules of Bursa Malaysia Depository ("Depository") and taxation laws and rulings.

The principal investment policy of KIP REIT is to invest, directly and indirectly, in a portfolio of income producing real estate used for retail purposes, and for industrial or commercial purposes, including, without limiting the generality of the foregoing, warehousing facilities, logistic facilities and manufacturing sites as well as real estate-related assets. The nature of KIP REIT's investment shall be long-term, with a period of at least five years.

DISTRIBUTION OF INCOME

KIP REIT had declared distributions in the financial year as follows:-

- 1.522 sen per unit for the period from 1 July 2024 to 30 September 2024, which was paid on 26 November 2024.
- 1.180 sen per unit for the period from 1 October 2024 to 30 November 2024, which was paid on 23 December 2024.
- 0.480 sen per unit for the period from 1 December 2024 to 31 December 2024, which was paid on 28 February 2025.
- 1.600 sen per unit for the period from 1 January 2025 to 31 March 2025, which was paid on 30 May 2025.
- 2.018 sen per unit for the period from 1 April 2025 to 30 June 2025, which is payable on 29 August 2025.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have served on the Board of the Manager, during the financial year and during the period from the end of the financial year to the date of this report are as follows:-

Datuk Dr Syed Hussain bin Syed Husman, PJN. JP
Dato' Ong Kook Liong
Datuk Mohamed Arsad bin Sehan
Ong Pui Shan
Chiam Tau Meng
Ong Tzu Chuen

MANAGER'S REPORT

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Manager is a party, with the object or objects of enabling the Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of KIP REIT or any other body corporate, other than as disclosed in Directors' interest.

For the financial year ended 30 June 2025, no Director has received or become entitled to receive a benefit (other than certain directors receive remuneration as a result of their employment with the Manager or related corporations).

DIRECTORS' INTEREST

The following Directors of the Manager who held office at the end of the financial year had, according to the register of unit holdings in KIP REIT, interests in the units of KIP REIT as follows:-

	Number of units			
	Balance at 01.07.2024	Addition	Disposal /Transferred	Balance at 30.06.2025
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP				
Direct	60,000	-	-	60,000
Dato' Ong Kook Liong				
Direct	62,486,283	9,100,000	-	71,586,283
Indirect	3,878,492	-	(200,000)	3,678,492
Datuk Mohamed Arsad bin Sehan				
Direct	300,000	-	-	300,000
Ong Pui Shan				
Direct	200,000	3,610,000	-	3,810,000
Ong Tzu Chuen				
Indirect	120,857,000	-	(109,000,000)	11,857,000

Other than as disclosed above, the other Directors who held office at the end of the financial year did not have interests in the units of KIP REIT.

OTHER INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Fund were prepared, the Manager took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Fund had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Manager is not aware of any circumstances:-

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Fund inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Fund misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate.

OTHER INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Manager, will or may affect the ability of the Group or of the Fund to meet its obligations when they fall due.

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Fund which has arisen since the end of the financial year which secures the liability of any other person; and

(b) any contingent liability of the Group and of the Fund which have arisen since the end of the financial year.

At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Fund which would render any amount stated in the respective financial statements misleading.

In the opinion of the Manager:-

(a) the results of the Group's and of the Fund's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Fund for the financial year in which this report is made.

MATERIAL LITIGATION

The Manager is not aware of any material litigation as at the date of statement of financial position and up to the date of this report.

SOFT COMMISSION

There was no soft commission received by the Manager and/or its delegates during the financial year.

CIRCUMSTANCES THAT MATERIALLY AFFECT THE INTERESTS OF UNITHOLDERS

There are no circumstances which materially affect the interests of the unitholders.

INDEMNITY FOR AUDITORS

To the extent permitted by law, the Manager has agreed to indemnify its auditors, PricewaterhouseCoopers PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers PLT for the financial year ended 30 June 2025.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager dated 10 September 2025.

DATO' ONG KOOK LIONG
MANAGING DIRECTOR

ONG PUI SHAN
EXECUTIVE DIRECTOR /
CHIEF EXECUTIVE OFFICER

STATEMENT BY THE MANAGER

In the opinion of the Directors of the Manager, the financial statements set out on pages 312 to 363 are drawn up in accordance with the provisions of the Deeds, the REIT Guidelines, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 30 June 2025 and of their financial performance and cash flows for the financial year ended 30 June 2025.

Signed on behalf of the Board of the Manager in accordance with a resolution of the Directors of the Manager dated 10 September 2025.

DATO' ONG KOOK LIONG
MANAGING DIRECTOR

ONG PUI SHAN
EXECUTIVE DIRECTOR /
CHIEF EXECUTIVE OFFICER

STATUTORY DECLARATION

I, Lim Boon Boon, the Chief Financial Officer, primarily responsible for the financial management of KIP Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 312 to 363 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LIM BOON BOON
(MIA No.: 45180)

Subscribed and solemnly declared by the abovenamed Lim Boon Boon at Kuala Lumpur in the State of Federal Territory on 10 September 2025.

Before me:

COMMISSIONER FOR OATHS

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF KIP REAL ESTATE INVESTMENT TRUST
(Established in Malaysia)

We have acted as Trustee of KIP Real Estate Investment Trust ("KIP REIT" or "Fund") for the financial year ended 30 June 2025. In our opinion and to the best of our knowledge, KIP REIT Management Sdn. Bhd. ("Manager") has managed KIP REIT during the period covered by these financial statements, set out on pages 312 to 363, in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the deed of trust dated 2 November 2016, an amended and restated deed dated 12 December 2019, and a supplementary deed dated 29 September 2020, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts and the applicable securities laws.

We have ensured the procedures and processes employed by the Manager to value and price the units of KIP REIT are adequate and that such valuation/pricing is carried out in accordance with the Deeds and other regulatory requirements.

We also confirm the income distributions declared during the financial year ended 30 June 2025 are in line with and are reflective of the objectives of KIP REIT. Income distributions have been declared for the financial year ended 30 June 2025 as follows:

- 1.522 sen per unit for the period from 1 July 2024 to 30 September 2024, which was paid on 26 November 2024.
- 1.180 sen per unit for the period from 1 October 2024 to 30 November 2024, which was paid on 23 December 2024.
- 0.480 sen per unit for the period from 1 December 2024 to 31 December 2024, which was paid on 28 February 2025.
- 1.600 sen per unit for the period from 1 January 2025 to 31 March 2025, which was paid on 30 May 2025.
- 2.018 sen per unit for the period from 1 April 2025 to 30 June 2025, which is payable on 29 August 2025.

For and on behalf of the Trustee,
PACIFIC TRUSTEES BERHAD

MOHD RADZUAN BIN AHMAD TAJUDDIN
Chief Executive Officer

Kuala Lumpur,
Date: 10 September 2025

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF KIP REAL ESTATE INVESTMENT TRUST (ESTABLISHED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of KIP Real Estate Investment Trust ("the Fund") and its subsidiary ("the Group") give a true and fair view of the financial position of the Group and of the Fund as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Group and of the Fund, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Fund, and the statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 312 to 363.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Fund. In particular, we considered where the Directors of the Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Fund, the accounting processes and controls, and the industry in which the Group and the Fund operate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Fund for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Fair value of investment properties The Group's and the Fund's accounting policy is to carry its investment properties at fair value. As at 30 June 2025, the carrying amount of the Group's and the Fund's investment properties amounted to RM1,484.8 million. During the financial year ended 30 June 2025, the Group and the Fund recognised a gain on changes in fair value of investment properties amounting to RM61.8 million. The Group and the Fund engaged an independent external valuer to perform valuation of the investment properties using the income approach method. We focused on the valuation of the investment properties due to the magnitude of the balance and the significant judgement involved in determining the key assumptions used in the valuation model, i.e. capitalisation rates for term period and reversionary period. Refer to Note 3(b) on Material Accounting Policies, Note 4 Critical Accounting Estimates and Judgements and Note 6 Investment Properties.	We evaluated the competence, qualification and experience as well as the independence of the external valuer engaged by management. We discussed with the independent external valuer on the methodology and key assumptions used in the valuation model. We also discussed with the valuer to understand the factors considered in adjusting the inputs. We checked the rental rates, rental term and net lettable area used in the valuation, on a sample basis, to the underlying lease agreements. We assessed the reasonableness of key assumptions used by the independent external valuer in the valuation model i.e. capitalisation rates for term period and reversionary period to comparable real estate investment trusts, outgoing expense, allowance of void, car park income and other income to historical trends. We assessed the appropriateness of the sensitivity analysis performed on a reasonably possible change in capitalisation rates for term period and reversionary period on the fair value of the investment properties. We assessed the adequacy of the disclosures in the Group's and the Fund's financial statements. Based on the above procedures performed, we did not identify any material exceptions.

Information other than the financial statements and auditors' report thereon

The Directors of the Manager are responsible for the other information. The other information comprises the 2025 Annual Report, the Manager's Report and the Trustee's Report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF KIP REAL ESTATE INVESTMENT TRUST (ESTABLISHED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors of the Manager for the financial statements

The Directors of the Manager are responsible for the preparation of the financial statements of the Group and of the Fund that give a true and fair view in accordance with the provisions of the deed of trust dated 2 November 2016, an amended and restated deed dated 12 December 2019, and a supplementary deed dated 29 September 2020, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors of the Manager are also responsible for such internal control as the Directors of the Manager determine is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Directors of the Manager are responsible for assessing the Group's and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Manager either intend to liquidate the Group or the Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.

(d) Conclude on the appropriateness of the Directors of the Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Fund to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Fund, including the disclosures, and whether the financial statements of the Group and of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Fund for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

CHONG TZE JIUN
03763/07/2027 J
Chartered Accountant

Kuala Lumpur
10 September 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	Group		Fund	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets					
Equipment	5	1,374	1,406	1,374	1,406
Investment properties	6	1,484,820	1,054,523	1,484,820	1,054,523
Right of use assets	8	1,009	1,278	1,009	1,278
Other non-current assets	9	15,974	-	15,974	-
Deferred lease incentives	9	9,180	7,077	9,180	7,077
Total non-current assets		1,512,357	1,064,284	1,512,357	1,064,284
Current assets					
Trade and other receivables	9	7,609	36,772	7,609	36,772
Cash and bank balances	10	57,081	34,892	41,806	24,153
Total current assets		64,690	71,664	49,415	60,925
Total assets		1,577,047	1,135,948	1,561,772	1,125,209
Financed by:					
Unitholders' fund					
Unitholders' capital	11	730,496	583,626	730,496	583,626
Retained earnings		163,655	94,003	163,655	94,003
Total unitholders' fund		894,151	677,629	894,151	677,629
Non-current liabilities					
Borrowings	12	606,373	109,457	-	-
Payables and accruals	13	22,482	12,185	617,983	120,589
Lease liabilities	8	768	1,071	768	1,071
Total non-current liabilities		629,623	122,713	618,751	121,660
Current liabilities					
Borrowings	12	16,403	313,869	12,000	-
Payables and accruals	13	36,567	21,504	36,567	325,687
Lease liabilities	8	303	233	303	233
Total current liabilities		53,273	335,606	48,870	325,920
Total liabilities		682,896	458,319	667,621	447,580
Total unitholders' fund and liabilities		1,577,047	1,135,948	1,561,772	1,125,209
Net asset value ("NAV")					
- before income distribution		939,634	717,126	939,634	717,126
- after income distribution		894,151	677,629	894,151	677,629
Number of units in circulation ('000 units)	11	798,630	618,630	798,630	618,630
NAV per unit (RM)					
- before income distribution		1.1766	1.1592	1.1766	1.1592
- after income distribution		1.1196	1.0954	1.1196	1.0954

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group and Fund	
		2025 RM'000	2024 RM'000
Lease income		119,919	95,318
Revenue from contracts with customers		16,214	6,841
Gross revenue	14	136,133	102,159
Utilities expenses		(19,812)	(11,653)
Maintenance and housekeeping expenses		(4,901)	(2,856)
Marketing expenses		(715)	(403)
Quit rent and assessment		(2,547)	(2,058)
Reimbursement costs	15	(7,408)	(4,477)
Property manager fee		(192)	(170)
Other operating expenses		(3,735)	(2,725)
Property operating expenses		(39,310)	(24,342)
Net property income		96,823	77,817
Changes in fair value on investment properties	6	61,767	(4,230)
Interest income		1,132	857
Net investment income		159,722	74,444
Manager's management fee	16	(15,035)	(7,035)
Trustees' fee		(429)	(259)
Auditors' remuneration		(142)	(132)
Valuers' fee		(300)	(82)
Other trust expenses		(3,754)	(2,933)
Borrowing costs	17	(24,927)	(16,689)
Profit before taxation		115,135	47,314
Taxation	18	-	-
Profit after taxation		115,135	47,314
Other comprehensive income, net of tax		-	-
Total comprehensive income attributable to unitholders		115,135	47,314
Profit after taxation is made up as follows:			
Realised		51,265	44,467
Unrealised		63,870	2,847
		115,135	47,314
Basic earnings per unit (sen)	19	15.9424	7.7163
Diluted earnings per unit (sen)	19	15.9424	7.7163
Total comprehensive income		115,135	47,314
Distribution adjustments	20	(62,412)	(1,737)
Distributable income		52,723	45,577
Distribution per unit (sen)	20	6.8000	6.6650

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Unitholders' capital RM'000	Retained earnings RM'000	Total unitholders' funds RM'000
Group and Fund				
As at 1 July 2024		583,626	94,003	677,629
Profit of the financial year		-	115,135	115,135
Total comprehensive income for the financial year attributable to unitholders		-	115,135	115,135
Unitholders' transactions				
Distribution to unitholders	20	-	(45,483)	(45,483)
Issuance and placement of units		148,500	-	148,500
Issuing expenses		(1,630)	-	(1,630)
Increase/(decrease) in net assets resulting from unitholders' transactions		146,870	(45,483)	101,387
As at 30 June 2025		730,496	163,655	894,151
Group and Fund				
As at 1 July 2023		573,785	86,186	659,971
Profit of the financial year		-	47,314	47,314
Total comprehensive income for the financial year attributable to unitholders		-	47,314	47,314
Unitholders' transactions				
Distribution to unitholders	20	-	(39,497)	(39,497)
Issuance and placement of units		10,000	-	10,000
Issuing expenses		(159)	-	(159)
Increase/(decrease) in net assets resulting from unitholders' transactions		9,841	(39,497)	(29,656)
As at 30 June 2024		583,626	94,003	677,629

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Fund 2025 RM'000	Fund 2024 RM'000
Cash flows from operating activities					
Profit before taxation		115,135	47,314	115,135	47,314
Adjustments for:					
Deferred lease incentives		(2,103)	(7,077)	(2,103)	(7,077)
Changes in fair value on investment properties	6	(61,767)	4,230	(61,767)	4,230
Interest expense on borrowings		24,538	16,399	186	397
Interest expense on advances from a subsidiary		-	-	24,352	16,002
Interest income		(1,132)	(857)	(1,132)	(857)
Interest expense on lease liabilities	8	53	36	53	36
Depreciation for right of use assets	8	269	196	269	196
Depreciation of equipment	5	562	554	562	554
Amortisation of transaction costs		389	290	389	290
Bad debts written off		106	59	106	59
Provision/(Reversal) for impairment on receivables		20	(47)	20	(47)
Operating income before changes in working capital		76,070	61,097	76,070	61,097
Net change in trade and other receivables		29,112	(27,926)	29,112	(27,926)
Net change in payables and accruals		25,360	3,634	25,411	3,583
Net cash generated from operating activities		130,542	36,805	130,593	36,754
Cash flows from investing activities					
Purchase of equipment	5	(530)	(440)	(530)	(440)
Additions of investment properties	6	(11,130)	(14,453)	(11,130)	(14,453)
Acquisition of investment properties	6	(357,400)	(80,000)	(357,400)	(80,000)
Deposit and other related acquisition cost		(15,974)	-	(15,974)	-
Placement of fixed deposit with maturity period of more than 3 months		(17)	(572)	(17)	(572)
Advances to a subsidiary		-	-	(6,211)	-
Interest received		1,057	808	1,057	808
Net cash used in investing activities		(383,994)	(94,657)	(390,205)	(94,657)
Cash flows from financing activities					
Proceeds from issuance of new units		148,500	10,000	148,500	10,000
Payment of issuing expenses		(1,630)	(159)	(1,630)	(159)
Interest paid on borrowings		(23,853)	(16,275)	(186)	(544)
Income distribution paid to unitholders	20	(45,483)	(39,497)	(45,483)	(39,497)
Interest paid on advances from a subsidiary		-	-	(23,667)	(15,731)
Repayment to a subsidiary		-	-	-	(3,308)
Interest paid on lease	8	(53)	(36)	(53)	(36)
Lease payment (principal portion)	8	(233)	(170)	(233)	(170)
Payment for transaction costs		(1,624)	(452)	-	-
Repayment on borrowings		-	(20,000)	-	(20,000)
Proceeds from borrowings		200,000	110,000	200,000	110,000
Net cash generated from financing activities		275,624	43,411	277,248	40,555

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Fund 2025 RM'000	Fund 2024 RM'000
Net increase/(decrease) in cash and cash equivalents		22,172	(14,441)	17,636	(17,348)
Cash and cash equivalents at beginning of the financial year		34,320	48,761	23,581	40,929
Cash and bank balances at end of the financial year	10	56,492	34,320	41,217	23,581
Cash in hand		-*	-*	-	-
Bank balances		34,213	12,009	33,941	11,213
Short term deposits placed with licensed bank		22,868	22,883	7,865	12,940
		57,081	34,892	41,806	24,153
Less: Deposit with maturity period of more than 3 months		(589)	(572)	(589)	(572)
Cash and cash equivalents		56,492	34,320	41,217	23,581
Pledged deposits		17,981	12,252	2,979	2,309

* Denotes RM2

The reconciliation of liabilities arising from financing activities is as follows:-

	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
Group			
2025			
At 1 July 2024	423,326	1,304	424,630
Cash flows:			
Proceeds from borrowings	200,000	-	200,000
Payment of transaction costs	(1,624)	-	(1,624)
Interest paid on borrowings	(23,853)	-	(23,853)
Repayment of lease liabilities	-	(286)	(286)
Non-cash changes:			
Interest expense	24,538	53	24,591
Amortisation of transaction costs	389	-	389
At 30 June 2025	622,776	1,071	623,847

The accompanying notes form an integral part of the financial statements.

The reconciliation of liabilities arising from financing activities is as follows (Cont'd):-

	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
Group (Cont'd)			
2024			
At 1 July 2023	333,217	-	333,217
Cash flows:			
Proceeds from borrowings	110,000	-	110,000
Repayment of borrowings	(20,000)	-	(20,000)
Payment of transaction costs	(452)	-	(452)
Interest paid on borrowings	(16,275)	-	(16,275)
Repayment of lease liabilities	-	(206)	(206)
Non-cash changes:			
Interest expense	16,399	36	16,435
Amortisation of transaction costs	437	-	437
Recognition of lease liabilities	-	1,474	1,474
At 30 June 2024	423,326	1,304	424,630

	Borrowings RM'000	Lease liabilities RM'000	Amount due to a subsidiary* RM'000	Total RM'000
Fund				
2025				
At 1 July 2024	-	1,304	412,638	413,942
Cash flows:				
Proceeds from borrowings	12,000	-	188,000	200,000
Advances to a subsidiary	-	-	(6,211)	(6,211)
Interest paid on borrowings	(186)	-	(23,667)	(23,853)
Repayment of lease liabilities	-	(286)	-	(286)
Non-cash changes:				
Interest expense	186	53	24,352	24,591
Amortisation of transaction costs	-	-	389	389
At 30 June 2025	12,000	1,071	595,501	608,572

* Included within payables and accruals in Note 13 to the financial statements.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The reconciliation of liabilities arising from financing activities is as follows (Cont'd):-

	Borrowings RM'000	Lease liabilities RM'000	Amount due to a subsidiary* RM'000	Total RM'000
Fund (Cont'd)				
2024				
At 1 July 2023	20,000	-	305,385	325,385
Cash flows:				
Proceeds from borrowings	-	-	110,000	110,000
Repayment of borrowings	(20,000)	-	(3,308)	(23,308)
Interest paid on borrowings	(544)	-	(15,731)	(16,275)
Repayment of lease liabilities	-	(206)	-	(206)
Non-cash changes:				
Interest expense	544	36	16,002	16,582
Amortisation of transaction costs	-	-	290	290
Recognition of lease liabilities	-	1,474	-	1,474
At 30 June 2024	-	1,304	412,638	413,942

* Included within payables and accruals in Note 13 to the financial statements.

The presentation of the reconciliation of liabilities arising from financing activities of the Group and of the Fund have been enhanced by showing a detailed breakdown of cash flow items and non-cash changes to improve clarity. Accordingly, the comparative figures have been restated to reflect these changes. The changes made do not have an impact to the Group's and the Fund's financial position, results of operation and cash flows for the financial year ended 30 June 2024.

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

KIP Real Estate Investment Trust ("KIP REIT" or "Fund") is a Malaysia-domiciled real estate investment trust ("REIT") established on 2 November 2016 pursuant to the deed of trust dated 2 November 2016, an amended and restated deed dated 12 December 2019, and a supplementary deed dated 29 September 2020 (collectively referred to as the ("Deeds")) between the KIP REIT Management Sdn. Bhd. ("Manager") and Pacific Trustees Berhad ("Trustee"), listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 February 2017 and regulated by the Securities Commission Act 1993, the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the Listing Requirements of Bursa Securities, the Rules of Bursa Malaysia Depository ("Depository") and taxation laws and rulings. The addresses of the Manager's registered office and principal place of business are as follows:-

Registered office	Principal place of business
Unit 27.2, Menara 1MK	Unit B-6, Blok B, Tingkat 6, Menara KIP
Kompleks 1 Mont Kiara	No. 1, Jalan Seri Utara 1
No. 1 Jalan Kiara, Mont Kiara	Sri Utara Off Jalan Ipoh
50480 Kuala Lumpur, Malaysia	68100 Kuala Lumpur, Malaysia

The principal investment policy of KIP REIT is to invest, directly and indirectly, in a portfolio of income producing real estate used for retail purposes, and for industrial or commercial purposes, including, without limiting the generality of the foregoing, warehousing facilities, logistic facilities and manufacturing sites as well as real estate-related assets. The nature of KIP REIT's investment shall be long-term, with a period of at least five years.

The financial statements as at and for the financial year ended 30 June 2025 comprise KIP REIT and its wholly-owned subsidiary, KIP REIT Capital Sdn. Bhd. ("Group"), a company incorporated in Malaysia, of which the principal activity is to raise financing for and on behalf of KIP REIT.

The Manager's key objective is to provide unitholders with regular and stable distributions, sustainable long term Unit price and distributable income and capital growth, while maintaining an appropriate capital structure.

The financial statements were approved by the Board of Directors of the Manager with a resolution of the Board of Directors on 10 September 2025.

KIP REIT entered into several service agreements in relation to the management of KIP REIT and its property operations. The fee structures are as follows:-

(a) Property management fees

The property manager of KIP REIT, Nawawi Tie Leung Property Consultants Sdn. Bhd. is entitled to property management fee of RM16,782 per month (excluding sales and service tax). In addition, the property manager is also entitled to full disbursement of costs and expenses properly incurred in the operation, maintenance, management and marketing of the properties held by KIP REIT ("Permitted Expenses") as well as fees and reimbursements for Permitted Expenses payable to its service providers.

(b) Manager's management fees

Pursuant to the Deeds, the Manager is entitled to receive the following fees from KIP REIT, in the forms of cash, new Units or a combination thereof at the election of the Management Company in its sole discretion:-

(i) a base fee ("Base Fee") of up to 1.0% per annum of the Total Asset Value of KIP REIT (excluding cash and bank balances which are held in non-interest bearing accounts).

(ii) a performance fee ("Performance Fee") of up to 5.0% per annum of the Net Property Income of KIP REIT.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL (CONT'D)

(b) Manager's management fees (Cont'd)

(iii) Acquisition Fee

1.0% of each of the following as is applicable (subject to there being no double-counting):

(a) in relation to an acquisition (whether directly or indirectly through the Trustee or one or more Special Purpose Vehicle ("SPV") of KIP REIT) of any Real Estate or Real Estate-Related Assets, the transaction value (being the total purchase price) of any Real Estate or any Real Estate-Related Assets purchased by KIP REIT or its SPV (pro-rated, if applicable, to the proportion of KIP REIT's interest); or

(b) in relation to an acquisition (whether directly or indirectly through one or more SPV of KIP REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of KIP REIT's interest).

Any payment to third party agents or brokers in connection with the acquisition of any Real Estate and Real Estate-Related Assets for KIP REIT shall not be paid by the Manager out of the acquisition fee received or to be received by the Manager (but shall be borne by KIP REIT).

For the avoidance of doubt, no acquisition fee is payable with respect to the acquisition of the Subject Properties in connection with the Listing of KIP REIT but acquisition fee is payable with respect to all other transactions (which includes related party and non-related party transactions), including acquisitions from the sponsor.

(iv) Divestment Fee

0.5% of each of the following as is applicable (subject to there being no double-counting):

(a) in relation to a disposal (whether directly or indirectly through the Trustee or one or more SPV of KIP REIT) of any Real Estate or Real Estate-Related Assets, the transaction value (being the total sale price) of any Real Estate or Real Estate-Related Assets disposed of by KIP REIT or its SPV (pro-rated, if applicable, to the proportion of KIP REIT's interest); or

(b) in relation to a disposal (whether directly or indirectly through one or more SPV of KIP REIT) of any SPV or holding entities which holds Real Estate, the underlying value of any Real Estate (pro-rated, if applicable, to the proportion of KIP REIT's interest).

Any payment to third party agents or brokers in connection with the sale or divestment of any Real Estate and Real Estate-Related Assets for KIP REIT shall not be paid by the Manager out of the divestment fee received or to be received by the Manager (but shall be borne by KIP REIT).

The Divestment Fee is payable with respect to all transactions (which includes related party and non-related party transactions), including divestments to the Promoters, as well as for compulsory acquisitions.

The payment of the Manager's management fee in the form of new Units will be in accordance with the following formula:

$$\text{New units to be issued as payment of the Manager's management fee} = \frac{\text{Manager's management fee payable in Units}}{\text{Market Price}}$$

1 GENERAL (CONT'D)

(b) Manager's management fees (Cont'd)

(iv) Divestment Fee (Cont'd)

For this purpose, "Market Price" means the volume weighted average market price of Units for the last 5 Market Days preceding the following events:

(i) in respect of the Base Fee and Performance Fee, the announcement of the relevant quarterly reports; or
(ii) in respect of the Acquisition Fee and Divestment Fee, the completion of the relevant acquisition/ divestment,

(each a "Trigger Event").

With reference to any Book Closing Date, where the Trigger Event is before but the issuance of the new Units relating to such Trigger Event is after the said Books Closing Date, the Market Price will be further adjusted for the entitlement relating to such Books Closing Date.

The Manager will make immediate announcements to Bursa Securities disclosing the number of new Units issued and the Issue Price when new Units are issued as payment for Management Fee. Payment of the Management fees in Units shall be subject to KIP REIT complying with the public spread requirements stated in the Listing Requirements and there being no adverse implications under the Malaysian Code on Take-Overs and Mergers 2010.

(c) Trustee's fees

The Trustee fee payable is RM100,000 per annum payable upon the execution of the Deed for the first three years up to November 2019 and thereafter at such rate to be mutually agreed between the Manager and the Trustee. In any case, the annual trustee's fee in aggregate shall be up to the maximum rate of 0.05% per annum of the NAV of KIP REIT.

The trustee of KIP REIT Capital Sdn. Bhd., Malaysian Trustees Berhad, is entitled to receive a predetermined annual fixed fee.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Fund have been prepared in accordance with the provisions of the Deeds, REIT Guidelines, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

The financial statements have been prepared under the historical cost convention except as disclosed in the material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors of the Manager to exercise their judgement in the process of applying KIP REIT's accounting policies. Although these estimates and judgement are based on the Directors of the Manager's best knowledge of current events and actions, actual results could differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

(b) Standards that are effective and applicable

The Group and the Fund have applied the following standards and amendments for the first time for the financial year beginning on 1 July 2024:

- Amendments to MFRS 101 Classification of liabilities as current or non-current (2020 amendments) and Non-current Liabilities with Covenants (2022 amendments)
- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

The adoption of new standards and amendments listed above did not have any material impact on the financial statements in the current financial year or any prior period.

(c) Standards issued but not yet effective

The Group and the Fund intend to apply the following accounting standards, interpretation and amendments from the annual periods beginning on or after 1 July 2025:

The new standards and amendments to standards, and interpretations that are effective for the financial years on or after 1 July 2025 and are applicable to the Group and the Fund are as follows:

- Amendments to MFRS 121 Lack of Exchangeability (effective 1 January 2025)
- Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments (effective 1 January 2026)
- Annual improvements to MRFS Accounting Standards for enhanced consistency (effective 1 January 2026)
- Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)
- MFRS 18 Presentation and Disclosures in Financial Statements (effective 1 January 2027)
- MFRS 19 Subsidiaries without Public Accountability Disclosures (effective 1 January 2027)

The initial application of the above standards, amendments and interpretation are not expected to have any material financial impact on the Group's and the Fund's financial statements, except for MFRS 18 Presentation and Disclosures in Financial Statements.

MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'. The new MFRS introduces a new structure of profit or loss statement.

a) Income and expenses are classified into 3 new main categories:
   - Operating category which typically includes results from the main business activities;
   - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
   - Financing category that presents income and expenses from financing liabilities.

b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the period presented in these financial statements by KIP REIT.

(a) Consolidation

(i) Business combination under common control

KIP REIT applies predecessor accounting to account for business combinations under common control on 6 February 2017. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the holding company. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired business is recorded as an adjustment to retained earnings. No additional goodwill is recognised. Acquisition-related costs are expensed as incurred. The acquired business' results and the related statement of financial position items are recognised prospectively from the date on which the business combination between entities under common control occurred.

(ii) Subsidiary

Inter-company transactions, balances and unrealised gains on transactions between Group and Company are eliminated.

(ii) Investment in subsidiary

In the Fund's separate financial statements, investment in subsidiary is carried at cost less accumulated impairment losses. On disposal of investment in subsidiary, the difference between disposal proceeds and the carrying amount of the investment is recognised in statement of comprehensive income.

The amount due from subsidiary of which the Fund does not expect repayment in the foreseeable future are considered as part of the Fund's investment in the subsidiary.

(b) Investment properties

The fair value of the investment property reflects the market conditions at the reporting date. It reflects, among others, rental income from current leases and reasonable and supportable assumptions that represent what market participants would assume about rental income from future leases in the light of current conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the Fund, and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in statement of comprehensive income for the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Equipment

Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost of equipment includes purchase price and any directly attributable costs.

All other repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Equipment are depreciated on a straight line basis to write-off the cost of the assets to their expected residual values over their estimated useful lives, summarised as follows:-

Equipment and appliance	20%
Furniture and fittings	10%
Signage	30%
Office equipment	20%
Renovation	20%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date. The assessment of expected residual values and estimated useful lives of assets is carried out on an annual basis.

At each reporting date, the Group and the Fund assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in net property income in the statement of comprehensive income.

(d) Financial assets

(i) Classification

The Group and the Fund have applied MFRS 9 and classified the financial assets at amortised cost.

(ii) Recognition and derecognition

Financial assets are recognised on trade date, the date which the Group and the Fund commit to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Fund have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Fund measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of comprehensive income.

Debt instrument

The Group and the Fund classify its debt instrument into financial assets at amortised cost.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (Cont'd)

(iv) Subsequent measurement – Impairment

The Group and the Fund assess on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Fund expect to receive, over the remaining life of the financial instrument.

<u>Simplified approach for trade receivables</u>

The Group and the Fund apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 25.1(b) sets out the measurement details of ECL.

<u>General 3-stage approach for other receivables and non-trade intercompany balances</u>

At each reporting date, the Group and the Fund measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 25.1(b) sets out the measurement details of ECL.

<u>Significant increase in credit risk</u>

The Group and the Fund consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Fund compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

<u>Definition of default and credit-impaired financial assets</u>

The Group and the Fund define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets the following criteria:

<u>Quantitative criteria:</u>

The Group and the Fund define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

<u>Write-off</u>

i. Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Fund, and/or legal action is taken against the debtor.

Impairment losses on trade receivables are presented as net impairment losses within net property income. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (Cont'd)

(iv) Subsequent measurement – Impairment (Cont'd)

Write-off (Cont'd)

ii. Other receivables

The Group and the Fund write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, deposits held at call with licensed financial institutions, other short term and highly liquid investments with original maturities of three (3) months or less, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Unitholders' capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Fund after deducting all of its liabilities. Units are equity instruments.

Units are recorded at the proceeds received, net of directly attributable incremental transaction costs. Units are classified as equity. Distributions on units are recognised in equity in the period in which they are declared and authorised by the Trustee.

(g) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings. Borrowings are classified as current liabilities unless the Group and the Fund have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn-down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a prepayment for liquidity and amortised over the period of the facility to which it relates.

All other borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the performance of services in the ordinary course of the Group and the Fund's activities. Revenue is shown net of rebates and discounts.

Lease income on operating leases

Rental income is recognised in accordance with the accounting policy set out in Note 3(i)(i)(b).

Revenue from contracts with customers

Revenue which represents income from the Group and the Fund's principal activities within the ordinary course of business and is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Fund transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

Revenue from sales of utilities reimbursement is recognised when services are being rendered. The credits on utilities reimbursement from tenants can be deferred up to the point of utilisation, which such amounts are recognised as income. Credits of utilities are recognised as revenue when services are rendered.

Property related income and advertising income are included in other income and recognised in the accounting period in which the services being rendered.

Interest income

Interest income is recognised on an effective yield basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(i) Leases

i) Recognition and measurement

(a) As a lessee

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use (i.e. the commencement date).

In determining the lease term, facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option are considered. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The lease term is reassessed upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Fund and affect whether the Group and the Fund are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

Contracts may contain both lease and non-lease components. Consideration in the contract is allocated to the lease and non-lease components based on their relative standalone prices.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases (Cont'd)

i) Recognition and measurement (Cont'd)

(a) As a lessee (Cont'd)

ROU assets

ROU assets are initially measured at cost comprising the amount of the initial measurement of lease liability.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Fund are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date.

(b) As a lessor

As a lessor, the Group and the Fund determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Fund make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Fund consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Operating leases

The Group and the Fund classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Fund recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the lessor's statement of financial position based on the nature of the asset.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income is shown net of rebates and discounts. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group and the Fund provide incentives or rebates to the tenants, the cost of incentives or rebates is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Initial direct cost incurred by the Group and the Fund in negotiating and arranging an operating lease is recognised as an asset and amortised over the lease term on the same basis as the rental income.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases (Cont'd)

i) Recognition and measurement (Cont'd)

(b) As a lessor (Cont'd)

Operating leases (Cont'd)

Rental rebates offered to tenants by the Group and the Fund which are not based on terms contained in the original tenancy agreements are accounted for as a lease modification, as the rebate has changed the total lease consideration. The rental rebates are treated as a new operating lease from the effective date of modification, where lease income based on the revised total lease consideration is recognised over the remaining lease term on a straight-line basis.

Rental of concession space such as promotional areas is recognised on a straight-line basis over the lease term.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Fund allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 "Revenue from Contracts with Customers".

(j) Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Fund's functional and presentation currency.

(k) Earnings per unit

The Group's and the Fund's earnings per Unit ("EPU") are presented on basic and diluted format.

Basic EPU is calculated by dividing the profit or loss attributable to unitholders of the Group and the Fund by the weighted average number of Units outstanding during the period.

Diluted EPU is determined by adjusting the comprehensive income attributable to unitholders against the weighted average number of units outstanding adjusted for the effects of all dilutive potential units.

(l) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management team.

The senior management team, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer of the Manager that makes strategic decisions.

(m) Net asset value ("NAV") disclosed in statement of financial position

In accordance with the REIT Guidelines, NAV is the value of the Group's and the Fund's assets less the value of the Group's and the Fund's liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Recognition of distribution of income to unitholders

Distribution of income should only be made from realised gains or realised income in accordance with REIT Guidelines.

Distribution of income should be made after the Manager has taken into consideration the total returns for the period, income for the period, cash flow for distribution, stability and sustainability of income and the investment objective and distribution policy of the Group and the Fund.

Liability is recognised for the amount of any distribution declared, being appropriately authorised and no longer at the discretion of the Group and the Fund, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distribution adjustments made in accordance with the REIT Guidelines are disclosed in Note 20.

(o) Realised and unrealised profit or loss analysis in statement of comprehensive income

In accordance with the REIT Guidelines, a charge or a credit to the statement of comprehensive income is deemed as realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use.

Where a credit or a charge to the statement of comprehensive income upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should be deemed as unrealised until the consumption of resource could be demonstrated. Unrealised profit or loss comprises mainly the changes in fair value on investment properties.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors of the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Fund make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Significant assumptions for estimation of fair value of investment properties

Investment properties are stated at fair value based on valuations performed by Rahim & Co International Sdn. Bhd. ("the Valuers"). The Valuers are independent professional valuers who hold a recognised relevant professional qualification and has recent experience in the locations and categories of the investment properties valued.

The significant assumptions underlying estimation of fair value of investment properties are those related to capitalisation rates for term period and reversionary period, outgoing expense, allowance of void, car park income and other income.

The valuations are compared with actual market yield data, actual transactions and those reported by the market, when available. Assumptions used are mainly based on market conditions existing at each reporting date.

Sensitivity analysis on fair value of investment properties as valued by the Valuers is disclosed in Note 6.

5 EQUIPMENT

	Equipment and appliance RM'000	Furniture and fittings RM'000	Signage RM'000	Office equipment RM'000	Renovation RM'000	Total RM'000
Group and Fund						
Cost						
As at 1 July 2024	1,658	846	408	760	431	4,103
Additions	280	30	37	171	12	530
As at 30 June 2025	1,938	876	445	931	443	4,633
Accumulated depreciation						
As at 1 July 2024	1,191	395	332	425	354	2,697
Depreciation charge for the financial year	238	86	28	150	60	562
As at 30 June 2025	1,429	481	360	575	414	3,259
Carrying amounts						
As at 30 June 2025	509	395	85	356	29	1,374
Group and Fund						
Cost						
As at 1 July 2023	1,455	826	323	644	415	3,663
Additions	203	20	85	116	16	440
As at 30 June 2024	1,658	846	408	760	431	4,103
Accumulated depreciation						
As at 1 July 2023	938	311	319	292	283	2,143
Depreciation charge for the financial year	253	84	13	133	71	554
As at 30 June 2024	1,191	395	332	425	354	2,697
Carrying amounts						
As at 30 June 2024	467	451	76	335	77	1,406

NOTES TO THE FINANCIAL STATEMENTS

6 INVESTMENT PROPERTIES

	Group and Fund	
	2025 RM'000	2024 RM'000
Valuation per valuer's report	1,494,000	1,061,600
Less: Deferred lease incentives	(9,180)	(7,077)
	1,484,820	1,054,523
As at 1 July	1,054,523	964,300
Acquisitions	357,400	80,000
Additions	11,130	14,453
Fair value gain/(loss)	61,767	(4,230)
As at 30 June	1,484,820	1,054,523

One of the acquisition of investment properties, Industrial Property Lot 35, during the financial year at a consideration of RM22.6 million is a related party transaction where the transaction price of the acquisition is on a willing-buyer and willing-seller basis.

The title deeds to the investment properties' land are currently being held in trust by the trustees. All the investment properties, except for KIPMall Senawang, TFVG and CR35, with a total carrying amount of RM1,275 million (2024: RM931 million), are pledged as securities for borrowings as disclosed in Note 12.

Investment properties are stated at fair value based on valuations performed by independent registered valuers, ("the Valuers"), who hold a recognised relevant professional qualification and have relevant experience in valuing investment properties.

Based on the valuation reports dated 30 June 2025 issued by the Valuers, the fair values of the investment properties as at 30 June 2025 were RM1,494.0 million (2024: RM1,061.6 million).

Fair value is determined based on income approach method using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 'Fair Value Measurement'. Under the income approach method, the fair value of the investment properties is derived from an estimate of the market rental which the investment properties can reasonably be let for. Rental evidence may be obtained from actual passing rents commanded by the investment properties if they are tenanted. Outgoings, such as quit rent and assessment, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement initiatives as well as management expenses, are then deducted from the rental income. Thereafter, the net annual rental income is capitalised at an appropriate current market yield to arrive at its fair value. Changes in fair value are recognised in the statement of comprehensive income during the period in which they are reviewed.

There has been no change to the valuation techniques used during the financial year.

In assessing the provision of deferred tax assets and liabilities on the fair value gain or loss arising from investment properties, the Manager considers the business model and the objective of KIP REIT. No deferred tax assets or liabilities are recognised because KIP REIT is expected to consume substantially all economic benefits through generation of rental income and these income will be subject to income tax at prevailing rate. However, since KIP REIT has distributed more than 90% of its total income as disclosed in Note 18, the expected tax rate levied will be zero.

6 INVESTMENT PROPERTIES (CONT'D)

The Level 3 inputs or unobservable inputs include:-

Term rental	the expected rental that the investment properties are expected to achieve and is derived from the current passing rental, (including revision upon renewal of tenancies during the year which is part of passing rental);
Reversionary rental	the expected rental that the investment properties are expected to achieve upon expiry of term rental;
Other income	comprises percentage rent, advertising income and others;
Outgoings	comprises quit rent and assessment, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement expense and management expenses;
Capitalisation rate	based on actual location, size and condition of the investment properties and taking into account market data at the valuation date based on the Valuers' knowledge of the factors specific to the investment properties;
Allowance for void	refers to allowance provided for vacancy periods.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between significant unobservable inputs and fair value, is detailed in the table below:

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoing and other operating expenses incidental to the property with allowance for void by using an appropriate market derived discount rate.	- Term capitalisation rate of 6.00% to 7.00% (2024: 6.25% to 6.50%) - Reversionary capitalisation rate of 6.50% to 7.50% (2024: 6.75% to 7.00%) - Allowance for void of 5% to 10% (2024: 5% to 10%) - Average term rental per square feet of RM1.00 to RM8.96 (2024: RM1.00 to RM8.90), based on the property being valued. - Average reversionary rental per square feet of RM1.20 to RM9.58 (2024: RM1.20 to RM9.01) - Outgoings per square feet of RM0.00 to RM2.50 (2024: RM0.01 to RM1.90), based on the type, size and location of the property being valued.	The estimated fair value would increase/(decrease) if: - Term capitalisation rate was lower/ (higher) - Reversionary capitalisation rate was lower/(higher) - Allowance for void was lower/(higher) - Rental per square feet increase/ (decrease)

NOTES TO THE FINANCIAL STATEMENTS

6 INVESTMENT PROPERTIES (CONT'D)

The fair value measurements using Level 3 inputs as at 30 June 2025 are as follows:-

Group and Fund

Property	Valuation technique	Fair value RM'000	Parameters: Term Capitalisation rate %	Parameters: Reversionary Capitalisation rate %	Parameters: Outgoings RM psf	Parameters: Allowance for void %	Sensitivity analysis on fair value measurements*: Impact of lower rate RM'000	Sensitivity analysis on fair value measurements*: Impact of higher rate RM'000
KIPMall Tampoi ("KMT")	Income approach	193,000	7.00	7.25	1.70	5.00	7,000	(6,000)
KIPMall Kota Tinggi ("KMKT")	Income approach	65,000	6.50	7.00	1.90	5.00	2,000	(2,000)
KIPMall Masai ("KMM")	Income approach	197,000	7.00	7.25	1.90	5.00	7,000	(6,000)
KIPMall Senawang ("KMSNW")	Income approach	30,000	6.50	7.00	1.50	5.00	1,000	(1,000)
KIPMall Melaka ("KMMLK")	Income approach	66,000	6.50	7.00	1.55	5.00	2,000	(1,000)
KIPMall Bangi ("KMBG")	Income approach	132,000	6.50	7.00	0.90	5.00	5,000	(4,000)
KIPMall Kota Warisan ("KMKW")	Income approach	103,000	6.50	7.00	1.80	5.00	3,000	(3,000)
DPulze Shopping Centre ("DPULZE")	Income approach	328,000	6.00	6.50	2.50	5.00	7,000	(7,000)
AEON Mall Kinta City ("AMKC")	Income approach	258,000	6.50	6.75	0.15	10.00	10,000	(9,000)
TF Value-Mart Gerik ("TFVG")	Income approach	17,000	7.00	7.50	-	5.00	1,000	(1,000)
Industrial Property Lot 5 ("KV 5")	Income approach	28,000	6.50	7.00	0.01	10.00	1,000	(1,000)
Industrial Property Lot 9 ("KV 9")	Income approach	29,000	6.50	7.00	0.01	10.00	1,000	(1,000)
Industrial Property Lot 3A ("KV 3A")	Income approach	25,000	6.50	7.00	0.01	10.00	1,000	(1,000)
Industrial Property Lot 35 ("CR35")	Income approach	23,000	6.50	6.75	-	10.00	-	(1,000)
		1,494,000					48,000	(44,000)

* Changes to capitalisation rates during the committed tenancy period ("term") and reversion periods by 25 basis points.

6 INVESTMENT PROPERTIES (CONT'D)

The details of the investment properties as at 30 June 2025 are as follows:-

Group and Fund

Property	Date of acquisition	Date of valuation	Location	Tenure	Expiry date of leasehold land	Occupancy rates as at 30.06.2025 %	Fair value as at 30.06.2025 RM'000	Cost of investment properties RM'000	Percentage of fair value to NAV*1 as at 30.06.2025 %
KMT	06.02.2017	30.06.2025	Johor	Leasehold	24.09.2092	96.46	193,000	150,000	21.58
KMKT	06.02.2017	30.06.2025	Johor	Freehold	-	95.07	65,000	55,000	7.27
KMM	06.02.2017	30.06.2025	Johor	Leasehold	28.12.2108	95.94	197,000	157,000	22.03
KMSNW	06.02.2017	30.06.2025	Seremban	Freehold	-	96.07	30,000	38,000	3.36
KMMLK	06.02.2017	30.06.2025	Melaka	Leasehold	17.11.2112	97.51	66,000	50,000	7.38
KMBG	06.02.2017	30.06.2025	Selangor	Leasehold	14.07.2093	93.91	132,000	130,000	14.76
KMKW	08.02.2024	30.06.2025	Selangor	Freehold	-	100.00	103,000	80,000	11.52
DPULZE	12.12.2024	30.06.2025	Selangor	Freehold	-	100.00	328,000	320,000	36.68
AMKC	31.07.2019	30.06.2025	Perak	Freehold	-	100.00	258,000	208,000	28.85
TFVG	14.11.2024	30.06.2025	Perak	Leasehold	03.10.2112	100.00	17,000	14,800	1.90
KV5	14.12.2022	30.06.2025	Selangor	Leasehold	24.02.2097	100.00	28,000	27,000	3.13
KV9	14.12.2022	30.06.2025	Selangor	Leasehold	24.02.2097	100.00	29,000	28,000	3.24
KV3A	14.12.2022	30.06.2025	Selangor	Leasehold	24.02.2097	100.00	25,000	23,700	2.80
CR35	26.02.2025	30.06.2025	Selangor	Leasehold	30.12.2098	100.00	23,000	22,600	2.57
							1,494,000	1,304,100	

Notes:-
*1 Based on NAV after income distribution.

6 INVESTMENT PROPERTIES (CONT'D)

The fair value measurements using Level 3 inputs as at 30 June 2024 are as follows:-

Group and Fund

			Parameters				Sensitivity analysis on fair value measurements*	
Property	Valuation technique	Fair value RM'000	Term Capitalisation rate %	Reversionary Capitalisation rate %	Outgoings RM psf	Allowance for void %	Impact of lower rate RM'000	Impact of higher rate RM'000
KMT	Income approach	181,000	6.50	7.00	1.90	5.00	13,000	(11,000)
KMKT	Income approach	59,000	6.25	6.75	1.90	5.00	4,000	(4,000)
KMM	Income approach	187,000	6.50	7.00	1.80	5.00	14,000	(12,000)
KMSNW	Income approach	25,000	6.50	7.00	1.05	10.00	2,000	(2,000)
KMMLK	Income approach	60,000	6.50	7.00	1.30	5.00	5,000	(3,000)
KMBG	Income approach	128,000	6.50	7.00	0.90	5.00	9,000	(9,000)
KMKW	Income approach	88,000	6.50	7.00	1.60	5.00	7,000	(6,000)
AMKC	Income approach	254,000	6.25	6.75	0.18	10.00	20,000	(17,000)
KV5	Income approach	27,200	6.50	7.00	0.01	10.00	2,000	(1,700)
KV9	Income approach	28,300	6.50	7.00	0.01	10.00	2,100	(1,800)
KV3A	Income approach	24,100	6.50	7.00	0.01	10.00	1,800	(1,500)
		1,061,600					79,900	(69,000)

* Changes to capitalisation rates during the committed tenancy period ("term") and reversion periods by 50 basis points.

The details of the investment properties as at 30 June 2024 are as follows:-

Group and Fund

Property	Date of acquisition	Date of valuation	Location	Tenure	Expiry date of leasehold land	Occupancy rates as at 30.06.2024 %	Fair value as at 30.06.2024 RM'000	Cost of investment properties RM'000	Percentage of fair value to NAV*[1] as at 30.06.2024 %
KMT	06.02.2017	30.06.2024	Johor	Leasehold	24.09.2092	98.16	181,000	150,000	26.71
KMKT	06.02.2017	30.06.2024	Johor	Freehold	-	94.25	59,000	55,000	8.71
KMM	06.02.2017	30.06.2024	Johor	Leasehold	28.12.2108	97.19	187,000	157,000	27.60
KMSNW	06.02.2017	30.06.2024	Seremban	Freehold	-	30.36	25,000	38,000	3.69
KMMLK	06.02.2017	30.06.2024	Melaka	Leasehold	17.11.2112	97.57	60,000	50,000	8.85
KMBG	06.02.2017	30.06.2024	Selangor	Leasehold	14.07.2093	87.45	128,000	130,000	18.89
KMKW	08.02.2024	30.06.2024	Selangor	Freehold	-	98.89	88,000	80,000	12.99
AMKC	31.07.2019	30.06.2024	Perak	Freehold	-	100.00	254,000	206,813	37.48
KV5	14.12.2022	30.06.2024	Selangor	Leasehold	24.02.2097	100.00	27,200	27,000	4.01
KV9	14.12.2022	30.06.2024	Selangor	Leasehold	24.02.2097	100.00	28,300	28,000	4.18
KV3A	14.12.2022	30.06.2024	Selangor	Leasehold	24.02.2097	100.00	24,100	23,700	3.56
							1,061,600	945,513	

Notes:-
*[1] Based on NAV after income distribution.

7 INVESTMENT IN A SUBSIDIARY

	Fund	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	-*	-*

* Denotes RM2

Name of company	Principal activity	Place of incorporation	Group's effective interest (%) 2025	2024
KIP REIT Capital Sdn. Bhd.	A special purpose vehicle to raise financings for and on behalf of KIP REIT.	Malaysia	100	100

8 LEASES

(a) RIGHT OF USE ASSETS

	Office RM'000	Car park RM'000	Total RM'000
Group and Fund			
Carrying amount			
At 1 July 2024	207	1,071	1,278
Depreciation charged for the financial year	(55)	(214)	(269)
At 30 June 2025	152	857	1,009
Carrying amount			
At 1 July 2023	-	-	-
Addition during the financial year	221	1,253	1,474
Depreciation charged for the financial year	(14)	(182)	(196)
At 30 June 2024	207	1,071	1,278

NOTES TO THE FINANCIAL STATEMENTS

8 LEASES (CONT'D)

(b) LEASE LIABILITIES

	Office RM'000	Car park RM'000	Total RM'000
Group and Fund			
Carrying amount			
At 1 July 2024	208	1,096	1,304
Interest expense	8	45	53
Payment during the financial year	(60)	(226)	(286)
At 30 June 2025	156	915	1,071
Of which are:			
Current liabilities	68	235	303
Non-current liabilities	88	680	768
Interest expense	8	45	53
Total cash outflow for leases	(60)	(226)	(286)
Carrying amount			
At 1 July 2023	-	-	-
Addition during the financial year	221	1,253	1,474
Interest expense	2	34	36
Payment during the financial year	(15)	(191)	(206)
At 30 June 2024	208	1,096	1,304
Of which are:			
Current liabilities	52	181	233
Non-current liabilities	156	915	1,071
Interest expense	2	34	36
Total cash outflow for leases	(15)	(191)	(206)

9 TRADE AND OTHER RECEIVABLES

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets				
Deferred lease incentives	9,180	7,077	9,180	7,077
Other non-current assets	15,974	-	15,974	-
	25,154	7,077	25,154	7,077
Current assets				
Trade receivables	895	622	895	622
Less: Allowance for impairment of trade receivables (Note 25.1(b))	(199)	(162)	(199)	(162)
Trade receivables – net	696	460	696	460
Other receivables	4,504	1,969	4,504	1,969
Less: Allowance for impairment of trade receivables (Note 25.1(b))	(48)	(65)	(48)	(65)
Other receivables – net	4,456	1,904	4,456	1,904
Deposit recoverable	1,171	32,257	1,171	32,257
Amounts due from related companies	4	73	4	73
	5,631	34,234	5,631	34,234
Prepayments	1,282	2,078	1,282	2,078
	6,913	36,312	6,913	36,312
Current receivables	7,609	36,772	7,609	36,772
Total trade and other receivables	32,763	43,849	32,763	43,849

Other non-current assets pertain to the earnest deposit and directly attributable cost paid for the acquisition of investment properties upon the signing of the Sale and Purchase Agreement ("SPA"). The completion of the acquisition is subject to the fulfillment of conditions precedent in the SPA.

The carrying amounts of trade and other receivables as at 30 June 2025 and 2024 approximated their fair values.

The credit terms of trade receivables were seven (7) days (2024: 7 days).

The amounts due from related companies are unsecured, interest free and with credit terms of ninety (90) days (2024: 90 days).

NOTES TO THE FINANCIAL STATEMENTS

10 CASH AND BANK BALANCES

	Group		Fund	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash in hand	-*	-*	-	-
Bank balances	34,213	12,009	33,941	11,213
Short term deposits placed with licensed banks	22,868	22,883	7,865	12,940
Cash and bank balances	57,081	34,892	41,806	24,153
Less:				
Deposit with maturity period of more than 3 months	(589)	(572)	(589)	(572)
Cash and cash equivalents	56,492	34,320	41,217	23,581
Pledged deposits	17,398	12,252	2,396	2,309

* Denotes RM2

Bank balances are deposits held at call with banks and earns no interest.

The weighted average effective interest rate of short-term deposits placed with licensed banks that was effective at the reporting date was 3.39% per annum at Group and 3.00% per annum at Fund (2024: Group at 3.27% per annum and Fund at 3.02% per annum).

Short term deposits placed with licensed banks have an average maturity of 80 days at Group and 58 days at Fund (2024: Group at 60 days and Fund at 37 days).

The Group's short term deposits placed with licensed banks include a total of restricted amount of RM17.4 million (2024: RM12.2 million) which includes:

(i) the pledged deposits of RM2.4 million (2024: RM2.3 million) that relates to letter of guarantee issued by the Bank to Tenaga Nasional Berhad and Suruhanjaya Tenaga to guarantee the deposit payable by the Fund; and

(ii) an additional restricted amount of RM15.0 million (2024: RM9.9 million) which are maintained in a Debt Service Reserve Account to cover a minimum of six (6) months interest for Medium Term Notes ("MTN") granted to the Group (Note 12).

11 UNITHOLDERS' CAPITAL

	Group and Fund	
	2025 Number of units '000	**2024 Number of units '000**
Approved fund size:		
As at beginning of the financial year	618,630	606,360
11 December 2023	-	12,270
3 December 2024	180,000	-
As at end of the financial year	798,630	618,630

	Group and Fund			
	2025 Number of units '000	**2025 Value RM'000**	**2024 Number of units '000**	**2024 Value RM'000**
Issued and fully paid up:				
As at 1 July/30 June	798,630	730,496	618,630	583,626

12 BORROWINGS

	Group		Fund	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current (secured):				
STRC	12,000	-	12,000	-
MTN	4,844	314,159	-	-
Unamortised transaction cost	(441)	(290)	-	-
	16,403	313,869	12,000	-
Non-current (secured):				
MTN	608,000	110,000	-	-
Unamortised transaction cost	(1,627)	(543)	-	-
	606,373	109,457	-	-
Total borrowings	622,776	423,326	12,000	-

The trustee, on behalf of the Group and the Fund, as borrower, has obtained the credit facilities ("the Facilities") comprising the following:-

(a) MTN of up to RM608 million (2024: RM420 million); and
(b) A Short-term Revolving Credit ("STRC") of up to RM12 million (2024: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

12 BORROWINGS (CONT'D)

The weighted average effective interest rate as at the reporting date was as follows:-

	Group		Fund	
	2025	2024	2025	2024
	% per annum	% per annum	% per annum	% per annum
MTN	4.62	4.69	-	-
STRC	4.63	-	4.63	-

KIP REIT's wholly owned subsidiary, KIP REIT Capital Sdn. Bhd., has a Medium Term Note Programme ("MTN Programme") of up to RM2.0 billion in nominal value. It is a perpetual programme that commenced on 16 July 2019. Details of the MTN issued are set out as follows.

On 31 July 2019, KIP REIT Capital Sdn. Bhd. issued RM310.0 million MTN Issue 1.0 ("MTN1") in nominal value pursuant to the MTN Programme. The MTN1 of RM310.0 million was issued to re-finance KIP REIT's previous financing facilities, i.e., term loan (TL). Out of the total RM310.0 million issuance, RM210.0 million has been assigned a long-term final rating of AAA/Stable from RAM Rating Services Berhad ("RAM"). The expected maturity date is 5 years from the issuance date and the legal maturity date is 7 years from the issuance date. The transaction costs related to the MTN1 are amortised and charged to profit or loss over its expected tenure. Subsequently, MTN1 expired on 31 July 2024. MTN 1 was fully settled on 31 July 2024.

On 22 January 2024, KIP REIT Capital Sdn. Bhd. issued RM30.0 million MTN Issue 2.0 ("MTN2") in nominal value pursuant to the MTN Programme. The MTN2 of RM30.0 million was issued for working capital and repayment of short-term revolving credit ("STRC") of RM20.0 million. The MTN2 has a floating interest rate of 4.88% per annum and the expected maturity date is 5 years from the issuance date and the legal maturity date is 7 years from the issuance date. The transaction costs related to the MTN2 are amortised and charged to profit or loss over its expected tenure.

From MTN Programme of up to RM2.0 billion in nominal value, KIP REIT Capital Sdn. Bhd. has a term sheet of MTN of up to RM120.0 million under Issue 3 ("MTN3"). Details of the MTN3 issued are set out as follows:

On 8 February 2024, KIP REIT Capital Sdn. Bhd. issued total of RM48.0 million MTN3 in nominal value pursuant to the MTN Programme. The MTN3 of RM48.0 million was issued to finance the balance purchase consideration for KIPMall Kota Warisan. The MTN3 has a floating interest rate of 4.86% per annum. From the issuance of RM48.0 million, RM12.5 million has an expected maturity date of 5 years from the issuance date and a legal maturity date of 7 years from the issuance date, a further RM12.5 million has an expected maturity date of 6 years from issuance date and a legal maturity date of 8 years, whilst the remaining RM23.0 million has an expected maturity date of 7 years from issuance date and a legal maturity date of 9 years from the issuance date. The transaction costs related to the MTN3 are amortised and charged to profit or loss over its expected tenure.

On 4 June 2024, KIP REIT Capital Sdn. Bhd. issued RM32.0 million MTN Issue 3.0 Tranche 2 ("MTN3-T2") in nominal value pursuant to the MTN Programme. The MTN3-T2 of RM32.0 million was issued to partial finance the purchase consideration for DPulze Shopping Centre. The RM32.0 million has floating interest rate of 4.86% per annum. From the issuance of RM32.0 million, RM8.3 million has an expected maturity date of 5 years from the issuance date and a legal maturity date of 7 years from the issuance date, a further RM8.3 million has an expected maturity date of 6 years from issuance date and a legal maturity date of 8 years, whilst the remaining RM15.4 million has an expected maturity date of 7 years from issuance date and a legal maturity date of 9 years from the issuance date. The transaction costs related to the MTN3-T2 are amortised and charged to profit or loss its expected tenure.

12 BORROWINGS (CONT'D)

On 31 July 2024, KIP REIT Capital Sdn. Bhd. raised RM340.0 million MTN Issue 4.0 ("MTN4") in nominal value pursuant to the MTN Programme. The MTN4 of RM340.0 million was issued to refinance KIP REIT's MTN1 amounting to RM310.0 million, whilst the remaining RM30.0 million was issued for working capital purposes. Out of the total RM340.0 million issuance of MTN4, RM240 million has been assigned a long-term final rating of AAA/Stable from RAM at a fixed interest rate of 4.17% per annum, whilst the remaining of RM100 million has a floating interest rate of 4.77% per annum. The MTN4 has an expected maturity date of 5 years from the issuance date and a legal maturity date is 7 years from the issuance date. The transaction costs related to the MTN4 are amortised and charged to profit or loss over its expected tenure.

From MTN Programme of up to RM2.0 billion in nominal value, KIP REIT Capital Sdn. Bhd. has a term sheet of MTN of up to RM200.0 million under Issue 5 ("MTN5"). Details of the MTN5 issued are set out as follows:

On 12 December 2024, KIP REIT Capital Sdn. Bhd. issued total of RM148.0 million MTN5 in nominal value pursuant to the MTN Programme. The MTN5 of RM148.0 million was issued to finance the balance purchase consideration for DPulze Shopping Centre. The RM148.0 million has floating interest rate of 5.04% per annum and has an expected maturity date of 5 years from the issuance date and a legal maturity date of 7 years from the issuance date. The transaction costs related to the MTN5 are amortised and charged to profit or loss over its expected tenure.

On 16 April 2025, KIP REIT Capital Sdn. Bhd. issued RM10.0 million MTN Issue 5.0 Tranche 2 ("MTN5-T2") in nominal value pursuant to the MTN Programme. The MTN5-T2 of RM10.0 million was issued to partially finance purchase consideration for KIPMall Desa Coalfields and KIPMall Kuantan. The RM10.0 million has floating interest rate of 5.04% per annum and has an expected maturity date of 5 years from the issuance date and a legal maturity date of 7 years from the issuance date. The transaction costs related to the MTN5-T2 are amortised and charged to profit or loss over its expected tenure.

The MTN is secured over the investment properties including KIPMall Tampoi, KIPMall Kota Tinggi, KIPMall Masai, KIPMall Melaka, KIPMall Bangi, KIPMall Kota Warisan, DPulze Shopping Centre, AMKC, KV5, KV3A and KV9 and pledged deposits as indicated in Note 6 and Note 10 to the financial statements. The STRC is secured by a legal charge over KIPMall Senawang.

13 PAYABLES AND ACCRUALS

		Group		Fund	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current payables					
Tenants' deposits	a	22,482	12,185	22,482	12,185
Amount due to a subsidiary	b	-	-	595,501	108,404
		22,482	12,185	617,983	120,589
Current payables					
Trade payables	c	1,439	398	1,439	398
Tenants' deposits	a	17,740	17,823	17,740	17,823
		19,179	18,221	19,179	18,221
Amount due to a subsidiary	b	-	-	-	304,234
Other payables and accrued expenses		16,061	3,283	16,061	3,232
Amount due to related company	d	1,327	-	1,327	-
Total current payables and accruals		36,567	21,504	36,567	325,687
Total payables and accruals		59,049	33,689	654,550	446,276

NOTES TO THE FINANCIAL STATEMENTS

13 PAYABLES AND ACCRUALS (CONT'D)

(a) Tenants' deposits are in respect of refundable deposits received from tenants for tenancy related agreements. Tenancy tenures are generally for a period of one (1) to four (4) years (2024: one (1) to three (3) years) except for industrial properties for a period of thirteen (13) years (2024: fourteen (14) years).

(b) Amount due to a subsidiary is deemed as a borrowing as it represents advances from KIP REIT Capital Sdn. Bhd. on the MTN issuance of RM608 million (2024: RM424 million) (refer to Note 12). The expected repayment period mirrors the MTN maturity dates.

(c) Credit terms for trade payables range from 30 days to 60 days (2024: 30 days to 60 days).

(d) Amount due to related company is unsecured, interest free and repayable on demand.

14 GROSS REVENUE

	Group and Fund	
	2025 RM'000	**2024 RM'000**
Lease income:		
Gross rental income	113,804	91,358
Promotion area	6,115	3,960
	119,919	95,318
Revenue from contracts with customers:		
Utilities reimbursement	12,158	6,235
Car park	2,548	-
Property related income and other advertising income	1,508	606
	16,214	6,841
Gross revenue	136,133	102,159
Revenue from contracts with customers is represented by:		
Point in time	4,056	606
Over time	12,158	6,235
	16,214	6,841

Gross rental income included variable lease payments related to sales generated from tenants which approximates to 3.91% (2024: 1.27%) of gross rental income. There are no other variable lease payments that depends on an index or rate.

15 REIMBURSEMENT COSTS

Included in reimbursement costs are the following expenses:-

	Group and Fund	
	2025 RM'000	**2024 RM'000**
Staff salaries	5,270	3,559
Bonus	704	152
Statutory contribution	904	575
Training expenses	11	29
Others	519	162
	7,408	4,477

The reimbursement cost is in relation to staff costs and expenses incurred by the service provider, KIP Property Services Sdn. Bhd. for the provision of services in managing KIP REIT's operation, maintenance, management and marketing of the investment properties.

16 MANAGER'S MANAGEMENT FEES

	Group and Fund	
	2025 RM'000	**2024 RM'000**
Base fee	12,200	5,806
Performance fee	2,835	1,229
Acquisition fee*	-	-
	15,035	7,035

During the financial year, the Manager received a base fee of 0.8% (2024: 0.6%) per annum of the Total Asset Value (excluding cash and bank balances which are held in non-interest bearing accounts) of KIP REIT, an acquisition fee of 1% (2024: 1%) of acquisition price, and a performance fee of 3.0% (2024: 1.0%) per annum of Net Property Income.

For the financial year ended 30 June 2025, 91% (2024: 100%) of the total Manager's management fees has been paid in cash.

*The acquisition fee was capitalised as part of the acquisition cost of investment properties.

17 BORROWING COSTS

	Group		Fund	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Interest on advances from a subsidiary	-	-	24,352	16,002
Interest on borrowings	24,538	16,399	186	397
Amortisation of transaction cost	389	290	389	290
	24,927	16,689	24,927	16,689

NOTES TO THE FINANCIAL STATEMENTS

18 TAXATION

The explanation of the relationship between tax expense and profit before taxation is as follows:

	Group and Fund	
	2025 RM'000	2024 RM'000
Reconciliation of tax expense		
Profit before taxation	115,135	47,314
Income tax using Malaysian tax rate of 24% (2024: 24%)	27,632	11,355
Non-deductible expenses	2,165	1,633
Utilisation of previously unrecognised deductible temporary differences	(8,174)	(2,244)
Non-taxable income	(15,613)	(1,839)
Effect of income exempted from tax	(6,010)	(8,905)
	-	-

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 subject 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 income distribution to unitholders for the financial year ended 30 June 2025 is more than 90% of total distributable income, no provision for income taxation has been made for the current year.

19 EARNINGS PER UNIT ("EPU") - BASIC AND DILUTED

The calculation of EPU is based on total comprehensive income attributable to unitholders divided by the weighted average number of units.

	Group and Fund	
	2025 RM'000	2024 RM'000
Total comprehensive income		
- Realised	51,265	44,467
- Unrealised	63,870	2,847
Total	115,135	47,314
Weighted average number of units ('000)		
Weighted average number of units in issue	722,192	613,165
Weighted average number of units for diluted EPU	722,192	613,165
Basic/Diluted EPU (sen)		
- Realised	7.0985	7.2520
- Unrealised	8.8439	0.4643
Total	15.9424	7.7163

Dilutive earnings per unit equals to basic earnings per unit as there are no potential dilutive units in issue.

20 DISTRIBUTION TO UNITHOLDERS

		Group and Fund	
		2025 RM'000	2024 RM'000
Total comprehensive income		115,135	47,314
Distribution adjustments	(a)	(62,412)	(1,737)
Distributable income		52,723	45,577
Distributions proposed and declared:			
Distribution per unit (sen)			
- for the period from 1 July 2023 to 30 September 2023		-	1.550
- for the period from 1 October 2023 to 31 December 2023		-	1.550
- for the period from 1 January 2024 to 31 March 2024		-	1.600
- for the period from 1 April 2024 to 30 June 2024		-	1.965
- for the period from 1 July 2024 to 30 September 2024		1.522	-
- for the period from 1 October 2024 to 30 November 2024		1.180	-
- for the period from 1 December 2024 to 31 December 2024		0.480	-
- for the period from 1 January 2025 to 31 March 2025		1.600	-
- for the period from 1 April 2025 to 30 June 2025		2.018	-
		6.800	6.665
Sources of distributions			
Net property income		96,823	77,817
Interest income		1,132	857
Changes in fair value on investment properties		61,767	(4,230)
		159,722	74,444
Less: Expenses		(44,587)	(27,130)
Total comprehensive income		115,135	47,314
Distribution adjustments	(a)	(62,412)	(1,737)
Prior year realised gain		26,156	20,076
Distributable income carried forward		78,879	65,653
Distribution of:			
- 1.750 sen for the period from 1 April 2023 to 30 June 2023		-	(10,611)
- 1.550 sen for the period from 1 July 2023 to 30 September 2023		-	(9,399)
- 1.550 sen for the period from 1 October 2023 to 31 December 2023		-	(9,589)
- 1.600 sen for the period from 1 January 2024 to 31 March 2024		-	(9,898)
- 1.965 sen for the period from 1 April 2024 to 30 June 2024		(12,156)	-
- 1.522 sen for the period from 1 July 2024 to 30 September 2024		(9,416)	-
- 1.180 sen for the period from 1 October 2024 to 30 November 2024		(7,300)	-
- 0.480 sen for the period from 1 December 2024 to 31 December 2024		(3,833)	-
- 1.600 sen for the period from 1 January 2025 to 31 March 2025		(12,778)	-
Distributions recognised in statements of changes in net assets value		(45,483)	(39,497)
Income retained		33,396	26,156

NOTES TO THE FINANCIAL STATEMENTS

20 DISTRIBUTION TO UNITHOLDERS (CONT'D)

	Group and Fund	
	2025 RM'000	2024 RM'000
Note (a):-		
Distribution adjustments comprise:-		
Amortisation of transaction costs	389	290
Depreciation of equipment	562	554
Depreciation for right of use assets	269	196
Interest expense on lease liabilities	53	36
Deferred lease incentives	(2,103)	(7,077)
Changes in fair value on investment properties	(61,767)	4,230
Provision/(Reversal) for impairment on receivables	20	(47)
Bad debts written off	106	59
Rental rebate	59	22
	(62,412)	(1,737)

The final distributable income for the 3 months ended 30 June 2025 is proposed to be 2.018 sen per unit for the period from 1 April 2025 to 30 June 2025, which was declared on 8 August 2025 and is payable on 29 August 2025. The financial statements for the current year ended 30 June 2025 do not reflect this final distributable income. This will be accounted in the statement of changes in net asset value as an appropriation of retained earnings in the next financial year ending 30 June 2026.

Withholding tax will be deducted for distributions as follows:-

	Withholding Tax rate	
	2025	2024
Resident corporate	N/A^	N/A^
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	24%	24%
Non-resident institutional	10%	10%

^ to tax at prevailing rate

21 PORTFOLIO TURNOVER RATIO

	Group and Fund	
	2025	2024
Portfolio Turnover Ratio ("PTR") (times)	0.44	0.12

The calculation of PTR is based on the average value of total acquisitions and disposals of investments in KIP REIT for the financial year to the average NAV during the financial year which is calculated on a quarterly basis.

Since the basis of calculating PTR can vary among REITs, there is no consistent or coherent basis for providing an accurate comparison of KIP REIT's PTR against other REITs.

22 MANAGEMENT EXPENSE RATIO

	Group and Fund	
	2025	2024
Management expense ratio ("MER") (%)	2.45%	1.56%

The calculation of the MER is based on the Fund's total operating expenses (Manager's management fees, trustees' fees, auditors' remuneration, valuers' fee and other trust expenses) incurred for the financial year ended 30 June 2025 to the average NAV (after income distribution) as at 30 June 2025, which is in accordance with the REIT Guidelines.

Since the basis of calculating MER can vary among REITs, there is no consistent or coherent basis for providing an accurate comparison of KIP REIT's MER against other REITs.

23 SEGMENT REPORTING

The senior management team makes the strategic resource allocations on behalf of the Manager. The Manager has determined the operating segments based on the reports reviewed by the senior management team that are used to make strategic decisions.

The operating segments is determined to be both business and geographical segments perspective as the Group's risks and rates of return are affected predominantly by differences in net property income ("NPI") margin from different product and services provided in different markets.

The Group comprises the following business segments:

(a) Retail - renting of retail premises to tenants, with three main geographical areas based on the location of the Group's assets:

- (i) Central region - the operations in this region include KIPMall Bangi, KIPMall Senawang, KIPMall Kota Warisan and DPulze Shopping Centre;
- (ii) Southern region - the operations in this region include KIPMall Melaka, KIPMall Tampoi, KIPMall Masai and KIPMall Kota Tinggi; and
- (iii) Northern region - the operations in this region include AEON Mall Kinta City and TF Value-Mart Gerik.

(b) Industrial - renting of industrial premises to tenants

With the expansion of the Group's portfolio of investment properties, the business segments have been reassessed and identified as Retail segment, comprising Central region, Southern region and Northern region, and Industrial segment. The comparatives for segmental information have been restated to be consistent with the present reporting structure.

Revenue derived from the Northern region amount to approximately 14.2% (2024: 22.5%) of total gross revenue are derived from a single tenant.

The Manager assesses the financial performance of the operating segments based on, including but not limited to, NPI and NPI margin. The NPI enables financial performance benchmarking as such basis eliminates the effect of financing and investment decisions which may not be made at operating level.

NOTES TO THE FINANCIAL STATEMENTS

23 SEGMENT REPORTING (CONT'D)

Geographical segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by geographical segments:-

	Retail				Industrial	Total
	Southern region RM'000	**Central region RM'000**	**Northern region RM'000**	**Total RM'000**	**RM'000**	**Group 2025 RM'000**
Revenue						
Lease income	49,260	44,300	18,619	112,179	5,637	117,816
Deferred lease incentives	-	-	735	735	1,368	2,103
Revenue from contracts with customers	4,752	11,462	-	16,214	-	16,214
Gross revenue	54,012	55,762	19,354	129,128	7,005	136,133
Segmental net property income	37,862	33,297	18,703	89,862	6,961	96,823
Changes in fair value on investment properties	32,959	24,506	3,229	60,694	1,073	61,767
Interest income	450	340	264	1,054	78	1,132
Borrowing costs	(9,572)	(8,440)	(5,186)	(23,198)	(1,729)	(24,927)
Trust and other expenses	(7,793)	(6,918)	(3,663)	(18,374)	(1,286)	(19,660)
Profit before taxation	53,906	42,785	13,347	110,038	5,097	115,135
Taxation	-	-	-	-	-	-
Total comprehensive income attributable to unitholders	53,906	42,785	13,347	110,038	5,097	115,135
Assets						
Segment assets	524,248	596,263	275,130	1,395,641	105,226	1,500,867
Unallocated assets						
- Cash and bank balances						57,081
- Trade and other receivables						19,099
Total assets						1,577,047
Liabilities						
Segment liabilities	124,992	253,951	215,217	594,160	47,270	641,430
Unallocated liabilities						
- Payables and accruals						4,926
- Borrowings						36,540
Total liabilities						682,896
Other segment information						
Additions to non-current assets:						
- Acquisition of investment properties	-	320,000	14,800	334,800	22,600	357,400
- Asset enhancement of investment properties	1,041	7,495	2,236	10,772	358	11,130
- Purchase of equipment	292	238	-	530	-	530

23 SEGMENT REPORTING (CONT'D)

Geographical segments (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by geographical segments:- (Cont'd)

	Retail				Industrial	Total
	Southern region RM'000	**Central region RM'000**	**Northern region RM'000**	**Total RM'000**	**RM'000**	**Group 2024 RM'000**
Revenue						
Lease income	39,996	25,192	17,918	83,106	5,135	88,241
Deferred lease incentives	-	-	5,109	5,109	1,968	7,077
Revenue from contracts with customers	2,226	4,615	-	6,841	-	6,841
Gross revenue	42,222	29,807	23,027	95,056	7,103	102,159
Segmental net property income	31,973	16,408	22,385	70,766	7,051	77,817
Changes in fair value on investment properties	1,994	1,584	(6,140)	(2,562)	(1,668)	(4,230)
Interest income	410	182	243	835	22	857
Borrowing costs	(5,393)	(3,415)	(6,616)	(15,424)	(1,265)	(16,689)
Trust and other expenses	(4,515)	(3,079)	(2,269)	(9,863)	(578)	(10,441)
Profit before taxation	24,469	11,680	7,603	43,752	3,562	47,314
Taxation	-	-	-	-	-	-
Total comprehensive income attributable to unitholders	24,469	11,680	7,603	43,752	3,562	47,314
Assets						
Segment assets	430,186	302,700	254,410	987,296	79,600	1,066,896
Unallocated assets						
- Cash and bank balances						34,892
- Trade and other receivables						34,160
Total assets						1,135,948
Liabilities						
Segment liabilities	79,547	137,885	207,510	424,942	23,034	447,976
Unallocated liabilities						
- Payables and accruals						2,804
- Borrowings						7,539
Total liabilities						458,319
Other segment information						
Additions to non-current assets:						
- Acquisition of investment properties	-	80,000	-	80,000	-	80,000
- Asset enhancement of investment properties	2,006	11,416	1,031	14,453	-	14,453
- Purchase of equipment	170	270	-	440	-	440

24 FINANCIAL INSTRUMENTS

	Note	Group 2025 RM'000	Group 2024 RM'000	Fund 2025 RM'000	Fund 2024 RM'000
Financial assets at amortised cost					
Assets as per statement of financial position:-					
Trade and other receivables (excluding prepayment and deferred lease liabilities)	9	6,327	34,234	6,327	34,234
Cash and bank balances	10	57,081	34,892	41,806	24,153
Total financial assets		63,408	69,126	48,133	58,387
Financial liabilities at amortised cost					
Liabilities as per statement of financial position:-					
Borrowings	12	622,776	423,326	12,000	-
Trade and other payables	13	52,586	33,689	648,087	446,276
Total financial liabilities		675,362	457,015	660,087	446,276

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

25.1 Financial risk factors

KIP REIT's activities expose it to a variety of financial risks: interest rate risk (including fair value interest rate risk), credit risk and liquidity and cash flow risk. KIP REIT's overall financial risk management objective is to ensure that it creates value for its unitholders. KIP REIT focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the financial performance of KIP REIT. Financial risk management is carried out through risk reviews and internal control systems. The Manager regularly reviews the risk profile and ensure adherence to the KIP REIT's financial risk management policies.

(a) Interest rate risk

KIP REIT's exposure to changes in interest rates relate primarily to interest-earning financial assets and interest bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movements in interest rate.

For the purpose of this disclosure, only the Group level interest rate risk is disclosed as the risk at Fund level mirrors the Group's exposure, being the exposure to the MTN and STRC (refer note 12 and 13 for more details).

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.1 Financial risk factors (Cont'd)

(a) Interest rate risk (Cont'd)

The interest rate profile of KIP REIT's significant interest bearing financial instruments, based on carrying amounts as at the end of reporting period is as follows:-

	Group 2025 RM'000	Group 2024 RM'000
Fixed rate instrument		
MTN - rated	240,000	210,000
Floating rate instrument		
STRC	12,000	-
MTN - unrated	368,000	210,000

Interest rate risk sensitivity analysis

If the interest rates have been higher or lower and all other variables were held constant, the Group's profit after taxation for the financial year would increase or decrease accordingly as a result from the Group's exposure to interest rates on its borrowing which is not hedged. The Group has performed the following interest rate sensitivity analysis to show the Group's sensitivity to interest rates exposure:

	Group 2025 RM'000	Group 2024 RM'000
Floating rate instrument		
25 basis point increase	(950)	(525)
25 basis point decrease	950	525

(b) Credit risk

Credit risk is the risk of a financial loss to KIP REIT if the tenants or counterparty to a financial instrument fails to meet its contractual obligations. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

KIP REIT is not exposed to significant credit risk. The risk of non-collectability of monthly rentals is also mitigated with rental deposits collected from the tenants. Other than AEON from AMKC, which contributes to 15.4% (2024: 24.1%) of the rental income, the Group and the Fund do not have any significant exposure to any individual or group of tenants or counterparties.

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

Simplified approach for trade receivables

The Group and the Fund apply simplified approach which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. To measure the expected credit loss, the expected loss rates are based on the historical payment profiles of tenants and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the tenants to settle the receivables. The Group and the Fund have identified the credit profile and sales performance of tenants to be the most relevant forward looking factors, and accordingly adjusted the historical loss rates based on expected changes in these factors. The Group and the Fund have determined the default rate for trade receivables based on their historical default rate and applied the historical default rate on trade receivables balance in the financial year.

Credit risk with respect to trade receivables is limited due to the nature of business which is mainly rental related and cash-based. Furthermore, the tenants have placed security deposits in the form of cash which act as collateral. In view of the above, no additional credit risk beyond amounts allowed for collection losses is inherent in KIP REIT's trade receivables.

Bank deposits are placed with licensed financial institutions with high credit ratings assigned by credit rating agencies. Hence, the risk of material loss in the event of non-performance by a financial counterparty could be considered to be unlikely.

General 3-stage approach for other receivables and non-trade intercompany receivables

The other receivables and non-trade intercompany receivables impairment is assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs.

The analysis of credit risk exposure of trade and other receivables are as follows:-

Group and Fund

	As at June 2025 RM'000	Not past due RM'000	0-31 days RM'000	32-61 days RM'000	62-91 days RM'000	92-181 days RM'000	>181 days RM'000
Trade receivables (gross)	895	-	647	31	7	24	186
Impairment	(199)	-	-	-	-	(13)	(186)
	696	-	647	31	7	11	-
Expected loss rate						53.4%	100.0%
Non-trade receivables (gross)	4,504	4,371	56	8	4	12	53
Impairment	(48)	-	-	-	-	-	(48)
	4,456	4,371	56	8	4	12	5
Expected loss rate						-	90.7%

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

The analysis of credit risk exposure of trade and other receivables are as follows:- (Cont'd)

Group and Fund (Cont'd)

	As at June 2024 RM'000	Not past due RM'000	0-31 days RM'000	32-61 days RM'000	62-91 days RM'000	92-181 days RM'000	>181 days RM'000
Trade receivables (gross)	622	-	196	144	56	62	164
Impairment	(162)	-	-	-	-	(20)	(142)
	460	-	196	144	56	42	22
Expected loss rate						31.9%	86.4%
Non-trade receivables (gross)	1,969	1,743	77	45	10	17	77
Impairment	(65)	-	-	-	-	(4)	(61)
	1,904	1,743	77	45	10	13	16
Expected loss rate						25.7%	79%

The movement of provision for impairment on receivables is as follows:-

	Group and Fund 2025 RM'000	2024 RM'000
Trade		
As at 1 July	163	186
Provision for impairment on receivables	36	-
Reversal for impairment on receivables	-	(23)
As at 30 June	199	163
Non-trade		
As at 1 July	64	88
Reversal for impairment on receivables	(16)	(24)
As at 30 June	48	64

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

NOTES TO THE FINANCIAL STATEMENTS

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.1 Financial risk factors (Cont'd)

(c) Liquidity and cash flow risk

The rolling forecasts of liquidity requirements are monitored to ensure there is sufficient cash to meet operational needs while maintaining sufficient headroom on the committed borrowing facilities (Note 12).

Adequate cash, cash equivalents and bank facilities are maintained and monitored to finance the operations, to distribute income to unitholders, and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the REIT Guidelines concerning limits on total borrowings of the investment trust.

Cash and cash equivalents as at 30 June 2025 of RM56.5 million (2024: RM34.3 million) are expected to assist in the liquidity and cash flow risk management.

The analysis of the non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date are as follows:-

	<1 year RM'000	1 to 2 years RM'000	2 to 3 years RM'000	>3 years RM'000	Total RM'000
Group					
At 30 June 2025					
Borrowings	40,463	28,093	28,093	644,131	740,780
Payables and accruals	36,567	22,482	-	-	59,049
Lease liabilities	286	297	264	329	1,176
Fund					
At 30 June 2025					
Borrowings	12,370	-	-	-	12,370
Amount due to a subsidiary	28,093	28,093	28,093	644,131	728,410
Payables and accruals	36,567	22,482	-	-	59,049
Lease liabilities	286	297	264	329	1,176
Group					
At 30 June 2024					
Borrowings	321,690	5,384	5,384	115,384	447,842
Payables and accruals	21,504	12,185	-	-	33,689
Lease liabilities	286	297	264	329	1,176
Fund					
At 30 June 2024					
Amount due to a subsidiary	321,690	5,384	5,384	115,384	447,842
Payables and accruals	21,504	12,185	-	-	33,689
Lease liabilities	286	297	264	329	1,176

Note: The amounts are contractual and undiscounted cash flows.

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.2 Capital risk management

Capital is the unitholders' capital and borrowings from bank and intercompany, as shown in the statement of financial position.

The overall capital management objectives are to safeguard the ability to continue as a going concern in order to provide returns for unitholders and other stakeholders as well as to maintain a more efficient capital structure.

The Manager's on-going capital management strategy involves maintaining an appropriate gearing level and adopting an active interest rate management strategy to manage the risks associated with refinancing and changes in interest rates. The Manager intends to implement this strategy by:

(i) diversifying sources of debt funding to the extent appropriate,
(ii) maintaining a reasonable level of debt service capability,
(iii) securing favourable terms of funding,
(iv) managing its financial obligations, and
(v) where appropriate, managing the exposures arising from adverse market interest rates, such as through fixed rate borrowings, to improve the efficiency for the cost of capital.

Amount due to a subsidiary (Note 13) is deemed as a borrowing as it represents advances of MTN proceeds from the subsidiary.

The total borrowings to total assets ratio is as follows:-

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total borrowings	622,776	423,326	607,501	412,638
Total assets	1,577,047	1,135,948	1,561,772	1,125,209
Borrowings to total assets ratio (%)	39.49%	37.27%	38.90%	36.67%

The total borrowings should not exceed 50% of the total assets at the time the borrowings are incurred in accordance with the REIT Guidelines. The total borrowings include the MTN proceeds from the bank, the advances of MTN proceeds from the subsidiary and the STRC proceeds from the bank. The Group and the Fund complied with the borrowing limit requirement for the financial year ended 30 June 2025 and 30 June 2024.

The Deeds provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of KIP REIT's distributable income. It is the intention of the Manager to distribute at least 90% of KIP REIT's distributable income on a quarterly basis (or such other interval as determined by the Manager at its absolute discretion).

25.3 Fair value

The assets and liabilities measured at fair value and classified by level of the fair value measurement hierarchy are as follows:-

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

25.3 Fair value (Cont'd)

	Level 3	
	2025 RM'000	**2024 RM'000**
Recurring fair value measurements:		
Investment properties	1,494,000	1,061,600
Less: Deferred lease incentives	(9,180)	(7,077)
Net investment properties	1,484,820	1,054,523

Level 3 fair values of the investment properties have been derived from the income approach based on valuations performed by the Valuers, who holds a relevant professional qualification and has recent experience in the locations and categories of the investment properties valued. The valuation techniques, significant parameters and movement in fair values are as disclosed in Note 6.

Assets and liabilities not carried at fair value

The carrying amounts of financial assets and liabilities that are not carried at fair value as at reporting date approximate their fair values. The fair value of tenants' deposits received from tenants at the reporting date is not materially different from their carrying value as the impact of discounting is not expected to be significant. For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

26 SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions are carried out in the normal course of business on terms and conditions negotiated between the contracting parties.

Related party	Relationship
KIP REIT Management Sdn. Bhd.	REIT Manager
KIP REIT Capital Sdn. Bhd.	Subsidiary Company
KIP Property Services Sdn. Bhd.	Common Shareholder
Teju Logistic Sdn. Bhd.	Common Shareholder
Hextar Chemicals Sdn. Bhd.	Common Shareholder
Cahaya Serijaya Sdn. Bhd.	Common Shareholder
Sin Chee Heng Sdn. Bhd.	Common Shareholder

KIP REIT Management Sdn. Bhd. is jointly controlled by KIP REIT's substantial unitholders, Dato' Ong Kook Liong and Dato' Ong Choo Meng.

KIP Property Services Sdn. Bhd. is controlled by KIP REIT's substantial unitholder, Dato' Ong Kook Liong.

Teju Logistic Sdn. Bhd. is controlled by KIP REIT's substantial unitholder, Dato' Ong Choo Meng; Hextar Chemicals Sdn. Bhd. and Sin Chee Heng Sdn. Bhd. which are ultimately controlled by KIP REIT's substantial unitholder, Dato'Ong Choo Meng.

26 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	Group		Fund	
Significant related parties transactions for the financial year:	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Rental income derived from				
Teju Logistic Sdn. Bhd.	3,380	3,379	3,380	3,379
Hextar Chemicals Sdn. Bhd.	1,755	1,755	1,755	1,755
Sin Chee Heng Sdn. Bhd.	502	-	502	-
Rental income reimbursement from				
Cahaya Serijaya Sdn. Bhd.	-	1,310	-	1,310
Purchases of services				
1) Reimbursement cost				
- KIP Property Services Sdn. Bhd.	7,465	4,477	7,465	4,477
- Cahaya Serijaya Sdn. Bhd.	960	661	960	661
2) Management fees				
- KIP REIT Management Sdn. Bhd.	15,035	7,035	15,035	7,035
3) Interest on advances from a subsidiary				
- KIP REIT Capital Sdn. Bhd.	-	-	24,352	16,292
4) Acquisition on investment properties				
- Cahaya Serijaya Sdn. Bhd.	-	80,000	-	80,000
- Sin Chee Heng Sdn. Bhd.	22,600	-	22,600	-
Significant related parties balances as at reporting date:				
Amounts due from				
KIP REIT Management Sdn. Bhd.	-	41	-	41
KIP Property Services Sdn. Bhd.	4	32	4	32
Amount due to				
KIP REIT Management Sdn. Bhd.	1,327	-	1,327	-
KIP REIT Capital Sdn. Bhd.	-	-	595,501	412,638

The amounts due from related parties are mainly due to advance payment in relation to operation of investment properties.

The amount due to related parties are related to services rendered by the related company, as well as advances pertaining to MTN issuance (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

27 OPERATING LEASES

Leases as lessor

The Group and the Fund lease out the investment properties (Note 6) under operating leases. Subject to full receipts and/or recoveries of all trade receivables, and assuming no existing tenancies are prematurely terminated, all expiring tenancies will be renewed at the same passing rent rates and no rental support, incentive or waiver will be given to tenants.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group and Fund	
	2025 RM'000	2024 RM'000
No later than 1 year	99,148	39,003
Later than 1 year but no later than 2 years	61,752	52,077
Later than 2 years but no later than 3 years	33,630	39,823
Later than 3 years but no later than 4 years	28,856	28,763
Later than 4 years but no later than 5 years	29,088	29,132
Later than 5 years	85,230	78,002

28 CAPITAL COMMITMENT

	Group and Fund	
Significant capital expenditure commitments:	2025 RM'000	2024 RM'000
Investment properties		
Contracted but not provided for and payable:		
More than one year but less than two years		
KIPMall Bangi Facelift	1,268	1,217
KIPMall Senawang	498	1,087
DPulze Shopping Centre	-	288,000
KIPMall Tampoi	787	-
KIPMall Kota Warisan	434	-
KIPMall Kota Tinggi	24	-
KIPMall Melaka Footfall	27	-
KIPMall Desa Coalfields and Kuantan	106,200	-
Three (3) Industrial Properties (Bintulu, Johor, Port Klang)	71,915	-

29 SIGNIFICANT EVENTS DURING THE YEAR

(a) Refinance MTN1 to MTN4

On 31 July 2024, KIP REIT Capital Sdn. Bhd. raised RM340.0 million MTN Issue 4 ("MTN4") in nominal value pursuant to the MTN Programme. The MTN4 of RM340.0 million was issued to refinance KIP REIT's MTN1 amounting to RM310.0 million. Out of the total RM340.0 million issuance of MTN4, RM240.0 million has been assigned a long-term final rating of AAA/Stable from RAM Rating Services Berhad. The MTN4 is expected maturity date is 5 years from the issuance date and the legal maturity date is 7 years from the issuance date. The transaction costs related to the MTN4 are amortised and charged to profit or loss over its expected tenure.

29 SIGNIFICANT EVENTS DURING THE YEAR (CONT'D)

(b) Acquisition of DPulze Shopping Centre

On 27 May 2024 and 30 May 2024, the Manager announced that the Trustee of 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 proposed 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 RM172.3 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.

(c) Completion of private placements

On 27 May 2024 and 30 May 2024, the Manager announced that the Board proposed 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 volume weighted average market price ("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.

(d) Acquisition of TF Value-Mart, Gerik, Perak

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

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

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

On 29 August 2024, the Manager announced that the Trustee of 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.

NOTES TO THE FINANCIAL STATEMENTS

29 SIGNIFICANT EVENTS DURING THE YEAR (CONT'D)

(e) Proposed acquisition of 4 Industrial Properties (Port Klang, Cheras, Bintulu, Johor) (Cont'd)

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.

On 23 January 2025, the Manager announced that unitholders of KIP REIT had at the Unitholders' Meeting convened and held on 23 January 2025, approved the four (4) Proposed Acquisitions as announced on 29 August 2024.

On 27 February 2025, the Manager announced that the Trustee of KIP REIT had completed the Proposed Acquisition 1 in Cheras on 26 February 2025 with the terms and conditions of the SPA dated 29 August 2024 and 25 February 2025.

On 28 May 2025, the Manager announced that the Trustee mutually agreed to extend the conditional period of the Proposed Acquisition 3 and 4 from 28 May 2025 until 28 August 2025 to fulfil the remaining conditions precedent of the SPA dated 29 August 2024 and 25 February 2025.

On 28 July 2025, the Manager announced that the proposed acquisitions 2 and 4 had become unconditional on 25 July 2025, upon the fulfillment of conditions precedent.

(f) Proposed acquisition of 4 Retail Properties (KIPMall Desa Coalfields and KIPMall Kuantan - Lotus's Indera Mahkota, 3 units of double storey shop office and lower ground car park, a double storey commercial building)

On 9 April 2025, the Manager announced that the Trustee of KIP REIT has entered into four (4) proposed acquisitions.

For proposed acquisition 1, KIP REIT entered into a conditional sale and purchase agreement with Senz Yang Realty Sdn Bhd for the proposed acquisition of KIPMall Desa Coalfields for a cash purchase consideration of RM62 million.

For proposed acquisition 2, KIP REIT entered into a conditional sale and purchase agreement with Genuine Icon Sdn Bhd for the proposed acquisition of Retail Property (Lotus's Indera Mahkota) located in Kuantan for a cash purchase consideration of RM39 million.

For proposed acquisition 3, KIP REIT entered into a conditional sale and purchase agreement with Genuine Icon Sdn Bhd for the proposed acquisition of Retail Property (3 units of double storey shop office and lower ground car park) located in Kuantan for a cash purchase consideration of RM12 million.

For proposed acquisition 4, KIP REIT entered into a conditional sale and purchase agreement with Genuine Icon Sdn Bhd and KIP Holdings Sdn Bhd for the proposed acquisition of Retail Property (a double storey commercial building) located in Kuantan for a cash purchase consideration of RM5 million.

In conjunction with the proposed acquisitions, the Board proposes to undertake the proposed private placement of up to 160,000,000 new units in KIP REIT, representing approximately 20% of the existing issued units, at an issue price to be determined later to partly fund the purchase considerations.

On 22 July 2025, the Manager announced that unitholders of KIP REIT had at the Unitholders' Meeting convened and held on 22 July 2025, approved the proposed acquisitions and proposed private placement of up to 160,000,000 new units as announced on 9 April 2025.

On 22 August 2025, the Manager announced the completion of the proposed acquisition 1 with the settlement of the balance of purchase price.

On 9 September 2025, the Manager announced that the proposed acquisitions 2 had become unconditional on 8 September 2025, upon the fulfillment of conditions precedent.

30 SUBSEQUENT EVENTS

(a) Proposed acquisition of 4 Retail Properties (KIPMall Desa Coalfields and KIPMall Kuantan - Lotus's Indera Mahkota, 3 units of double storey shop office and lower ground car park, a double storey commercial building)

On 22 July 2025, the Manager announced that unitholders of KIP REIT had at the Unitholders' Meeting convened and held on 22 July 2025, approved the proposed acquisitions and proposed private placement of up to 160,000,000 new units as announced on 9 April 2025.

(b) Completion of private placements

On 7 August 2025, the Manager announced that the issue price for the Placement Units in respect of the Proposed Private Placement has been fixed at RM0.81 per Placement Unit. The issue price of RM0.81 represents a discount of approximately 6.30% to the 5-day VWAP of KIP REIT Units up to and including 6 August 2025 of RM0.8645, being the market day immediately preceding the price-fixing date and 3.38% to the adjusted 5-day VWAP of KIP REIT Units up to and including 6 August 2025 of RM0.8383 after taking into account the income distribution of 2.018 sen per unit for the period from 1 April 2025 to 30 June 2025 and the advanced income distribution of 0.60 sen per unit for the period from 1 July 2025 to 31 July 2025.

On 22 August 2025, the Manager announced that the first tranche of the Placement was completed following the listing and quotation of 123,000,000 Placement Units on the Main Market of Bursa Securities on 22 August 2025. The proposed acquisition of KIPMall Desa Coalfields has been completed following the settlement of the purchase consideration with the proceeds of the private placement.

On 9 September 2025, the Manager announced that the proposed acquisitions of Lotus's Indera Mahkota had become unconditional on 8 September 2025, upon the fulfillment of conditions precedent.

OTHER DISCLOSURE INFORMATION

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

The private placement was completed on 3 December 2024 upon the subscription and listing of 180,000,000 Placement Units on the Main Market of Bursa Securities. The gross proceeds raised from the private placement amounted to RM148.50 million were fully utilised as follows: -

	Details of utilisation of proceeds				Timeframe for utilisation from the listing date
	Proposed RM'000	Actual RM'000	Balance RM'000	%	
Partial settlement of the balance purchase price of DPulze Shopping Centre	147,213	147,213	-	100.00	Immediate
Defrayment of expenses in relation to the Private Placement	1,287	1,287	-	100.00	Immediate
Total	**148,500**	**148,500**	**-**	**100.00**	

AUDIT AND NON-AUDIT FEES

The details of the fees paid/payable to the External Auditor for both audit and non-audit services rendered for the FYE 2025 are as follows: -

	Fund Level RM	Group Level RM
Audit services rendered	139,100	142,310
Audit services rendered - Statement on Risk Management and Internal Control	9,844	9,844
Non-audit services: - Tax Compliance - Transfer Pricing	 5,000 16,500	 8,200 22,500
Total	**170,444**	**182,854**

MATERIAL CONTRACTS

(a) Acquisition of DPulze Shopping Centre

On 27 May 2024, Pacific Trustees Berhad, acting as the trustee for and on behalf of KIP REIT ("Trustee") had entered into a conditional SPA with DPulze Ventures Sdn Bhd for the proposed acquisition of DPulze Shopping Centre for a cash consideration of RM320.0 million ("Proposed Acquisition of DPulze Shopping Centre").

In conjunction with the Proposed Acquisition of DPulze Shopping Centre, the Board proposed to undertake the following: -

(i) proposed placement of up to 180,000,000 new units in KIP REIT ("Placement Units") at an issue price to be determined later by way of bookbuilding ("Proposed Placement A"); and

(ii) proposed placement of up to 15,000,000 Placement Units to Dato' Ong Kook Liong, a major unitholder of KIP REIT, and/or persons connected with him, pursuant to the Proposed Placement ("Proposed Placement to Dato' Ong Kook Liong").

The Proposed Acquisition of DPulze Shopping Centre and the expenses incidental to the said proposals would be funded by a combination of bank borrowings and proceeds to be raised from the Proposed Placement A.

On 30 May 2024, the Trustee had entered into a supplemental agreement to the SPA with DPulze Ventures Sdn Bhd to vary the conditions precedent of the SPA.

The Proposed Acquisition of DPulze Shopping Centre and the Proposed Placement A were approved by the unitholders at the Unitholders' Meeting held on 2 October 2024. On 15 November 2024, the issue price of the placement units in respect of the Proposed Placement A was fixed at RM0.825 per unit.

MATERIAL CONTRACTS (CONT'D)

(a) Acquisition of DPulze Shopping Centre (Cont'd)

On 3 December 2024, the Proposed Placement A was completed following the listing of and quotation for 180,000,000 Placement Units in KIP REIT on the Main Market of Bursa Securities. On 12 December 2024, the Manager announced that the Proposed Acquisition of DPulze Shopping Centre had been completed following the settlement of balance purchase consideration in cash.

None of the Directors, major shareholders and chief executive of the Manager and/or major unitholders of KIP REIT and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition of DPulze Shopping Centre.

Save as disclosed below, none of the Directors, major shareholders and chief executive of the Manager and/or major unitholders of KIP REIT and/or persons connected with them has any interest, direct or indirect, in the Proposed Placement A and the Proposed Placement to Dato' Ong Kook Liong: -

(i) Dato' Ong Kook Liong is the Managing Director and major shareholder of the Manager and major unitholder of KIP REIT; and

(ii) Ms. Ong Pui Shan, the Executive Director / CEO of the Manager and daughter of Dato' Ong Kook Liong, is a person connected with Dato' Ong Kook Liong.

As at 30 June 2025, the direct and indirect unitholdings of Dato' Ong Kook Liong and Ms. Ong Pui Shan in KIP REIT are as follows: -

	Direct		Indirect	
Directors	No. of Units	%	No. of Units	%
Dato' Ong Kook Liong	71,586,283	8.96	3,678,492[1]	0.46
Ms. Ong Pui Shan	3,810,000	0.48	-	-

Note: -
[1] Deemed interested by virtue of his interest held through his spouse pursuant to Section 59(11)(c) of the CA 2016.

The Proposed Acquisition of DPulze Shopping Centre disclosed above should read in conjunction with KIP REIT's announcements made to Bursa Securities dated 27 May 2024, 30 May 2024, 9 September 2024, 2 October 2024, 15 November 2024, 2 December 2024 and 12 December 2024 and the circular to unitholders dated 17 September 2024.

(b) Acquisition of Four (4) Industrial Properties

On 29 August 2024, the Trustee had entered into the following agreements: -

(i) conditional SPA with Sin Chee Heng Sdn Bhd ("SCHSB") for the proposed acquisition of the leasehold interest with an unexpired term of approximately 74 years in a single storey detached factory with a mezzanine floor and a four (4) storey office building annexed bearing postal address No. 35, Jalan CJ 1/1, Kawasan Perusahaan Cheras Jaya, 43200 Cheras, Selangor Darul Ehsan held under Title No. HS(M) 13156, Lot No. PT 23677, Tempat of Cheras Jaya, Mukim of Cheras, District of Ulu Langat, State of Selangor ("Cheras Property"), for a cash consideration of RM22.60 million ("Proposed Acquisition 1");

(ii) conditional SPA with Teju Logistics Sdn Bhd ("TLSB") for the proposed acquisition of the leasehold interest with an unexpired term of approximately 34 years in a double storey office cum six (6) storey processing plant and ancillary building bearing postal address Lot 3122, Blk 26, Kemena Land District, Kidurong Light Industrial Estate, Jalan Tanjung Kidurong, 97000 Bintulu, Sarawak held under Title No. Lot 3122 Block 26 Kemena Land District, TRN 09-LCLS-032-026-03122, Locality of Jalan Kidurong, Division of Bintulu, State of Sarawak ("Bintulu Property"), for a cash consideration of RM28.70 million ("Proposed Acquisition 2");

OTHER DISCLOSURE INFORMATION

MATERIAL CONTRACTS (CONT'D)

(b) Acquisition of Four (4) Industrial Properties (Cont'd)

(iii) conditional SPA with Channel Legion Sdn Bhd ("CLSB") for the proposed acquisition of the remaining lease interest with an unexpired term of approximately 25 years in two (2) single storey warehouses together with two (2) single storey office buildings annexed bearing postal address No. P823, Precinct 8, Jalan FZ1-P8, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan forming part of Master Title No. PN 7324, Lot 67894, Mukim of Klang, District of Klang, State of Selangor ("Klang Property"), for a cash consideration of RM23.70 million ("Proposed Acquisition 3"); and

(iv) conditional SPA with PK Fertilizers Sdn Bhd ("PKFSB") for the proposed acquisition of the remaining lease interest with an unexpired term of approximately 26 years in a single storey detached warehouse with a double storey office annexed bearing postal address Lot 117, Jalan Pukal, Kawasan Perindustrian Lembaga Pelabuhan Johor, 81700 Pasir Gudang, Johor Darul Takzim held under Title No. GRN 489953, Lot No. 66247, Mukim of Plentong, District of Johor Bahru, State of Johor ("Johor Property") for a cash consideration of RM23.30 million ("Proposed Acquisition 4").

(All "Proposed Acquisition 1", "Proposed Acquisition 2", "Proposed Acquisition 3" and "Proposed Acquisition 4" are hereby collectively referred to as the "Proposed Acquisitions A".)

The Proposed Acquisitions A was approved by the unitholders at the Unitholders' Meeting held on 23 January 2025.

In conjunction with the Proposed Acquisitions A, the Trustee, on behalf of KIP REIT ("Lessor") and the lessees to the Cheras Property, Bintulu Property, Klang Property and Johor Property ("Lessees") will sign in escrow, the lease agreements whereby the Trustee shall lease these properties to the Lessees which shall commence only upon the completion of the SPA ("Proposed Leases"): -

	Lease Agreement 1	Lease Agreement 2	Lease Agreement 3	Lease Agreement 4
Property Lessee	Cheras Property SCHSB	Bintulu Property Hextar Solutions Sdn Bhd ("HSSB")	Klang Property TLSB	Johor Property PKFSB

Save as disclosed below, none of the Directors, major unitholders and chief executive of the Manager and/or major unitholders of KIP REIT and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisitions A and the Proposed Leases: -

(i) Dato' Ong Choo Meng, being the indirect major unitholder of KIP REIT via his indirect interest through Hextar Rubber Sdn Bhd, is also the indirect major shareholder of the Manager via his indirect interest through KIP Homes Sdn Bhd and is also the major shareholder of: -

  (a) SCHSB via his indirect interest in Hextar Industries Berhad through Hextar Holdings Sdn Bhd;

  (b) TLSB;

  (c) CLSB via his indirect interest in Hextar Technologies Solutions Berhad through Hextar Tech Sdn Bhd;

  (d) PKFSB via his indirect interest in Hextar Fertilizers Group Sdn Bhd through Hextar Industries Berhad through Hextar Holdings Sdn Bhd; and

  (e) HSSB via his indirect interest in Hextar Fertilizers Group Sdn Bhd through Hextar Industries Berhad through Hextar Holdings Sdn Bhd.

(ii) Ms. Ong Tzu Chuen, being the Executive Director of the Manager and major unitholder of KIP REIT via her indirect interest through Hextar Rubber Sdn Bhd, is also the sister of Dato' Ong Choo Meng.

(iii) Hextar Rubber Sdn Bhd is the direct major unitholder of KIP REIT. Dato' Ong Choo Meng and Ms. Ong Tzu Chuen hold 90% and 10% direct equity interests respectively in Hextar Rubber Sdn Bhd.

MATERIAL CONTRACTS (CONT'D)

(b) Acquisition of Four (4) Industrial Properties (Cont'd)

As at 30 June 2025, the direct and indirect unitholdings of Hextar Rubber Sdn Bhd, Dato' Ong Choo Meng and Ms. Ong Tzu Chuen in KIP REIT are as follows: -

	Direct		Indirect	
Unitholders	No. of Units	%	No. of Units	%
Hextar Rubber Sdn Bhd	11,857,000	1.48	-	-
Dato' Ong Choo Meng	79,000,000	9.89	11,857,000[1]	1.48
Ms. Ong Tzu Chuen	-	-	11,857,000[1]	1.48

Note: -
[1] Deemed interested by virtue of his/ her interest in Hextar Rubber Sdn Bhd pursuant to Section 8 of the CA 2016.

The aforementioned Proposed Acquisitions A and Proposed Leases should be read in conjunction with KIP REIT's announcements made to Bursa Securities dated 29 August 2024, 25 February 2025, 27 February 2025 and 28 May 2025, and the circular to unitholders dated 26 December 2024. The Proposed Acquisition 1 was completed on 26 February 2025 and thereby initiating the commencement of the Lease Agreement 1 with immediate effect on the same day.

(c) Acquisition of Four (4) Retail Properties

On 9 April 2025, the Trustee had entered into the following agreements: -

(i) conditional SPA with Senz Yang Realty Sdn Bhd ("SYRSB") for the proposed acquisition of all that piece of freehold land held under Title No. HSD 292124, PT 40872, Mukim of Ijok, District of Kuala Selangor, Selangor with a two-and-a-half (2½) storey retail centre known as KIPMall Desa Coalfields and a single storey drive thru building, from SYRSB, for a cash consideration of RM62.00 million ("Proposed Acquisition 5");

(ii) conditional SPA with Genuine Icon Sdn Bhd ("Genuine") for the proposed acquisition of all that piece of leasehold land held under Title No. HSM 101556, PT 157750, Mukim of Kuala Kuantan, District of Kuantan, Pahang with a single storey hypermarket building known as Lotus's Indera Mahkota, from Genuine, for a cash consideration of RM39.00 million ("Proposed Acquisition 6");

(iii) conditional SPA with Genuine for the proposed acquisition of a part of all that piece of leasehold land held under Title No. PM 29824, Lot 144748, Mukim of Kuala Kuantan, District of Kuantan, Pahang with three (3) units of double storey shop office and lower ground car park, from Genuine, for a cash consideration of RM12.00 million ("Proposed Acquisition 7"); and

(iv) conditional SPA with Genuine and KIP Holdings Sdn Bhd ("KHSB") for the proposed acquisition of a part of all that piece of leasehold land held under Title No. PM 29824, Lot 144748, Mukim of Kuala Kuantan, District of Kuantan, Pahang with a double storey commercial building, from Genuine and KHSB, for a cash consideration of RM5.00 million ("Proposed Acquisition 8").

(All "Proposed Acquisition 5", "Proposed Acquisition 6", "Proposed Acquisition 7" and "Proposed Acquisition 8" are hereby collectively referred to as the "Proposed Acquisitions B".)

In conjunction with the Proposed Acquisitions B, the Board proposed to undertake placement of up to 160,000,000 new units in KIP REIT ("Placement Units B") at an issue price to be determined later by way of bookbuilding ("Proposed Placement B").

The Proposed Acquisitions B and the Proposed Placement B were approved by the unitholders at the Unitholders' Meeting held on 22 July 2025. On 7 August 2025, the issue price of the placement units in respect of the Placement B was fixed at RM0.81 per unit.

OTHER DISCLOSURE INFORMATION

MATERIAL CONTRACTS (CONT'D)

(c) Acquisition of Four (4) Retail Properties (Cont'd)

Save as disclosed below, none of the Directors, major shareholders and chief executive of the Manager and/or major unitholders of KIP REIT and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisitions B: -

(i) Dato' Ong Kook Liong, being the Managing Director and a major shareholder of the Manager, is also a director and a major shareholder of SYRSB, Genuine and KHSB.

(ii) Ms. Ong Pui Shan, being the Executive Director / Chief Executive Officer of the Manager and the daughter of Dato' Ong Kook Liong, is also director of KHSB; and alternate director of SYRSB and Genuine.

As at 30 June 2025, the direct and indirect unitholdings of Dato' Ong Kook Liong and Ms. Ong Pui Shan in KIP REIT are as follows: -

	Direct		Indirect	
Directors	**No. of Units**	**%**	**No. of Units**	**%**
Dato' Ong Kook Liong	71,586,283	8.96	3,678,492[1]	0.46
Ms. Ong Pui Shan	3,810,000	0.48	-	-

Note: -
[1] Deemed interested by virtue of his interest held through his spouse pursuant to Section 59(11)(c) of the CA 2016.

None of the directors, major shareholders and chief executive of the Manager, major unitholders of KIP REIT and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Placement B.

The Proposed Acquisitions B and the Proposed Placement B disclosed above should read in conjunction with KIP REIT's announcement made to Bursa Securities dated 9 April 2025, 29 May 2025, 12 June 2025, 1 July 2025, 28 July 2025 and 7 August 2025.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE OR TRADING NATURE

During FYE 2025, there was no RRPT entered which requires unitholders' mandate.

ANALYSIS OF UNITHOLDINGS
AS AT 29 AUGUST 2025

ISSUED UNITS OF THE COMPANY

Total Number of Issued Units & Class of Units	:	921,629,900 Units
Number of Unitholders	:	15,017
Voting Rights	:	One Vote per Unit

ANALYSIS BY SIZE OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units Held	%
Less than 100	43	0.3	803	[1] -
100 - 1,000	2,397	15.9	1,431,632	0.2
1,001 - 10,000	7,174	47.8	36,270,030	3.9
10,001 - 100,000	4,593	30.6	151,689,471	16.5
100,001 to less than 5% of issued units	810	5.4	732,237,964	79.4
5% and above of issued units	-	-	-	-
Total	**15,017**	**100.0**	**921,629,900**	**100.0**

Note: -
[1] Less than 0.1%.

LIST OF SUBSTANTIAL UNITHOLDERS

	No. of Units			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Ong Choo Meng	84,006,000	9.12	11,857,000 [1]	1.29
Dato' Ong Kook Liong	71,586,283	8.96	3,678,492 [2]	0.46

Notes:
[1] Deemed interest by virtue of his interest in Hextar Rubber Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
[2] Deemed interest by virtue of interest held through his spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

DIRECTORS' UNITHOLDINGS

	No. of Units			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Dr Syed Hussain bin Syed Husman, PJN. JP	60,000	0.01	-	-
Dato' Ong Kook Liong	71,586,283	8.96	3,678,492 [1]	0.46
Ong Pui Shan	3,810,000	0.41	-	-
Ong Tzu Chuen	-	-	11,857,000 [2]	1.29
Datuk Mohamed Arsad bin Sehan	300,000	0.03	-	-
Chiam Tau Meng	-	-	-	-

Notes:
[1] Deemed interest by virtue of interest held through his spouse pursuant to Section 59(11)(c) of the Companies Act 2016.
[2] Deemed interest by virtue of her interest in Hextar Rubber Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF UNITHOLDINGS
AS AT 29 AUGUST 2025

LIST OF THIRTY LARGEST UNITHOLDERS

	Name	No. of Units Held	%
1.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kook Liong	42,329,600	4.59
2.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	42,000,000	4.56
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	34,743,000	3.77
4.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	30,257,000	3.28
5.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teoh Siew Chin	28,447,288	3.09
6.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Value Fund	22,000,000	2.39
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Dato' Ong Choo Meng (PB)	19,006,000	2.06
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kook Liong (7003599)	17,900,000	1.94
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Brahmal A/L Vasudevan (PB)	17,000,000	1.84
10.	Yayasan Guru Tun Hussein Onn	17,000,000	1.84
11.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	16,795,000	1.82
12.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	15,618,300	1.69
13.	Tan Jyh Yaong	14,882,500	1.61
14.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	13,625,600	1.48
15.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Standard Chartered Bank (Hong Kong) Limited (HK PVB CL AC)	12,500,000	1.36
16.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Standard Chartered Bank Singapore Branch (BJSSHKBR-CL FR)	12,500,000	1.36
17.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hextar Rubber Sdn. Bhd. (PJCAC)	11,857,000	1.29
18.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	11,500,025	1.25
19.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	10,090,000	1.09
20.	Essential Family Ventures Sdn. Bhd.	9,550,000	1.04
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kook Liong	8,600,000	0.93
22.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teoh Siew Chin (7004885)	8,200,000	0.89
23.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Par)	7,620,000	0.83
24.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LGF)	6,412,100	0.70
25.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Non Par)	6,338,900	0.69
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Pick Tong (7004042)	5,500,000	0.60
27.	Kok Pick Tong	4,348,298	0.47
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Principal Small Cap Opportunities Fund	3,738,100	0.41
29.	Christopher Mah Siew Houk	3,702,200	0.40
30.	Lee Guan Hong	3,620,000	0.39
	Total	**457,680,911**	**49.66**

CORPORATE DIRECTORY

MANAGER

KIP REIT Management Sdn Bhd
[Registration No. 201501044317 (1169638-M)]

REGISTERED OFFICE OF THE MANAGER

Unit 27.2, Menara 1MK
Kompleks 1 Mont Kiara
No. 1 Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-6203 5828/ +603-6201 8080
Fax : +603-6203 2788
Email : slfgroup@slfch.com

PRINCIPAL PLACE OF BUSINESS OF THE MANAGER

Unit B-6, Blok B, Tingkat 6, Menara KIP
No. 1, Jalan Seri Utara 1
Sri Utara Off Jalan Ipoh
68100 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-6259 1133
Fax No : +603-6259 1212
Email : info@kipreit.com.my
Website : www.kipreit.com.my

COMPANY SECRETARY OF THE MANAGER

Foo Siew Loon
(MAICSA 7006874)
(SSM Practising Certificate No. 202008002104)

TRUSTEE

Pacific Trustees Berhad
[Registration No. 199401031319 (317001-A)]
A-11-8, 11th Floor Megan Avenue 1
No. 189, Jalan Tun Razak
Off Persiaran Hampshire
50400 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2166 8830
Fax No : +603-2166 3830
Email : operation@pacifictrustees.com

SECURITY TRUSTEE

Malaysian Trustees Berhad
[Registration No. 197501000080 (21666-V)]
Level 11, Tower Three, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-9280 5950
Fax No : +603-9280 5947
Email : operations.mtb@rhbgroup.com

BOARD OF DIRECTORS

Datuk Dr Syed Hussain bin Syed Husman, PJN. JP
Chairman / Senior Independent Non-Executive Director

Dato' Ong Kook Liong
Managing Director

Ms. Ong Pui Shan
Executive Director / Chief Executive Officer

Ms. Ong Tzu Chuen
Executive Director

Datuk Mohamed Arsad bin Sehan
Independent Non-Executive Director

Mr. Chiam Tau Meng
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Chiam Tau Meng *(Chairman)*
Datuk Mohamed Arsad bin Sehan
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP

NOMINATION COMMITTEE

Datuk Mohamed Arsad bin Sehan *(Chairman)*
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP
Mr. Chiam Tau Meng

REMUNERATION COMMITTEE

Mr. Chiam Tau Meng *(Chairman)*
Datuk Mohamed Arsad bin Sehan
Datuk Dr Syed Hussain bin Syed Husman, PJN. JP

INVESTMENT STEERING COMMITTEE

Dato' Ong Kook Liong *(Chairman)*
Ms. Ong Tzu Chuen *(Deputy Chairman)*
Ms. Ong Pui Shan
Mr. Sean Lim Seng Yeow
Ms. Lim Boon Boon
Mr. Northon Lee Tze Siang

REGISTRAR

Boardroom Share Registrars Sdn Bhd
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya
Selangor, Malaysia
Tel No : +603-7890 4700
Fax No : +603-7890 4670
Website : www.boardroomlimited.com
Email : bsr.helpdesk@boardroomlimited.com

CORPORATE DIRECTORY

PROPERTY MANAGER

Nawawi Tie Leung Property Consultants Sdn Bhd
[Registration No. 200201011415 (579078-V)]
Suite 34.01, Level 34, Menara Citibank
165 Jalan Ampang, 50450 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2161 7228
Fax No : +603-2161 1633
Website : www.ntl.my

INDEPENDENT PROPERTY VALUERS

Rahim & Co International Sdn Bhd
[Registration No. 201501001265 (1126597-X)]
Level 10, Menara Perak
No. 24, Jalan Perak
50450 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2691 9922
Fax No : +603-2691 9992
Website : https://www.rahim-co.com/

EXTERNAL AUDITOR

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF1146)
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2173 1188
Fax No : +603-2173 1288
Website : www.pwc.com/my/en

INTERNAL AUDITOR

Baker Tilly Monteiro Heng Governance Sdn Bhd
[Registration No. 199501022568 (351771-X)]
Baker Tilly Tower, Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2297 1000
Fax No : +603-2282 9980
Website : www.bakertilly.my

TAX CONSULTANT

PricewaterhouseCoopers Taxation Services Sdn Bhd
[Registration No. 199801008604 (464731-M)]
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2173 1188
Fax No : +603-2173 1288
Website : www.pwc.com/my/en

PRINCIPAL BANKER

Maybank Investment Bank Berhad
[Registration No. 197301002412 (15938-H)]
32nd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-2059 1888
Fax No : +603-2078 4194
Website : www.maybank-ib.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock Name : KIPREIT
Stock Code : 5280

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Email : info@kipreit.com.my
Tel No : +603-6259 1133

Imej Jiwa Communications Sdn Bhd
[Registration No. 201201037966 (1022448-X)]
Unit 28-7, Oval Tower @ Damansara
No. 685, Jalan Damansara
60000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : +603-7733 7752
Website : www.imejjiwa.com

NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Unitholders of KIP Real Estate Investment Trust ("**KIP REIT**") will be held physically at the Main Function Room, Level 5, KIP Hotel, No. 77, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur on Wednesday, 29 October 2025 at 10.00 a.m., or at any adjournment thereof, to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To lay the Audited Financial Statements of KIP REIT for the financial year ended 30 June 2025 together with the Trustee's Report to the Unitholders issued by Pacific Trustees Berhad, as trustee for KIP REIT and Statement by the Manager issued by KIP REIT Management Sdn Bhd, as the Manager for KIP REIT and the Auditors' Report thereon. *Please refer to Explanatory Note 1*

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolution:

2. **PROPOSED AUTHORITY TO ISSUE AND ALLOT NEW UNITS PURSUANT TO PARAGRAPH 6.59 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED AUTHORITY")** *Ordinary Resolution*

   "THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant regulatory authorities, where such approval is required, authority be and is hereby given to the Directors of KIP REIT Management Sdn. Bhd. ("**the Manager**") to issue and allot new units in KIP REIT ("**New Units**") from time to time to such persons and for such purposes as the Directors of the Manager may in their absolute discretion deem fit and in the best interest of KIP REIT, provided that the aggregate number of New Units to be issued and allotted pursuant to this resolution, when aggregated with the number of units in KIP REIT issued during the preceding 12 months, must not exceed 20% of the approved fund size of KIP REIT;

   THAT the Proposed Authority shall be effective and continue to be in force from the date of receipt of all relevant authorities' approval or the date the Unitholders pass this resolution, whichever may be the later, until:

   (a) the conclusion of the next annual general meeting ("**AGM**") of the Unitholders, at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or

   (b) the expiration of the period within which the next AGM of the Unitholders is required by law to be held; or

   (c) the Proposed Authority is revoked or varied by the Unitholders in a Unitholders' meeting;

   whichever occurs first ("**Validity Period**");

   THAT the New Units to be issued pursuant to the Proposed Authority shall, upon issuance and allotment, rank pari passu in all respects with the existing Units except that the New Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared before the date of issuance and allotment of such New Units;

NOTICE OF NINTH ANNUAL GENERAL MEETING

THAT authority be and is hereby given to the Directors of the Manager and Pacific Trustees Berhad ("Trustee"), acting for and on behalf of KIP REIT, to give effect to the aforesaid Proposed Authority with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as the Manager and the Trustee may deem fit and in the best interest of KIP REIT and/or as may be imposed by the relevant authorities, and to deal with all matters relating thereto;

AND THAT authority be and is hereby given to the Directors of the Manager and the Trustee, acting for and on behalf of KIP REIT, to take all such steps and do all acts, deeds and things in any manner (including the execution of such documents as may be required) as they may deem necessary or expedient to implement, finalise, complete and give full effect to the Proposed Authority."

By Order of the Board of
KIP REIT Management Sdn. Bhd.
Registration No. 201501044317 (1169638-M)
(the Manager for KIP REIT)

Foo Siew Loon (MAICSA7006874)
(SSM Practising Certificate No. 202008002104)
Company Secretary

Kuala Lumpur
23 September 2025

Notes:

1. A unitholder who is entitled to participate in the AGM is entitled to appoint not more than 2 proxies to participate instead of him/her. A proxy need not be a unitholder. Where a unitholder appoints more than 1 proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. Where a unitholder is a corporation, its duly authorised representative shall be entitled to participate at the AGM and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to participate and vote.
3. Where a unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with units standing to the credit of the said securities account. Where a unitholder appoints more than 1 proxy, the appointments shall be invalid unless it specifies the proportions of its holdings (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
5. The form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or authority shall be deposited at the registered office of the Manager at Unit 27.2, Menara 1MK, Kompleks 1 Mont Kiara, No. 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia no later than Tuesday, 28 October 2025 at 10.00 a.m. being 24 hours before the time appointed for holding the AGM or any adjournment thereof. Alternatively, you may choose to submit the proxy appointment via electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the form of proxy submission cut-off time as mentioned above.
6. Only unitholders registered in the Record of Depositors of KIP REIT as at 21 October 2025 shall be entitled to participate, vote and speak at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolution(s) set out in the Notice of 9th AGM will be put to vote by way of a poll.
8. Annual Report 2025 is available on KIP REIT's website at www.kipreit.com.my which unitholders can view or download at their convenience.

Explanatory Notes:

(I) Ordinary Business

The Audited Financial Statements laid at this meeting pursuant to clause 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts ("REITs Guidelines") are meant for discussion only. The Audited Financial Statements do not require approval of the unitholders and therefore, shall not be put forward for voting.

(II) Special Business

Proposed Authority

The Manager proposes to renew the authority to issue and allot up to 20% of the total number of Units issued in KIP REIT, to facilitate KIP REIT in raising funds via the proposed placement. The Proposed Authority, if passed, will empower the Directors of the Manager with the flexibility to issue and allot New Units at any time via the proposed placement to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of KIP REIT, provided that the aggregate number of New Units to be issued pursuant to the Proposed Authority, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the total number of Units issued in KIP REIT.

With the Proposed Authority, delays and further costs involved in convening separate Unitholders' meeting to approve such issue of New Units to raise funds can be avoided. The Manager will have the flexibility to raise funds via the proposed placement for KIP REIT, as and when such need arises.

Any issuance and allotment of New Units pursuant to the Proposed Authority will be subject to the relevant approvals of Bursa Malaysia Securities Berhad and relevant regulatory authorities.

The Directors of the Manager had implemented a Proposed Placement of up to 160,000,000 units ("New Units") in KIP REIT. The New Units were issued pursuant to the mandate obtained at the Unitholders' meeting held on 22 July 2025 and listed on Bursa Malaysia Securities Berhad on 22 August 2025. KIP REIT's fund size had then increased to 921,629,900 units.

Personal Data Policy

By registering for the meeting, submitting any instrument appointing proxy(ies) and/or representative(s) or otherwise engaging with KIP REIT in any capacity as a Unitholder, the Unitholder hereby provide your explicit, informed, and irrevocable consent to the collection, processing, use, storage, transfer, and disclosure of your personal data by KIP REIT, its appointed agents, service providers, registrars, and authorised third parties.

KIP REIT processes your personal data for legitimate business purposes including the administration and management of unitholder accounts and meetings, maintenance of statutory registers and records as required by law, compliance with securities laws, listing rules, corporate regulations, tax requirements, and other applicable legislation, communication of notices, announcements, reports and other materials required or permitted under law, facilitation of attendance, voting, and participation in general meetings, fulfilment of disclosure requirements to regulatory authorities and stock exchanges, internal operations including risk management, audit, compliance monitoring, and operational efficiency, and investigation and resolution of complaints, disputes, or legal proceedings.

The processing of your personal data is predicated upon your explicit consent as provided herein, contractual necessity for the performance of KIP REIT's obligations to you as a Unitholder, legal obligations imposed by applicable laws and regulations, and the legitimate interests of KIP REIT in conducting its business operations in accordance with applicable laws and industry standards.

ADMINISTRATIVE GUIDE FOR THE 9TH ANNUAL GENERAL MEETING

Administrative Guide for the 9th Annual General Meeting of KIP Real Estate Investment Trust ("KIP REIT")

Date and Time	:	Wednesday, 29 October 2025, at 10.00 a.m. or at any adjournment thereof
Venue	:	Main Function Room, Level 5, KIP Hotel, No. 77, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur
Mode	:	Physical Attendance

(1) Digital Copies of Annual Report 2025

As part of our commitment to environmental sustainability by encouraging digital access to reduce paper consumption, the following documents are available on our website at www.kipreit.com.my:

(a) Annual Report 2025
(b) Notice of the 9th Annual General Meeting, Form of Proxy and Administrative Guide

Or you can scan the QR code to download the above documents.

You may request for a printed copy of the Annual Report by logging in to at https://investor.boardroomlimited.com by selecting "Request for Annual Report and Circular" under the "Investor Services", or email to info@kipreit.com.my. We will send to you by ordinary post within 7 working days from the date of receipt of your request.

(2) Entitlement to Participate the Annual General Meeting ("AGM")

In respect of deposited securities, only Unitholders whose names appear on the Record of Depositors on 21 October 2025 shall be eligible to participate the meeting or appoint proxy(ies) to participate and vote on his/her behalf.

(3) Registration

(a) Registration will start at 8.00 a.m. and will end at the time directed by the Chairman of the Meeting.

(b) Please present your original MYKAD or Passport [for foreigners] during registration for verification. No photocopy of MYKAD or Passport will be accepted. No person will be allowed to register on behalf of another person even with the original MYKAD or Passport of that other person. Please make sure you collect your MYKAD or Passport thereafter.

(c) After verification and registration, you will be provided with a barcoded wristband/tag. If you are attending the AGM as a Unitholder as well as Proxy, you will be registered once and will only be given one barcoded wristband to enter the meeting hall. No person will be allowed to enter the meeting hall without wearing the barcoded wristband. The barcoded wristband must be worn throughout the AGM. There will be no replacement in the event that you lose/misplace the barcoded wristband.

(4) Lodgement of Form of Proxy

The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

<u>In Hardcopy Form</u>

The Hardcopy Form of Proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.

The Form of Proxy shall be deposited at the registered office of the Manager of KIP REIT at Unit 27.2, Menara 1MK, Kompleks 1 Mont Kiara, No. 1, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, no later than Tuesday, 28 October 2025 at 10.00 a.m. being 24 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.

<u>By Electronic Means (following the steps below)</u>

<u>For Individual Unitholders, Corporate Shareholders</u>

(a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
(b) Log in to Boardroom Smart Investor Portal ("BSIP") website at https://investor.boardroomlimited.com
(c) Login your BSIP account with your registered email address and password.
(d) Click "M**eeting Event**" and select "**KIP REAL ESTATE INVESTMENT TRUST 9TH ANNUAL GENERAL MEETING**" from the list of companies and click "**Enter**".

By Shareholder and Corporate Holder	By Nominees Company
• Select the Company that you are representing - *for **Corporate Account user only***.	• Select the Nominees Company that you are representing.
• Go to "**PROXY**" and click on "Submit **eProxy Form**".	• Go to "**PROXY**" and click on "**Submit eProxy Form**".
• Click on "**Submit eProxy Form**"	• Click on "Download Excel Template" to download.
• Enter your 9 digits CDS account number and number of securities held.	• Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and in order.
• Select your proxy/proxies appointment – either the Chairman of the meeting or individual named proxy/proxies.	
• Read and accept the Terms and Conditions and click "**Next**".	• Proceed to upload the duly completed excel file.
• Enter the required particulars of your proxy/proxies.	• Review and confirm your proxy/proxies appointment and click "Submit".
• Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting.	• Download or print the eProxy form as acknowledgement.
• Review and confirm your proxy/proxies appointment and click "Submit".	
• Download or print the eProxy Form as acknowledgement.	

Please note that the closing date and time to submit your form of proxy/proxies is by Tuesday, 28 October 2025 at 10.00 a.m.

Note: If you do not have an account with BSIP, please register with BSIP for free. For further information, kindly refer to:-

<u>For Individual Holder:-</u>
https://investor.boardroomlimited.com//document/tutorial/BSIP_Registration_edit%20profile.pdf

<u>For Corporate Holder:-</u>
https://investor.boardroomlimited.com//document/tutorial/BSIP_Corporate%20Account%20Registration.pdf

ADMINISTRATIVE GUIDE 9TH ANNUAL GENERAL MEETING

(5) Revocation of Proxy

If a Unitholder has submitted his/her form of proxy prior to the AGM and subsequently decides to appoint another person or wishes to participate in the AGM by himself/herself, please revoke the appointment of proxy/proxies at least **twenty-four (24) hours** before the AGM. Please find the below step for revocation on eProxy form or physical proxy form:-

eProxy Form	Physical Proxy Form
• Go to "**Meeting Event**" and select "**KIP REAL ESTATE INVESTMENT TRUST 9TH ANNUAL GENERAL MEETING**" from the list of companies and click "Enter". • Go to "PROXY" and click on "**Submit Another eProxy Form**". • Go to "**Submitted eProxy Form List**" and click "**View**" for the eProxy form. • Click "**Cancel/Revoke**" at the bottom of the eProxy form. • Click "**Proceed**" to confirm.	• Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the AGM. In such event, Unitholders should advise their proxy/proxies accordingly.

(6) Voting At AGM

(i) The voting at the AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements (MMLR) of Bursa Securities Malaysia Berhad (Bursa Malaysia). KIP REIT has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Sky Corporate Services Sdn. Bhd. as Independent Scrutineers to verify the poll results.

(ii) e-Voting for all the resolutions set out in the Notice of the AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.

(iii) When the Chairman opens the poll, please vote at the voting kiosk using the barcoded wristband given during registration. As such, all unitholders and proxies attending the AGM are advised to maintain the barcoded wristband during registration in order to vote.

(iv) The resolutions proposed at the AGM and the results of the voting will be announced at the AGM and subsequently via an announcement made by the KIP REIT through Bursa Malaysia at www.bursamalaysia.com.

(7) Submission Of Questions For The AGM

(i) Prior to the AGM

Members and proxies may submit questions before the AGM to the Chairman or the Board of Directors via BSIP at https://investor.boardroomlimited.com using the same user ID and password provided by Boardroom no later than Friday, 24 October 2025 at 5.30 p.m. Click "**Submit Question**" after selecting "**KIP REAL ESTATE INVESTMENT TRUST 9TH ANNUAL GENERAL MEETING**" from "**Meeting Event**" to submit your questions.

Alternatively, you may also send your questions for the AGM to ir@kipreit.com.my prior to the meeting.

(ii) During the AGM

Verified Unitholder(s), proxy(ies) and corporate representative(s) will be able to ask questions in person at the meeting venue. The Chairman or the Board of Directors will endeavour to address all questions received in relation to the AGM.

(8) Complimentary Parking

Parking is available at KIP Hotel on a first-come, first-served basis. Please validate your parking ticket at the lobby counters.

(9) No Distribution of Door Gifts

There will be no distribution of door gift to Unitholders/proxies who join or participate in the AGM.

(10) Meal Voucher

Unitholders/proxies with valid barcoded wristband may collect meal voucher during registration. Please note that only one (1) meal voucher will be issued per unitholder/proxy.

(11) Enquiry

For enquiries and administrative details relating to the meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30 p.m.), the details of which are as follows:

Boardroom Share Registrars Sdn. Bhd.

Address	:	11TH Floor, Menara Symphony No. 5 Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
General Line	:	603-7890 4700 (Helpdesk)
Fax Number	:	603-7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com

(12) Personal Data Policy

By registering for the meeting, submitting any instrument appointing proxy(ies) and/or representative(s) or otherwise engaging with KIP REIT in any capacity as a Unitholder, the Unitholder hereby provide your explicit, informed, and irrevocable consent to the collection, processing, use, storage, transfer, and disclosure of your personal data by KIP REIT, its appointed agents, service providers, registrars, and authorised third parties.

KIP REIT processes your personal data for legitimate business purposes including the administration and management of unitholder accounts and meetings, maintenance of statutory registers and records as required by law, compliance with securities laws, listing rules, corporate regulations, tax requirements, and other applicable legislation, communication of notices, announcements, reports and other materials required or permitted under law, facilitation of attendance, voting, and participation in general meetings, fulfilment of disclosure requirements to regulatory authorities and stock exchanges, internal operations including risk management, audit, compliance monitoring, and operational efficiency, and investigation and resolution of complaints, disputes, or legal proceedings.

The processing of your personal data is predicated upon your explicit consent as provided herein, contractual necessity for the performance of KIP REIT's obligations to you as a Unitholder, legal obligations imposed by applicable laws and regulations, and the legitimate interests of KIP REIT in conducting its business operations in accordance with applicable laws and industry standards.

This page is intentionally left blank

KIP REAL ESTATE INVESTMENT TRUST

(Established in Malaysia under the Trust Deed dated 2 November 2016 and amended and restated by the Restated Trust Deed dated 12 December 2019 and a Supplementary Trust Deed dated 29 September 2020 entered into between KIP REIT Management Sdn Bhd and Pacific Trustees Berhad)

FORM OF PROXY

No. of Units held	
CDS Account No.	

I/We .... (name of unitholder as per NRIC, in capital letters) NRIC No./Passport No./Company No .... Tel/Mobile No .... of .... (full address) being a unitholder(s) of KIP REAL ESTATE INVESTMENT TRUST ("KIP REIT") and entitled to vote hereby appoint:

FIRST PROXY 'A'

Full name		Proportion of unitholdings represented	
Address:	NRIC No./Passport No./ Company No.:	No. of units	%
Email address:	Tel No.:		

and/or failing *him/her

SECOND PROXY 'B'

Full name		Proportion of unitholdings represented	
Address:	NRIC No./Passport No./ Company No.:	No. of units	%
Email address:	Tel No.:		

or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 9th Annual General Meeting of KIP REIT to be held physically at the Main Function Room, Level 5, KIP Hotel, No. 77, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur on Wednesday, 29 October 2025 at 10.00 a.m., or at any adjournment thereof.

** Strike out whichever not applicable*

Resolution	For	Against
Ordinary Resolution - Proposed Authority		

Please indicate with an "X" in the space provided above on how you wish to direct your proxy(ies) to cast his/her/their votes. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

Dated this..............day of 2025

....
Signature of unitholder/Common Seal
(if unitholder is a corporation)

FOLD THIS FLAP FOR SEALING

Notes:

1. A unitholder who is entitled to participate in the AGM is entitled to appoint not more than 2 proxies to participate instead of him/her. A proxy need not be a unitholder. Where a unitholder appoints more than 1 proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings (expressed as a percentage of the whole) to be represented by each proxy.
2. Where a unitholder is a corporation, its duly authorised representative shall be entitled to participate at the AGM and shall be entitled to appoint another person (whether a unitholder or not) as its proxy to participate and vote.
3. Where a unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with units standing to the credit of the said securities account. Where a unitholder appoints more than 1 proxy, the appointments shall be invalid unless it specifies the proportions of its holdings (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
5. The form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or authority shall be deposited at the registered office of the Manager at Unit 27.2, Menara 1MK, Kompleks 1 Mont Kiara, No. 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia no later than Tuesday, 28 October 2025 at 10.00 a.m. being 24 hours before the time appointed for holding the AGM or any adjournment thereof. Alternatively, you may choose to submit the proxy appointment via electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the form of proxy submission cut-off time as mentioned above.
6. Only unitholders registered in the Record of Depositors of KIP REIT as at 21 October 2025 shall be entitled to participate, vote and speak at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolution(s) set out in the Notice of 9th AGM will be put to vote by way of a poll.
8. Annual Report 2025 is available on KIP REIT's website at www.kipreit.com.my which unitholders can view or download at their convenience.

THEN FOLD HERE

Affix
stamp

The Company Secretary
KIP REIT MANAGEMENT SDN BHD
(The Manager for KIP REAL ESTATE INVESTMENT TRUST)
Unit 27.2, Menara 1 MK, Kompleks 1 Mont Kiara
No. 1 Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Malaysia

1ST FOLD HERE