THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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KIP
REIT

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)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE

I. PROPOSED ACQUISITION BY PACIFIC TRUSTEES BERHAD ("TRUSTEE"), ACTING SOLELY IN ITS CAPACITY AS THE TRUSTEE FOR AND ON BEHALF OF KIP REAL ESTATE INVESTMENT TRUST ("KIP REIT") OF A THREE (3) STOREY SHOPPING MALL TOGETHER WITH A BASEMENT CARPARK KNOWN AS SETAPAK CENTRAL MALL LOCATED AT NO. 67, JALAN TAMAN IBU KOTA, 53300 SETAPAK, KUALA LUMPUR, HELD UNDER STRATA TITLE NO. PAJAKAN NEGERI 46795/M1/B1/1 TOGETHER WITH FORTY-SEVEN (47) ACCESSORY PARCELS NOS. A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A286, LOT 30119, MUKIM OF SETAPAK, DISTRICT OF KUALA LUMPUR, FEDERAL TERRITORY OF KUALA LUMPUR ("SUBJECT PROPERTY"), FROM FESTIVA MALL SDN BHD, FOR A CASH CONSIDERATION OF RM435 MILLION ("PROPOSED ACQUISITION")

II. PROPOSED PLACEMENT OF UP TO 220,000,000 NEW UNITS IN KIP REIT, REPRESENTING APPROXIMATELY 22.95% OF THE EXISTING ISSUED UNITS OF KIP REIT, AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PLACEMENT"), TO THE FOLLOWING PARTIES:-

(A) ALLOCATION OF UP TO 30,000,000 UNITS TO DATO' ONG CHOO MENG;

(B) ALLOCATION OF UP TO 10,000,000 UNITS TO DATO' ONG KOOK LIONG; AND

(C) ALLOCATION OF UP TO 180,000,000 UNITS TO INDEPENDENT INVESTORS TO BE IDENTIFIED AT A LATER DATE, WHERE SUCH INVESTORS SHALL FALL WITHIN SCHEDULES 6 AND 7 OF THE CAPITAL MARKETS AND SERVICES ACT 2007

AND

NOTICE OF UNITHOLDERS' MEETING

Principal Adviser & Placement Agent

UOB KAY HIAN (M) SDN BHD
Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Placement Agent

CIMB INVESTMENT BANK BERHAD
Registration No. 197401001266 (18417-M)

Joint Placement Agent

Maybank Investment Bank

MAYBANK INVESTMENT BANK BERHAD
Registration No. 197301002412
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the general meeting of the unitholders of KIP REIT ("**Unitholders' Meeting**"), which will be held at Function Room, Level UG, Dpulze Shopping Centre, Persiaran Multimedia, Cyber 12, 63000 Cyberjaya, Selangor on Thursday, 23 July 2026 at 10:00 a.m., or at any adjournment thereof, together with the Form of Proxy is enclosed herewith.

A unitholder entitled to attend and vote at the Unitholders' Meeting is entitled to appoint a proxy/ proxies to attend and vote on his/ her behalf. The Form of Proxy must be completed and lodged at the registered office of the Manager at 12th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor or alternatively, login to Boardroom Smart Investor Portal at https://investor.boardroomlimited.com and deposit the Form of Proxy electronically, not less than 48 hours before the time appointed for holding the Unitholders' Meeting or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating in the Unitholders' Meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	: Tuesday, 21 July 2026 at 10:00 a.m.
Date and time of the Unitholders' Meeting	: Thursday, 23 July 2026 at 10:00 a.m.

This Circular is dated 8 July 2026

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	Companies Act 2016
"AEI(s)"	:	Asset enhancement initiatives
"Advance Distribution"	:	Advance distribution of KIP REIT's distributable income, which the Board intends to declare for the Advance Distribution Period
"Advance Distribution Period"	:	The period commencing on the day immediately after the relevant distribution up to such date to be determined by the Board, which is before the date on which the Placement Units are allotted to identified investors
"Board"	:	Board of Directors of the Manager
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CBRE WTW" or the "Valuer"	:	CBRE WTW Valuation & Advisory Sdn Bhd, being the independent registered valuer appointed by the Trustee
"CCC"	:	Certificate of Completion and Compliance
"CCM"	:	Companies Commission of Malaysia
"CIMB"	:	CIMB Investment Bank Berhad
"Circular"	:	This circular dated 8 July 2026 in relation to the Proposals
"CMSA"	:	Capital Markets and Services Act 2007
"Dispute"	:	An ongoing dispute between the Vendor and JMB Zetapark pertaining to the alleged maintenance charges, sinking fund contribution and late payment charges in relation to the Subject Property, details as set out in **Section 4, Appendix III** of this Circular
"DPU"	:	Distribution per Unit
"EPU"	:	Earnings per Unit
"F&B"	:	Food and Beverage
"FMSB" or the "Vendor"	:	Festiva Mall Sdn Bhd, being the vendor for the Subject Property
"FYE"	:	Financial year ended/ ending, as the case may be
"GFA"	:	Gross floor area
"Interested Parties"	:	Dato' Ong Choo Meng, Dato' Ong Kook Liong, Ong Tzu Chuen and Ong Pui Shan
"Interested Directors"	:	Dato' Ong Kook Liong, Ong Tzu Chuen and Ong Pui Shan
"IRBM"	:	Inland Revenue Board of Malaysia
"JMB/ MC"	:	JMB Zetapark and/ or Perbadanan Pengurusan Zetapark
"JMB Zetapark"	:	Badan Pengurusan Bersama Zetapark
"Joint Placement Agent(s)"	:	CIMB and Maybank

"Judgment Sum"	:	A court judgment for any payment of maintenance charges and sinking fund contribution by the Vendor including all interest, costs and other amounts, in connection with the Dispute
"KIP REIT"	:	KIP Real Estate Investment Trust
"KIP REIT Unit(s)" or "Unit(s)"	:	An undivided interest in KIP REIT as provided for in the Trust Deed
"KLCC"	:	Kuala Lumpur City Centre
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	30 June 2026, being the latest practicable date of this Circular
"LTD"	:	24 April 2026, being the last trading day prior to the execution of the SPA
"Manager"	:	KIP REIT Management Sdn Bhd, being the management company of KIP REIT
"Major Unitholder"	:	Means a person who has an interest or interests in one or more units in KIP REIT and the number or aggregate number of those units is:- (a) 10% or more of the total number of the units; or (b) 5% or more of the total number of the units where such person is the largest Unitholder, and includes any Unitholder who was a Major Unitholder within the preceding 6 months of the date on which the terms of the transaction were agreed upon
"Maybank"	:	Maybank Investment Bank Berhad
"MKL"	:	Metropolitan Kuala Lumpur
"MOE"	:	Ministry of Economy
"NAV"	:	Net asset value
"NLA"	:	Net lettable area
"Person(s) Connected"	:	In relation to any person (referred to as "**said Person**") means such person who falls under any one of the following categories:- (a) a family member of the said Person; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (c) a partner of the said Person; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;

		(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
		(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
		(g) a body corporate which is a related corporation of the said Person
"Placement Unit(s)"	:	New Units to be issued pursuant to the Proposed Placement
"Proposals"	:	Proposed Acquisition and Proposed Placement, collectively
"Proposed Acquisition"	:	Proposed acquisition of the Subject Property by the Trustee, acting solely in its capacity as the trustee for and on behalf of KIP REIT, from FMSB, for the Purchase Consideration to be satisfied entirely in cash
"Proposed Placement"	:	Proposed placement of up to 220,000,000 Placement Units, representing approximately 22.95% of the existing issued Units at an issue price to be determined later, to the following parties:- (a) Allocation of up to 30,000,000 Units to Dato' Ong Choo Meng; (b) Allocation of up to 10,000,000 Units to Dato' Ong Kook Liong; and (c) Allocation of up to 180,000,000 Units to independent investors to be identified at a later date, where such investors shall fall within Schedules 6 and 7 of the CMSA
"Purchase Consideration"	:	Purchase consideration of RM435,000,000 as specified in the SPA
"RPGT"	:	Real property gains tax under the RPGT Act
"RPGT Act"	:	Real Property Gains Tax Act 1976 [*Act 169*]
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SC"	:	Securities Commission Malaysia
"SPA "	:	Conditional sale and purchase agreement dated 27 April 2026 entered into between the Trustee and FMSB in relation to the Proposed Acquisition
"sq ft"	:	Square feet
"sq m"	:	Square metres
"Subject Property"	:	A three (3) storey shopping mall together with a basement carpark known as Setapak Central Mall located at No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur, held under Strata Title No. Pajakan Negeri 46795/M1/B1/1 together with forty-seven (47) Accessory Parcels Nos. A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A286, Lot 30119, Mukim of Setapak, District of Kuala Lumpur, Federal Territory of Kuala Lumpur

"Trust Deed"	:	The trust deed dated 2 November 2016 (as amended and restated by the restated trust deed dated 12 December 2019 and supplementary trust deed dated 29 September 2020) and registered with the SC, entered into between the Trustee and Manager
"Trustee"	:	Pacific Trustees Berhad, acting solely in its capacity as the trustee for and on behalf of KIP REIT
"Undertaking Parties"	:	Dato' Ong Choo Meng and Dato' Ong Kook Liong
"Unitholders"	:	Unitholders of KIP REIT
"Unitholders' Meeting"	:	The forthcoming meeting of the Unitholders to be convened in respect of the Proposals
"UOBKH" or the "Principal Adviser" or the "Placement Agent"	:	UOB Kay Hian (M) Sdn Bhd, being the Principal Adviser and Placement Agent for the Proposals
"Valuation Certificate"	:	The valuation certificate dated 22 April 2026 issued by the Valuer in respect of the Subject Property
"VWAP"	:	Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to the Unitholders, who are entitled to attend and vote at the Unitholders' Meeting.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the Unitholders' Meeting.

Key information	Description	Reference to this Circular
Summary	<u>**Proposed Acquisition**</u> The Proposed Acquisition entails the proposed acquisition by the Trustee, acting solely in its capacity as the trustee for and on behalf of KIP REIT of the Subject Property (i.e. a three (3) storey shopping mall together with a basement carpark known as Setapak Central Mall located at No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur, held under Strata Title No. Pajakan Negeri 46795/M1/B1/1 together with forty-seven (47) Accessory Parcels Nos. A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A286, Lot 30119, Mukim of Setapak, District of Kuala Lumpur, Federal Territory of Kuala Lumpur from FMSB for a cash consideration of RM435 million.	**Sections 2.1 and 2.2**
	<u>**Proposed Placement**</u> The Proposed Placement entails the placement of up to 220,000,000 Placement Units, representing approximately 22.95% of the existing issued Units, at an issue price to be determined later, to partly fund the Purchase Consideration in relation to the Proposed Acquisition. The Proposed Placement shall be allocated in the following manner: (a) up to 30,000,000 Units to Dato' Ong Choo Meng, (b) up to 10,000,000 Units to Dato' Ong Kook Liong, and (c) up to 180,000,000 Units to independent investors to be identified at a later date, where such investors shall fall within Schedules 6 and 7 of the CMSA, details as set out in **Section 3.2** of this Circular.	**Section 3**
Basis and justification of arriving at the Purchase Consideration	The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration the market value of the Subject Property. In arriving at the market value of the Subject Property, the Valuer has adopted the Income Approach (Investment Method) as the primary approach, and the Comparison Approach as the secondary cross-check approach. The Purchase Consideration represents the appraised market value of the Subject Property of RM435,000,000.	**Section 2.3**
Rationale	<u>**Proposed Acquisition**</u> i. **Accretion to DPU yield.** The Proposed Acquisition is expected to be DPU yield-accretive in the long term, and is in line with the investment objective to provide Unitholders with regular, stable and growing income distribution; and ii. **Enhancement to the size of KIP REIT's property portfolio.** Upon acquisition of the Subject Property, the total value of KIP REIT's properties will increase by approximately 26.1% from RM1.66 billion to RM2.10 billion.	**Section 4.1**
	<u>**Proposed Placement**</u> The Proposed Placement is expected to raise funds expeditiously and cost effectively as compared with other fund-raising exercises involving pro-rata issuance of securities such as rights issue. Additionally, the Proposed Placement will allow KIP REIT to potentially attract more investors to invest in KIP REIT, thereby widening its base for unitholders and enhance the liquidity and trading of its Units.	**Section 4.2**

Key information	Description	Reference to this Circular
Risk factors	Unitholders should consider the following risk factors (which may not be exhaustive):- i. Delay or non-completion of the Proposed Acquisition; ii. Funding risks; iii. Inability of the tenants to make timely rental payments; iv. Non-renewal of tenancy agreements; v. Losses from building defects, breaches of laws and regulations and other deficiencies; vi. Competition risks; vii. Losses in excess of insurance proceeds; viii. The proforma income distribution and DPU are not a guarantee of the actual financial results; ix. Dispute relating to management charges of the Subject Property; and x. Compulsory acquisition by the Government of Malaysia	**Section 6**
Approvals required	The Proposals are subject to amongst others, approval of Bursa Securities for the listing of and quotation for the Placement Units on the Main Market of Bursa Securities, approval of the Unitholders of KIP REIT at a Unitholders' Meeting to be convened, and the relevant authorities' approvals and/ or consents in respect of the SPA. The Proposed Acquisition is conditional upon the relevant approvals being obtained for the Proposed Placement, but not vice versa. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by KIP REIT.	**Section 8**
Interested parties	**<u>Proposed Acquisition</u>** The Proposed Acquisition is not a related party transaction. 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 Acquisition.	**Section 11.1**
	<u>Proposed Placement</u> The Interested Parties (Dato' Ong Choo Meng, Dato' Ong Kook Liong, Ong Tzu Chuen and Ong Pui Shan) are deemed interested in the Proposed Placement. Accordingly, the Interested Parties will abstain and will undertake to ensure that persons connected to them will also abstain from voting in respect of their direct and/ or indirect unitholdings in KIP REIT on the resolutions pertaining to the Proposed Placement (including the proposed placement to the Undertaking Parties in respect of their allocations) to be tabled at the Unitholders' Meeting to be convened. The Interested Directors (Dato' Ong Kook Liong, Ong Tzu Chuen and Ong Pui Shan) have also abstained and will continue to abstain from deliberating and voting on the Proposed Placement (including the proposed placement to the Undertaking Parties in respect of their allocations) at the relevant Board meetings.	**Section 11.2**
Board's recommendation	**<u>Proposed Acquisition</u>** The Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Acquisition to be tabled at the Unitholders' Meeting.	**Section 14.1**
	<u>Proposed Placement</u> The Board (save for the Interested Directors) recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Placement to be tabled at the Unitholders' Meeting.	**Section 14.2**

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)

Registered Office

12th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

8 July 2026

Board of Directors of the Manager:-

Datuk Dr Syed Hussain Bin Syed Husman, PJN. JP	*(Chairman & Senior Independent Non-Executive Director)*
Dato' Ong Kook Liong	*(Managing Director)*
Ong Pui Shan	*(Executive Director cum Chief Executive Officer)*
Ong Tzu Chuen	*(Executive Director)*
Datuk Mohamed Arsad Bin Sehan	*(Independent Non-Executive Director)*
Chiam Tau Meng	*(Independent Non-Executive Director)*

To: Unitholders

Dear Sir/ Madam,

I. PROPOSED ACQUISITION; AND

II. PROPOSED PLACEMENT

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1. INTRODUCTION

On 27 April 2026, UOBKH announced, on behalf of the Board, that the Trustee had on 27 April 2026 entered into the SPA with FMSB for the proposed acquisition of the Subject Property for the Purchase Consideration to be satisfied entirely in cash.

In conjunction with the Proposed Acquisition, the Board also proposed to undertake the Proposed Placement, to partly fund the Purchase Consideration. The Proposed Placement shall be allocated in the following manner: (a) up to 30,000,000 Units to Dato' Ong Choo Meng, (b) up to 10,000,000 Units to Dato' Ong Kook Liong, and (c) up to 180,000,000 Units to independent investors to be identified at a later date, where such investors shall fall within Schedules 6 and 7 of the CMSA, details as set out in **Section 3.2** of this Circular.

On 6 July 2026, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 3 July 2026, resolved to approve the listing of and quotation for up to 220,000,000 Placement Units to be issued pursuant to the Proposed Placement on the Main Market of Bursa Securities, subject to the terms and conditions as set out in **Section 8** of this Circular.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE UNITHOLDERS' MEETING. THE NOTICE OF UNITHOLDERS' MEETING AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE UNITHOLDERS' MEETING.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information of the proposed acquisition of the Subject Property

Pursuant to the SPA, FMSB has agreed to sell, and the Trustee acting solely in its capacity as the trustee for and on behalf of KIP REIT has agreed to purchase the Subject Property on an as-is-where-is basis in such state and condition as at the date of the SPA (fair wear and tear excepted and subject to repair of damage or defects as identified in the SPA), including all on site fittings, machinery, equipment, systems and fixtures of any kind owned by FMSB and as set out in the SPA (including the trademarks stated therein) in working and operational repair and condition as at the date of the SPA, at the Purchase Consideration, free from all encumbrances but subject to the relevant tenancy agreements/ occupancy agreements and service agreements, with the possession, subject to the leasehold tenure, category of use, the express condition and restriction in interest all as more particularly described in the SPA and upon the other terms and conditions of the SPA.

Please refer to **Appendix I** of this Circular for the salient terms of the SPA.

Novation of all existing tenancies to the Subject Property

Upon agreement on the final form of each novation agreement, FMSB shall execute and use its best endeavours to procure the execution of the novation agreements by the relevant tenants or occupants prior to the completion date of the SPA, to novate all the rights, title, benefits, interests, obligations and liabilities of FMSB in respect of the tenancy agreements/ occupancy agreements to the Trustee with effect from the completion of the SPA.

2.2 Information on the Subject Property

The Subject Property is described below:-

Subject Property
The Subject Property is a three (3) storey retail centre known as Setapak Central Mall.

Setapak Central Mall is situated at No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur, at the intersection of Jalan Genting Kelang and Jalan Taman Ibu Kota. It is located approximately 10 kilometres to the north-east of KLCC and 20 kilometres to the north-east of Petaling Jaya New Town. It is easily accessible from KLCC via Jalan Tun Razak, Jalan Pahang, Jalan Genting Klang and thereafter onto Jalan Taman Ibu Kota leading to the Subject Property.

Per the tenancy schedule as at 28 February 2026, the Subject Property has an occupancy rate of 99.89%. The tenancy profile is summarised as follows:-

Category by trade	Lettable area (sq ft)	Percentage (%)
Department store	125,772	24.43
Food & beverages	72,086	14.00
Fashion & accessories	64,007	12.43
Leisure & entertainment	53,603	10.41
Houseware & furnishings	43,144	8.38
Beauty & healthcare	33,225	6.45
Supermarket	28,295	5.50
Electrical and electronics	19,041	3.70
Sundry & services	17,166	3.34
Sporting goods & apparel	11,948	2.32
Shoes & bags	9,791	1.90
Books & stationery	8,638	1.68
Jewellery/ watches	6,814	1.32
Gifts & souvenirs	6,517	1.27
Education	3,908	0.76
Telecommunication	3,885	0.76
Information technology	3,197	0.62
Others	2,527	0.49
Financial services	672	0.13
Total occupied	**514,236**	**99.89**
Vacant	541	0.11
Total NLA	**514,777**	**100.00**

211 out of 228 tenancies are subject to a turnover rent, while the remaining 17 have committed for a fixed term rental. Based on the tenancy list obtained from the Vendor as of 28 February 2026, there are a total of 228 tenancies with the following tenancy profiles:-

Category	No. of tenancies
Tenancies without sales turnover rent	17
Tenancies with more than 3 year-term with sales turnover rent	1
Tenancies with 3 year-term with sales turnover rent	190
Tenancies with 2 year-term with sales turnover rent	13
Tenancies with less than 2 year-term with sales turnover rent	7
Total tenancies	**228**

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Further details of the Subject Property are summarised as follows:-

	Subject Property
Postal address	Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur
Title details	Pajakan Negeri 46795/M1/B1/1 together with Accessory Parcel Nos. A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A286, Lot 30119, Mukim of Setapak, District of Kuala Lumpur, Federal Territory of Kuala Lumpur
Strata floor area	Main parcel area 93,327 sq m (approx. 1,004,562 sq ft) Accessory parcel area 7,640 sq m (approx. 82,236 sq ft) Total 100,967 sq m (approx. 1,086,798 sq ft)
Tenure	Leasehold of 99 years expiring on 20 November 2106 (Unexpired term of approximately 81 years)
Registered owner	FMSB
Category of land use	Building
Express condition	Commercial
Restriction in interest	This land cannot be transferred, leased, mortgaged or charged without the approval of the Land Executive Committee of the Federal Territory of Kuala Lumpur.
Encumbrances	Charged to Public Bank Berhad on 17 November 2023 vide presentation no. PDSC74924/2023 and subject to (i) Specific Debenture dated 5 January 2015 between FMSB and Public Bank Berhad as registered with CCM as charge numbered 001 and (ii) Property Assignment dated 14 January 2015 between FMSB and Public Bank Berhad as registered with CCM as charge numbered 002
Description of building	A purpose-built three (3) storey shopping mall together with a basement carpark known as Setapak Central Mall
Age of building	Approximately 15 years old
No. of car parking bays	1,090 bays
GFA	66,351 sq m (approx. 714,196 sq ft)
NLA	47,824 sq m (approx. 514,777 sq ft)
Existing use/ occupation/ occupancy rate	99.89% occupied/ tenanted as a shopping mall
Date of CCC issued for building	Partial CCC vide reference no. LAM/WP/NO. 0128 dated 22 August 2011, CCC vide reference no. LAM/WP/NO. 5173 dated 30 September 2014 and CCC vide reference no. LAM/WP/No. 6256 dated October 2015
Green building certificate	Bronze GreenRE Certificate awarded by GreenRE Sdn Bhd
Audited net book value	SGD102.1 million or (RM331.99 million)[*1]
Market value[*2]	RM435,000,000
Date of valuation	9 March 2026

Notes:-

[1] Based on the latest annual report of Frasers Property Limited as at 30 September 2025.

[2] As appraised by the Valuer on the date of valuation, based on the following valuation approaches:-

Valuation approaches	***Subject Property***
Primary method	*Income Approach (Investment Method)*
Secondary cross-check	*Comparison Approach*

*Please refer to **Section 2.3** of this Circular for further details and explanation on the above valuation approaches adopted by the Valuer.*

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration the market value of the Subject Property. The "market value" is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

In arriving at the market value of the Subject Property, the Valuer has adopted the **Income Approach (Investment Method)** as the primary approach, and the **Comparison Approach** as a secondary cross-check approach, premised on the following explanation:-

Income Approach (Investment Method)	This method entails determining the net current annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value.
Comparison Approach	This method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, size, age and condition of building(s), tenure, type of property, title restrictions, if any and other relevant characteristics to arrive at the market value.

The Purchase Consideration represents the following premium/ (discount) to the appraised market value of the Subject Property:-

Subject Property	**Purchase Consideration RM'000**	**Premium/ (discount) RM'000**	**%**	**Market value RM'000**
Setapak Central Mall	435,000	-	-	435,000

Further, the Board has also taken into consideration the rationale of the Proposed Acquisition as well as the prospects of the Subject Property as set out in **Sections 4 and 5.4** of this Circular in arriving at the Purchase Consideration.

2.4 Mode of settlement of the Purchase Consideration

Pursuant to the terms of the SPA, the Purchase Consideration will be satisfied in the following manner:-

Payment terms	Timing	Purchase Consideration RM'000	%
Earnest deposit	Paid to FMSB's solicitor as stakeholder (prior to the date of the SPA) on 15 December 2025 and 6 March 2026 respectively	8,700	2.0
Balance deposit	Paid to FMSB's solicitor as stakeholder on 5 May 2026	34,800	8.0
Balance purchase consideration	(i) A sum equivalent to the redemption sum payable to the chargee in full within three (3) months from the unconditional date of the SPA in accordance with the terms and conditions of the SPA (ii) Remaining balance purchase consideration (being balance purchase consideration less redemption sum), if any, payable to FMSB's solicitor as stakeholder within the abovesaid three (3)-month period and in accordance with the terms and conditions of the SPA	391,500	90.0
Total		**435,000**	**100.0**

2.5 Source of funding

The Purchase Consideration shall be satisfied entirely in cash and will be funded by a combination of bank borrowings and proceeds to be raised from the Proposed Placement. For avoidance of doubt, the earnest deposit and balance deposit paid pursuant to the SPA as referred to in **Section 2.4** of this Circular were funded via bank borrowings.

Strictly for illustrative purposes, based on the Manager's estimates at this juncture, the tentative quantum for the source of funding to satisfy the Purchase Consideration is set out in the following manner:-

Source of funds	RM'000	%
Bank borrowings	258,200	59.4
Gross proceeds to be raised from the Proposed Placement	176,800	40.6
Purchase Consideration	**435,000**	**100.0**

The actual gross proceeds to be raised from the Proposed Placement is dependent on the eventual issue price(s) and the number of Placement Units to be issued during the implementation stage which may be in one or several tranches within six (6) months from the date of approval of Bursa Securities for the listing of and quotation of the Placement Units on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities. In the event of any shortfall from the Proposed Placement towards satisfying the balance Purchase Consideration as and when required, such shortfall shall be financed through a combination of borrowings, issuance of debt or hybrid instruments, and/ or internally generated funds, after taking into consideration KIP REIT's future gearing level and working capital requirements.

2.6 Liabilities to be assumed

Save for the obligation and liabilities in and arising from, pursuant to or in connection with the SPA, there are no other liabilities including contingent liabilities and/ or guarantees to be assumed by KIP REIT pursuant to the Proposed Acquisition. As at the LPD and subject to the SPA becoming unconditional in accordance with the terms and conditions of the SPA, save for the obligation to fund the Purchase Consideration amounting to RM435 million, related expenses for the transaction being contemplated (such as the costs for the transfer of the Subject Property and any outgoings apportionment of which the quantum can only be ascertained at a later stage closer to the completion period), KIP REIT will not be assuming any liabilities, including contingent liabilities and/ or guarantees, pursuant to the Proposed Acquisition.

2.7 Additional financial commitment

Save for the borrowings to fund the Purchase Consideration, related expenses for the transactions being contemplated (such as the costs for the transfer of the Subject Property, novation of existing tenancy agreements/ occupancy agreements/ service agreements, and any outgoings apportionment and deposits payable to utility providers), KIP REIT does not expect to incur any other additional financial commitments arising from the Proposed Acquisition.

2.8 Information on the Vendor

FMSB was incorporated in Malaysia on 25 July 2014 as a private limited company. FMSB is principally involved in the activities of holding of properties for long-term investment and rental purposes.

As at the LPD, the issued share capital of FMSB is RM36 million comprising 4,000,000 ordinary shares and 32,000 preference shares.

As at the LPD, the substantial shareholders of FMSB together with their respective direct and indirect shareholdings in FMSB are as follows:-

	Nationality/	<-----Direct----->		<------Indirect------>	
Name	**Place of incorporation**	**No. of shares**	**%**	**No. of shares**	**%**
Asiamalls Sdn Bhd	Malaysia	4,032,000	100.0	-	-
Mallco Pte Ltd	Singapore	-	-	4,032,000[*1]	100.0
Frasers Property Gold Pte Ltd	Singapore	-	-	4,032,000[*2]	100.0
Frasers Property (Singapore) Pte Ltd	Singapore	-	-	4,032,000[*3]	100.0
Frasers Property Limited	Singapore	-	-	4,032,000[*4]	100.0
TCC Assets Limited ("**TCCA**")	British Virgin Islands	-	-	4,032,000[*5]	100.0
Charoen Sirivadhanabhakdi	Thai	-	-	4,032,000[*5]	100.0
Estate of the late Khunying Wanna Sirivadhanabhakdi	-	-	-	4,032,000[*5]	100.0

Notes:-

[*1] *Deemed interested by virtue of its interest in Asiamalls Sdn Bhd pursuant to Section 8 of the Act.*

[*2] *Deemed interested by virtue of its interest in Mallco Pte Ltd pursuant to Section 8 of the Act.*

[*3] *Deemed interested by virtue of its interest in Frasers Property Gold Pte Ltd pursuant to Section 8 of the Act.*

*4 *Deemed interested by virtue of its interest in Frasers Property (Singapore) Pte Ltd pursuant to Section 8 of the Act. For information purposes, Frasers Property Limited is a publicly listed company on the Mainboard of Singapore Exchange Securities Trading Limited.*

*5 *Based on Frasers Property Limited's latest 2025 annual report, TCCA, Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi are substantial shareholders of Frasers Property Limited as at 27 November 2025. Each of Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCCA, and is therefore deemed to be interested in all of the shares of Frasers Property Limited in which TCCA has an interest.*

As at the LPD, the directors of FMSB together with their respective direct and indirect shareholdings in FMSB are as follows:-

		<--------Direct--------->		<--------Indirect------->	
Name	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Chew Chiu Shan	Singaporean	-	-	-	-
Tan Ban Leng	Singaporean	-	-	-	-
Soon Su Lin	Singaporean	-	-	-	-
Selochana A/P Murugiah	Malaysian	-	-	-	-

3. DETAILS OF THE PROPOSED PLACEMENT

The Proposed Placement entails the issuance of up to 220,000,000 Placement Units which represents approximately 22.95% of the total number of Units in issue as at the LPD. The Proposed Placement is undertaken with the primary objective to fund the Purchase Consideration in relation to the Proposed Acquisition as set out in **Section 3.6** of this Circular.

The maximum quantum of up to 220,000,000 Placement Units was determined after taking into consideration, among others, the funding requirements for the Proposed Acquisition and the Manager's objective of maintaining an optimal capital structure for KIP REIT through an appropriate balance of equity and debt financing, including maintaining a prudent gearing level, retaining financial flexibility and supporting the long-term sustainable growth of KIP REIT. This funding approach enables KIP REIT to raise the required capital while maintaining a prudent capital structure and financial flexibility, without resulting in a larger equity issuance and the corresponding increase in dilution impact to existing unitholders.

The actual gross proceeds to be raised from the Proposed Placement cannot be determined at this juncture and will depend on the eventual issue price(s) and the number of Placement Units to be issued, which can only be determined upon completion of the bookbuilding exercise for the Proposed Placement.

3.1 Basis of determining the issue price of the Placement Units

The issue price of the Placement Units shall be determined by the Manager in consultation with the Placement Agent through the bookbuilding exercise during the course of the Proposed Placement, and takes into consideration among others:-

i. indicative demand and feedback from potential investors;

ii. precedent transactions; and

iii. prevailing market conditions and market price of the Units.

In any event, the Placement Units will be issued at not more than 10% discount to the 5-day VWAP of KIP REIT Units immediately before the price fixing date to be announced on a later date. For information, the 5-day VWAP of KIP REIT Units up to and including the LPD is RM0.84.

3.2 Placement Arrangement

The Proposed Placement may be implemented in one or several tranches within six (6) months from the date of approval of Bursa Securities for the listing of and quotation of the Placement Units on the Main Market of Bursa Securities or any extended period as may be approved by Bursa Securities.

The Proposed Placement shall be allocated in the following manner:-

No.	Placees	No. of Placement Units allocated (Up to amount) No. of Units	Percentage of total no. of Units %
(a)	Undertaking Parties	40,000,000	4.17
(b)	Independent investors to be identified at a later date	180,000,000	18.78
	Total	**220,000,000**	**22.95**

(a) Undertaking Parties

The substantial unitholders of KIP REIT, namely the Undertaking Parties, have vide their undertaking letters dated 27 April 2026 provided their respective irrevocable undertakings to subscribe for the Placement Units pursuant to the Proposed Placement ("**Undertaking Letters**") ("**Undertakings**") as allocated in the following manner:-

Placees	No. of Placement Units allocated (Up to amount)	Percentage of total no. of Units	Unitholdings as at the LPD		Unitholdings after the Proposed Placement	
	No. of Units ('000)	%*1	No. of Units ('000)	%*1	No. of Units ('000)	%*2
Dato' Ong Choo Meng	30,000	3.13	93,263	9.73	123,263	10.46
Dato' Ong Kook Liong	10,000	1.04	71,586	7.47	81,586	6.92
Sub-total	**40,000**	**4.17**	**164,849**	**17.20**	**204,849**	**17.38**

Notes:-

*1 *Based on the total issued Units of 958,629,900 as at the LPD.*

*2 *Based on the total issued Units of 1,178,629,900 after assuming the Placement Units are fully placed out.*

The proposed allocations of up to 30,000,000 Placement Units to Dato' Ong Choo Meng and up to 10,000,000 Placement Units to Dato' Ong Kook Liong were determined after taking into consideration their intended level of participation in the Proposed Placement, with a view to maintain an appropriate level of equity interests in KIP REIT following dilution arising from the Proposed Placement as well as to demonstrate their continued support for the growth of KIP REIT.

The Undertaking Parties have represented and warranted that they have sufficient financial resources to satisfy in full the subscription amount that would be payable in relation to the performance of their Undertakings. The Undertakings shall apply equally to any nominee(s) designated by them, if applicable, for purpose of subscribing the Placement Units. UOBKH, being the Principal Adviser and Placement Agent, has undertaken the necessary verification on the financial resources of the Undertaking Parties and is satisfied that the Undertaking Parties have sufficient financial resources to satisfy the performance of their Undertakings.

The allocation to the Undertaking Parties will be on the same terms as those given to the independent investors to be identified at a later date i.e. the Placement Units will be issued at not more than 10% discount to the 5-day VWAP of KIP REIT Units immediately before the price fixing date and subject to bookbuilding exercise, as outlined in **Section 3.1** of this Circular. The Manager intends for the Placement Units to be subscribed by the Undertaking Parties pursuant to their Undertakings to be issued and allotted in a single tranche upon completion of the bookbuilding exercise.

The subscription of the Placement Units by the Undertaking Parties will not give rise to any mandatory general offer obligation pursuant to the Rules on Take-overs, Mergers and Compulsory Acquisitions. For avoidance of doubt, Dato' Ong Choo Meng and Dato' Ong Kook Liong are not deemed as parties acting in concert pursuant to Section 216 of the CMSA.

(b) Independent investors to be identified at a later date

A total of up to 180,000,000 Placement Units are allocated to be placed out to independent investors to be identified at a later date, where such investors shall fall within Schedules 6 and 7 of the CMSA.

3.3 Background information on the Undertaking Parties

(i) **Dato' Ong Choo Meng** is an indirect major shareholder of the Manager via his indirect interest through KIP Homes Sdn Bhd and a major unitholder of KIP REIT via his direct interest in KIP REIT and indirect interest through Hextar Rubber Sdn Bhd.

He is the Group Chief Executive Officer and Executive Director of Hextar Technologies Solutions Berhad. Under his leadership, he has directed Hextar group's growth, business expansion strategies, overall finance and corporate development. Under his stewardship, the Hextar group is now operating across a diverse spectrum of industries ranging from manufacturing and distribution of chemicals, fertilisers, rubber gloves, medical test kits and wooden picture frame mouldings, to providing information and communications technology (ICT) solutions and services, telecommunication solutions and services, renewable energy, logistics, F&B, and real estate investment trust (REIT).

He is also the brother of Ong Tzu Chuen, an Executive Director of the Manager and an indirect unitholder of KIP REIT (with 0.27% unitholdings as at the LPD) via her deemed interest held in Hextar Rubber Sdn Bhd.

(ii) **Dato' Ong Kook Liong** is the Managing Director, and an indirect major shareholder of the Manager via his indirect interest through KIP Homes Sdn Bhd and a substantial unitholder of KIP REIT.

Since co-founding the KIP group of companies in 1997, he has been instrumental in conceptualising and delivering the KIPMall brand, overseeing their construction and retail positioning. Under his leadership, the KIP group has expanded into a diversified mix of retail and industrial assets, reinforcing its position as a trusted and resilient REIT in Malaysia.

He is also the father of Ong Pui Shan, the Executive Director cum Chief Executive Officer of the Manager and a direct unitholder of KIP REIT (with 0.40% unitholdings as at the LPD).

3.4 Ranking of the Placement Units

The Placement Units shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Units, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/ or other forms of distributions, unless the allotment of the Placement Units is prior to the entitlement date of such distributable income, rights, benefits, entitlements and/ or other forms of distributions.

3.5 Listing of and quotation for the Placement Units

Bursa Securities had, vide its letter dated 3 July 2026, approved the listing of and quotation for up to 220,000,000 Placement Units on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in **Section 8** of this Circular.

3.6 Utilisation of proceeds

The illustrative issue price of the Placement Units is assumed at RM0.84 per Placement Unit, based on a discount of approximately 2.43% to the 5-day VWAP of KIP REIT up to and including the LTD of RM0.8609. Based on this, the Proposed Placement is expected to raise gross proceeds of approximately RM184.8 million. The proceeds are intended to be utilised by KIP REIT in the following manner:-

Details	Timeframe for utilisation	RM'000
Settlement of the Purchase Consideration[*1]	Within three (3) months from unconditional date of the SPA	176,800
Estimated expenses[*2]	Upon completion	8,000
Total		**184,800**

Notes:-

[*1] *The proceeds raised from the Proposed Placement shall be utilised with priority to partially satisfy the Purchase Consideration in relation to the Proposed Acquisition (being the subject matter of this Circular). As set out in **Section 2.5** of this Circular, and based on the Manager's estimates at this juncture, the balance Purchase Consideration is intended to be partly satisfied through the proceeds raised from the Proposed Placement.*

*Pursuant to the terms of the SPA, the said balance Purchase Consideration shall be satisfied within three (3) months from the SPA being unconditional ("**Completion Period**") in accordance with the terms and conditions of the SPA. In the event the balance Purchase Consideration or any part thereof is not satisfied by the expiry of the Completion Period, the payment period under the SPA shall be automatically extended for one (1) month for the Trustee to pay the outstanding sum in the abovesaid manner, subject to interest (at the rate of eight percent (8%) per annum calculated on a daily basis) of which such interest (if any) is payable to FMSB's solicitor as stakeholder no later than ten (10) business days from the Trustee's last payment of such outstanding balance Purchase Consideration.*

[*2] *The proceeds earmarked for estimated expenses in relation to the Proposals are as follows:-*

	RM'000
Trustee's and Manager's acquisition fee	*5,168*
Professional fees (i.e. adviser, placement agent, solicitors, valuers)	*1,048*
Estimated placement fee	*1,340*
Regulatory fees	*96*
Other incidental expenses in relation to the Proposals	*348*
Total	***8,000***

The actual gross proceeds to be raised from the Proposed Placement is dependent on the eventual issue price(s) and the number of Placement Units to be issued.

If the actual proceeds raised from the Proposed Placement is less than the target amount of gross proceeds mentioned above, other options and sources of alternative funding will be considered to complete the Proposed Acquisition after taking into consideration KIP REIT's future gearing level and working capital requirements. Conversely, if the actual proceeds raised from the Proposed Placement is higher than the target amount of gross proceeds mentioned above, the Manager may either repay the amount of borrowings used to partly fund the Purchase Consideration and/ or reallocate the excess proceeds towards working capital requirements of KIP REIT.

In the event the Proposed Placement is completed but the Proposed Acquisition is not completed for whatsoever reason, the proceeds that are earmarked for partial settlement of the Purchase Consideration as set out above shall be reallocated to fund KIP REIT's acquisitions of other assets to be identified by the Manager of KIP REIT. This will allow the Manager to capitalise on suitable and viable investment opportunities as and when it arises which will contribute positively to KIP REIT's future earnings and DPU. In this respect, KIP REIT shall make the necessary announcements and/ or seek the approval from its Unitholders in accordance with Paragraph 8.22 of the Listing Requirements for a material variation of the utilisation of proceeds raised, if any, in the event the Proposed Placement is completed but the Proposed Acquisition is not completed.

Pending the full utilisation of the gross proceeds raised from the Proposed Placement, the proceeds or the balance thereof (including accrued interest, if any) will be placed in interest bearing deposit accounts and/ or in money market instruments or any other permissible investments allowed under the Trust Deed.

3.7 Advance Distribution

Pursuant to the terms of the Trust Deed, the Manager shall, with the approval of the Trustee, distribute the distributable income of KIP REIT at the quantum and intervals to be determined in its absolute discretion. The Board intends to declare an Advance Distribution for the Advance Distribution Period. The Placement Units will not be entitled to the Advance Distribution and hence, the entitlement date for the Advance Distribution will be prior to the date of allotment of the Placement Units.

The Advance Distribution is meant to ensure fairness to the existing unitholders and is intended to be implemented to ensure that the distributable income accrued during the Advance Distribution Period is only distributed to the existing unitholders. The Advance Distribution will not be undertaken if the Proposals are not approved by the unitholders at the Unitholders' Meeting to be convened.

3.8 Other equity fund raising exercises in the past 12 months

In the past 12 months prior to the LPD, KIP REIT had completed a placement exercise of an issuance of 160,000,000 new Units, representing approximately 20% of the then 798.63 million Units in issue, in two (2) tranches, comprising an issuance of 123,000,000 Units at an issue price of RM0.8100 per Unit and an issuance of 37,000,000 Units at an issue price of RM0.825 per Unit respectively, raising gross proceeds of approximately RM130.16 million ("**Previous Private Placement**"). The first and second tranche of the Previous Private Placement were completed on 22 August 2025 and 15 October 2025, respectively.

The gross proceeds raised was mainly utilised in the following manner:-

i. partial settlement of the acquisition of the following:-

    a. a two-and-a-half (2½) storey retail centre known as KIPMall Desa Coalfields and a single storey drive thru building for a cash consideration of RM62.00 million; and

    b. a single storey hypermarket building known as Lotus's Indera Mahkota for a cash consideration of RM39.00 million, three (3) units of double storey shop office and lower ground car park for a cash consideration of RM12.00 million, and a double storey commercial building for a cash consideration of RM5.00 million (collectively, "**KIPMall Kuantan**"); and

ii. AEI for KIPMall Tampoi.

The status of utilisation of the said gross proceeds as at the LPD is set out below:-

Details of utilisation	Expected timeframe for utilisation upon listing of units	Amount allocated RM'000	Actual utilisation RM'000	Balance proceeds unutilised RM'000
Part-settlement of balance purchase price, KIPMall Desa Coalfields	Immediate	55,800	55,800	-
Part-settlement of balance purchase price, KIPMall Kuantan	Immediate	42,487	42,487	-
AEI for KIPMall Tampoi	Within 18 months from receipt of utilisation	30,253	30,253	-
Defrayment of expenses in relation to the Previous Private Placement	Immediate	1,615	1,615	-
Total		**130,155**	**130,155**	**-**

Save for the Previous Private Placement and the Proposed Placement (being the subject matter of this Circular), KIP REIT has not undertaken any other equity fund raising exercises in the past 12 months prior to the LPD.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Acquisition

The Proposed Acquisition is in line with the key investment objective of the Manager to continuously pursue assets that are income-producing and are able to contribute to the long-term growth of KIP REIT. The rationale for the Proposed Acquisition is as follows:-

i. Accretion to DPU yield

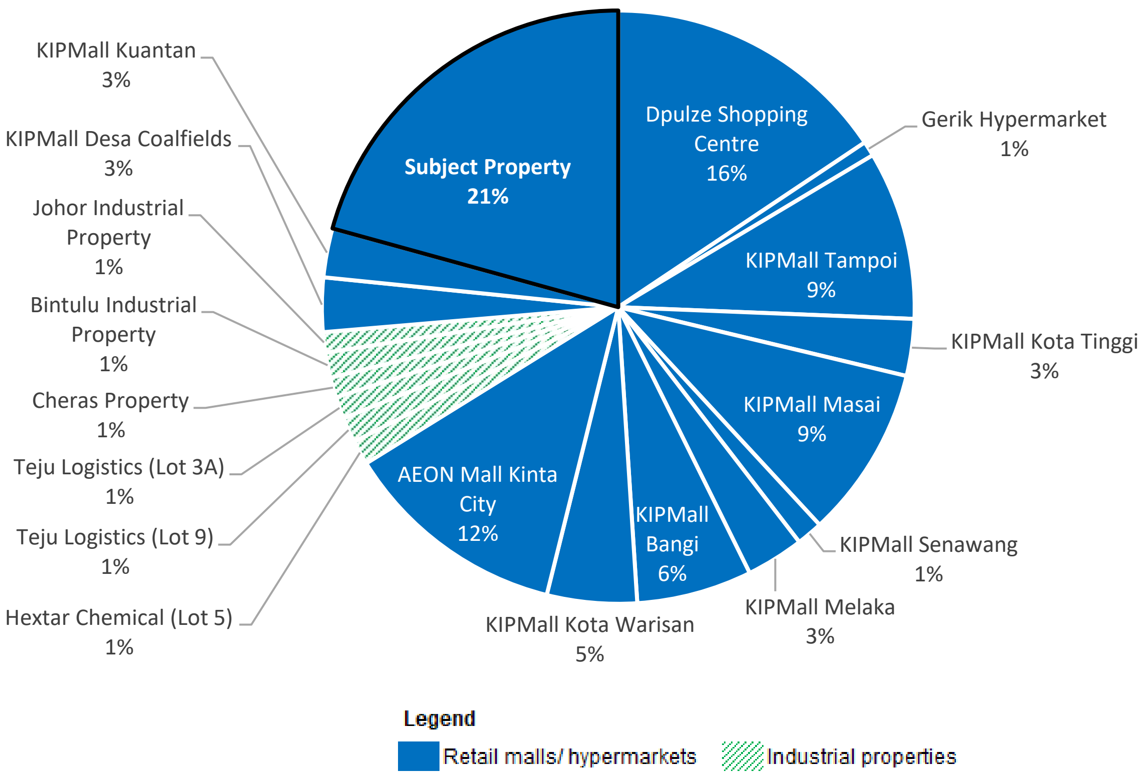
Based on the parameters of the Proposed Acquisition entered into, the Subject Property has a high occupancy rate of 99.89% based on the tenancy schedule as at 28 February 2026, underpinned by a diversified tenant base, further details of which are set out in **Section 2.2** of this Circular. The Subject Property recorded a net property income of approximately RM31.3 million for the year 2025, which translates into an implied property yield of 7.2% based on the Purchase Consideration. In this regard, upon completion of the Proposed Acquisition, the Subject Property is expected to generate stable recurring rental income for KIP REIT, which is expected to be DPU yield-accretive in the long term.

Therefore, the Proposed Acquisition is in line with the investment objective to provide unitholders with regular, stable and growing income distribution by expanding its existing portfolio of real estate to include quality properties with stable recurring income and to achieve long term growth in the NAV per Unit through its key investment strategies, while maintaining an optimum level of financing.

ii. Enhancement to the size of KIP REIT's property portfolio

As at the LTD, the total value of KIP REIT's properties stood at approximately RM1.66 billion. KIP REIT's property portfolio currently consists of twelve (12) retail malls/ hypermarkets, of which (4) are in the Southern region, five (5) are in the Central region, two (2) in the Northern region and one (1) in the East Coast region, and six (6) industrial properties located across Pulau Indah, Cheras, Pasir Gudang and Bintulu. Upon acquisition of the Subject Property, the total value of KIP REIT's properties will increase by approximately 26.1% from RM1.66 billion to RM2.10 billion, with the Subject Property constituting about 20.7% in asset value to the total property assets under the management of KIP REIT.

Total asset portfolio after the Proposed Acquisition



There is an ongoing dispute between the Vendor and JMB Zetapark pertaining to the alleged maintenance charges, sinking fund contribution and late payment charges in relation to the Subject Property. Please see further details as set out in **Section 4, Appendix III** of this Circular. While the Dispute remains ongoing, the Board is of the view that the Proposed Acquisition remains appropriate to proceed, after taking into consideration that the Dispute relates to historical matters and does not affect the title, ownership or operational control of the Subject Property, which continues to be income-generating with a high occupancy rate and stable tenancy profile.

In addition, the SPA incorporates various safeguard mechanisms, including retention of a portion of the Purchase Consideration, indemnity from the Vendor, and undertakings in relation to the resolution of the Dispute, which are intended to mitigate the potential financial exposure to KIP REIT and the Trustee. Please see further details as set out in **Section 6.9** of this Circular. Accordingly, having considered the income-generating nature and strategic fit of the Subject Property within KIP REIT's portfolio, as well as the contractual safeguards under the SPA, the Board is of the view that the Proposed Acquisition is in the best interest of KIP REIT and its Unitholders.

4.2 Proposed Placement

After due consideration of the capital structure of KIP REIT, the Board is of the opinion that the Purchase Consideration should be funded by a mixture of equity financing and bank borrowings. The use of a combination of equity and bank borrowings will allow KIP REIT to maintain its gearing at a healthy level as well as maintain sufficient headroom for future acquisitions of new properties. The approach is in line with the capital management and growth strategy of KIP REIT. For information, the Purchase Consideration was commercially negotiated and agreed with the Vendor to be satisfied entirely in cash. Accordingly, the settlement by way of issuance of new Units to the Vendor as consideration for the Proposed Acquisition was not contemplated by the parties.

The Board is of the view that the Proposed Placement is the most appropriate means to partly fund the Purchase Consideration as it is expected to raise funds expeditiously and cost effectively as compared with other fund-raising exercises involving pro-rata issuance of securities such as rights issue.

Additionally, the Proposed Placement will allow KIP REIT to potentially attract more investors to invest in KIP REIT, thereby widening its base for unitholders and enhance the liquidity and trading of its Units.

5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

5.1 Overview and outlook for the Malaysian economy

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (VM2026). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

In 2026, domestic demand is expected to register a growth of 5.4%, steered by sustained private sector expenditure at 5.7%. Strong consumption and investment activities will keep the private sector's contribution significant at 4.5 ppt to Gross Domestic Product growth. Meanwhile, public expenditure is anticipated to rise by 4.4%, contributing 0.8 ppt to overall growth.

Private consumption is projected to grow by 5.1%, driven by sustained income growth and favourable employment prospects. In addition, spillover effects from the implementation of Phase 2 of the SSPA, Sumbangan Tunai Rahmah (STR) and the BUDI MADANI RON95 (BUDI95) targeted subsidy programme are expected to provide further impetus to household spending, particularly among lower- and middle-income groups. Consumer spending will also be stimulated by higher tourism-related activities alongside major national and international events, including VM2026 and Malaysia Agriculture, Horticulture & Agrotourism Exhibition 2026 as well as the 2026 FIFA World Cup and BWF Thomas & Uber Cup 2026.

Private investment is anticipated to register a growth of 7.8% in 2026, driven by increased capital spending on structures and machinery & equipment in technology-intensive manufacturing and services sectors. The large volume of approved investments is expected to be realised, particularly in semiconductors, renewable energy and data centres. This outlook is reinforced by the strong implementation track record, with the execution of 85.1% of manufacturing projects approved between 2021 and June 2025. Strong global demand for electrical and electronics, coupled with automation and digitalisation, is expected to further stimulate investment in high-value and innovation-led activities. At the same time, ongoing initiatives such as GEAR-uP and the rollout of national masterplans will strengthen investor confidence and Malaysia's position as a competitive investment destination.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.2 Overview and outlook of the property market in Malaysia

The property market performance remained resilient amid global economic uncertainties in 2025, supported by stable Malaysian economic conditions and targeted government initiatives. A total 416,413 transactions worth RM241.87 billion were recorded, expanded by 4.1% in value, while volume experienced a slight decline of 1% compared to 2024. Of the total transactions, 79.2% (329,606 transactions) were transfers in 2025, 17.9% (74,458 transactions) were from 2024, and the remaining share consisted of transfers from 2023.

Sectoral market activity recorded mixed performance. All subsectors recorded year-on-year growth in the volume of transactions except for residential and agriculture subsectors, which declined by 1.5% and 2.7%, respectively. Meanwhile, the industrial and commercial sub-sectors show modest growth of 1.4% each, driven by sustained nationwide demand. In terms of value, all sub-sectors recorded growth except for agriculture. The industrial sub-sector led with an increase of 21.3%, followed by development land and others (17.2%), residential and commercial sub-sectors registered more moderate value growth of 1.3% and 1.1%, respectively.

The residential sub-sector, historically the largest segment of overall property transactions, continued to dominate the volume of transactions, with 61.6% of the total market activity. However, transaction values grew at a more moderate pace, contributing 44.8%, indicating stable pricing conditions. Demand was mainly driven by domestic buyers, with sustained interest concentrated in the affordable housing segment and lifestyle-oriented developments. Meanwhile, the commercial and industrial subsectors recorded lower transaction volumes, contributing 11.2% and 2.1%, but accounted for higher shares of transaction value with 24.3% and 14%, respectively.

Malaysia's economy is projected to sustain the growth momentum in 2026 between 4% and 4.5%, according to Economic Outlook 2026, Ministry of Finance (MoF), supported by robust domestic demand and a resilient external sector. The implementation of the New Industrial Master Plan 2030 (NIMP 2030), National Energy Transition Roadmap (NETR), National Semiconductor Strategy (NSS), National AI Action Plan 2030 and other impactful measures under the Thirteenth Malaysia Plan will reinforce economic fundamentals and sustained investor confidence.

The property market's trajectory in 2026 is expected to remain resilient, underpinned by market activity, stable price movement and variation of construction activity. Residential demand is shifting toward more high-value and affordable units. Nevertheless, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Budget 2026. While policy support and selective demand drivers provide a foundation for stability, the broader outlook remains vulnerable to external economic shifts and domestic affordability constraints. Meanwhile, the non-residential subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas.

The property market is expected to continue its momentum supported by various initiatives outlined by the government under Budget 2026, among others:-

i. The full stamp duty exemption on the instrument of transfer and loan agreement for first-time homebuyers of residential properties priced up to RM500,000 by Malaysian citizens has been extended until December 31, 2027;

ii. The stamp duty on instruments of transfer for non-citizens, non-permanent residents, and foreign companies, raising it from 4% to 8%, depending on the property's value;

iii. Increase Government Guarantees of up to RM20 billion under Housing Credit Guarantee Scheme (SJKP) on housing financing for the benefit of 80,000 home buyers;

iv. The Step-Up Financing Scheme under SJKP was introduced as a Government guarantee of up to RM10 billion specifically for young people seeking to own their first home, with lower loan repayments for the first five years;

v. Allocation of RM672 million for construction of Rakyat Housing, including:-

  - 49 Program Residensi Rakyat (PRR) projects, with six expected to be completed by the end of 2026, involving 1,755 units;

  - 6,545 Rumah Mesra Rakyat (RMR) units are expected to be completed by the end of 2026, benefiting more than 26,000 new residents;

  - 4,030 Residensi MADANI units are expected to be completed by the end of 2026;

- 5,981 new Residensi MADANI units targeted for implementation in 2026; and
- 3,000 PR1MA housing units expected to be completed in 2026;

vi. Allocation of RM100 million for construction of Program Residensi MADANI at several locations; Jalan Selimang/ Siakap, Bandar Tun Razak, Bandar Baru Sentul, Taman Desa (1) Lot 52958, Bandar Sri Permaisuri and Sg Besi (Wayfield).

As the national economy is projected to expand by 4% to 4.5% in 2026, the property market is expected to maintain its modest growth trajectory with caution, considering global economic challenges, domestic demand fluctuations, and an unpredictable external risk. Budget 2026 will be instrumental in guiding the nation's economic trajectory and laying the pathway towards realising the targets set forth under the Thirteenth Malaysia Plan. The implementation of the Ekonomi MADANI framework, supported by the rollout of strategies from a cohesive policy and action plan in the Budget 2026 and the Thirteenth Malaysia Plan, will boost Malaysia's economy and further drive growth in the property market. Furthermore, ongoing government support, coupled with Malaysia's strong economic performance, is expected to continue stimulating the expansion of the property market.

(Source: Malaysia Property Market Report 2025 from National Property Information Centre (NAPIC))

5.3 Overview for the retail property sector in Malaysia

The reviewed year recorded several shopping complex transactions with an accumulative worth of RM3.48 billion; mostly of the transactions were in Selangor, Wilayah Persekutuan Kuala Lumpur, Johor, Pahang, Perak and only one in Sabah.

The performance of occupancy rate for the shopping complex strengthened, continued to rise by 78.9%, reflecting market resilience. A total of 17.41 million sq m of existing retail space was recorded from 996 shopping complexes, dominated by Selangor, Wilayah Persekutuan Kuala Lumpur, and Johor. Six states achieved occupancy rates exceeding 80%, while Perlis recorded the lowest occupancy rates in the country, below 50%.

Correspondingly, the available space is reduced to 3.68 million sq m from the 787 buildings throughout the country. The availability rate decreased in tandem to 21.1%. Based on the availability of space, Selangor recorded the highest number in the country, dominating 21% (0.77 million sq m) of the national total, followed by Johor with 17.1% (0.63 million sq m) and Pulau Pinang with another 15.5% (0.57 million sq m).

In 2025, there were 12 new shopping complexes completed, adding more than 314,000 sq m of retail space to the market. The completed developments included shopping centers, hypermarkets, and arcades. By year-end, the total existing retail space amounted to 17.41 million sq m across 996 shopping complexes. Additionally, 28 more complexes with over 590,000 sq m of retail space were in the incoming supply, while another 15 complexes, exceeding 410,000 sq m, were in the planned supply.

Rental market of retail space remained stable. Nevertheless, positive rental movements observed in Klang Valley, indicating that rental market remains firm in selected complexes. In Wilayah Persekutuan Kuala Lumpur, notable rental appreciation exceeding 11% was recorded at several prominent mall such as Suria KLCC, The Linc KL, Avenue K and KL East Mall. Rental market in Selangor largely stable with a slight increase of 2.5% to 9.8% recorded in selected complexes, including Citta Mall and Starling Mall.

In line with the overall rental market, conditions in Johor and Pulau Pinang remained largely stable. Nevertheless, rental increases were observed in selected complexes, driven mainly by rental renewals and strategic locations. In Johor Bahru, higher rental rates were recorded at Larkin Sentral and The Mall, Mid Valley Southkey. Meanwhile, Pulau Pinang also registered rental appreciations of more than 10% at several levels in Lotus's Bagan Ajam and Mydin Bertam.

(Source: Malaysia Property Market Report 2025 from National Property Information Centre (NAPIC))

5.4 Prospects of the Subject Property

In 2025, the overall occupancy rate of purpose-built retail malls in Klang Valley reached 82.4%, a marginal downward trend of 0.5 percentage points from the same period last year. The performance for Kuala Lumpur recorded positive growth, with occupancy rates reaching 83.6% (+1.2 percentage points year-on-year), reflecting sustained tenant confidence and healthy leasing momentum, particularly in the prime malls. Meanwhile, outside Kuala Lumpur showed declining performance with occupancy rate dropping 2.4 percentage points year-on-year, reaching 80.9%. The softer performance is due to a large influx of new retail supply which has led to the pressured overall occupancy.

In the MKL submarket, occupancy rates stood at 82.2%, marking a positive growth of 1.6 percentage points from the same period last year. The improvement reflects steady leasing activity and stable tenant demand, supported by the resilience of lifestyle-oriented retail offerings and continued demand for well-curated tenant mixes within the submarket. The overall retail leasing activity continues to be dominated by the F&B and Fashion and Accessories segments. Meanwhile, the Leisure, Entertainment, Music and Video category is gaining momentum, aligning with the growing 'retailtainment' trend designed to enhance visitor engagement and revitalise the shopping experience.

As of 2025, the concluded monthly rental rates for ground-floor retail space within the MKL locality ranged from RM2.90 to RM100.00 per sq ft, depending on the unit size, visibility, accessibility, overall positioning within the retail scheme and location of the malls.

Looking ahead, the purpose-built retail sector within the MKL submarket is expected to remain relatively stable, albeit at a moderate pace. Leasing activity is likely to be driven primarily by the F&B, lifestyle, and convenience-based segments, as retailers focus on resilient trade categories that cater to evolving consumer preferences and daily needs.

Overall rental rates for retail units are expected to remain rangebound amid the high-cost operating environment, as competition to retain and attract tenants continues. Landlords and developers will need to remain agile in responding to changing consumer behaviours and the growing importance of mixed-use and lifestyle-oriented retail environments.

Upgrading initiatives, repositioning strategies, and improved tenant curation will be essential for maintaining competitiveness in the maturing MKL retail landscape.

Scheduled for completion in 2026, Kuala Lumpur's retail pipeline is expected to introduce approximately 2.13 million sq ft of new retail space. The upcoming supply will be concentrated in MKL and Kuala Lumpur City Centre.

In MKL, Pavilion Damansara Heights Phase 2 and AEON Mall KL Midtown are expected to add a combined retail space of approximately 0.87 million sq ft. These projects will further strengthen MKL's position as an emerging retail and lifestyle node, supported by its growing commercial base, affluent catchment and integrated development profile.

Meanwhile, Kuala Lumpur City Centre is expected to welcome Ombak KLCC and 118 Mall, contributing a total of approximately 1.26 million sq ft of retail space. The completion of these projects will reinforce the city centre's role as the country's prime retail destination, supported by strong tourism appeal, high footfall and its established concentration of landmark commercial and mixed-use developments.

Looking ahead, the purpose-built retail outlook for the MKL submarket is expected to remain stable, with growth likely to be moderate over the near to medium term. While consumer spending continues to normalise, retailers are expected to remain selective in their expansion plans, with stronger preference for established malls that offer proven footfall, stable catchment support and sustainable occupancy levels. Leasing demand is expected to remain primarily driven by F&B, grocery, healthcare, personal services and lifestyle operators, particularly within neighbourhood and community-oriented retail assets.

Within this context, Setapak Central Mall is expected to remain competitively positioned within the MKL retail submarket. The mall has historically maintained occupancy levels above 85%, outperforming the average occupancy recorded within the MKL submarket, and recorded an occupancy rate of 99.89% as at 28 February 2026. This indicates its established market presence, resilient tenant demand and relevance to the surrounding residential population. Its location within the mature Setapak township further supports its role as a neighbourhood retail destination, serving day-to-day consumption needs rather than relying heavily on discretionary or tourist-driven spending.

Rental growth is expected to remain measured amid a competitive leasing environment, rising operating costs and cautious retailer expansion. Nevertheless, Setapak Central Mall's ground floor concluded rental range of approximately RM8.70 to RM17.60 per sq ft per month demonstrates its ability to achieve competitive rental levels within the submarket. Rental rates are expected to continue varying by unit size, frontage, visibility, accessibility and overall positioning within the mall.

Going forward, the mall's performance will depend on its ability to sustain occupancy, refresh its tenant mix and strengthen shopper engagement. Proactive tenant curation, selective refurbishment and targeted asset enhancement initiatives will be important to preserve its competitiveness, particularly as new retail supply enters the wider Kuala Lumpur market. Neighbourhood malls with clear positioning, necessity-based offerings and strong catchment support are expected to remain more resilient compared with assets that depend heavily on discretionary spending.

Overall, the Klang Valley retail market is expected to remain resilient over the medium term, supported by population growth, improving connectivity and continued mixed-use development. However, rental growth is likely to remain moderate due to rising competition and cost pressures. In this environment, well-positioned retail assets with strong tenant curation, clear market relevance and community-focused offerings are expected to outperform.

(Source: Valuer in-house research)

6. RISK FACTORS

Unitholders should consider the following risk factors (which may not be exhaustive) pertaining to the Proposed Acquisition:-

6.1 Delay or non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon the fulfilment of the conditions precedent in the SPA as set out in **Appendix I** of this Circular. There is no assurance that the Proposed Acquisition can be completed within the timeframe permitted under the SPA. If any of the said conditions precedent is not fulfilled/ waived within the stipulated timeframe, the SPA may be terminated by either party thereto and the Proposed Acquisition will not proceed. The Manager will ensure that all reasonable steps within its control will be taken to ensure that the conditions precedent within its responsibility are met, and that every effort is made to obtain all necessary approvals within its responsibility to give effect to the completion of the Proposed Acquisition.

6.2 Funding risks

There can be no assurance that KIP REIT will be able to raise sufficient funds to finance the Proposed Acquisition and/ or on terms acceptable to KIP REIT. Where KIP REIT is unable to raise the required funds, the Proposed Acquisition may not be completed within the timeframe permitted under the SPA. In the event of any shortfall from the Proposed Placement towards satisfying the balance Purchase Consideration as and when required, such shortfall shall be financed through a combination of borrowings, issuance of debt or hybrid instruments, and/ or internally generated funds, after taking into consideration KIP REIT's future gearing level and working capital requirements.

As at the LPD, KIP REIT's total borrowings amounted to approximately RM752 million, with an average interest rate of 4.7% per annum, and a gearing ratio of approximately 39%. KIP REIT is required to ensure that its total borrowings do not exceed 50% of its total asset value as prescribed under Paragraph 8.32 of the Guidelines on Listed Real Estate Investment Trusts issued by the SC ("**Gearing Limit**").

As stated in **Section 2.5** of this Circular, the Proposed Acquisition will be partly funded by bank borrowings, hence KIP REIT may be exposed to fluctuations in interest rates and repayment commitments. Any adverse movement in interest rates may lead to higher borrowing costs which consequently may adversely affect the cash flows of KIP REIT. Notwithstanding that, the Manager will actively monitor KIP REIT's capital structure and debt portfolio, which includes gearing level, interest costs as well as cash flows to ensure that its capital structure and debt portfolio remains at a sustainable and optimal level, whilst also ensuring compliance with the Gearing Limit at all times.

6.3 Inability of the tenants to make timely rental payments

The ability of the tenants of the Subject Property to make timely rental payments to the Trustee may be affected due to, amongst others, the outbreak of infectious diseases, unfavourable changes in statutory laws, regulations or government policies, general downturn in the global and Malaysian economy, bankruptcy, insolvency or downturn in the operations of the tenants, and competition from other retail properties or e-commerce.

Under the existing tenancy agreements for the Subject Property, if the tenants fail to pay the rental payments in a timely manner, the landlord shall amongst others, be entitled to charge late payment interest on the unpaid rent (ranging between 1% per month to 8% per annum, of which the agreed rate is specified in the tenancy agreements and calculated on a daily basis from the due date of payment until the date of actual payment), forfeit deposits paid by tenants and/ or terminate the tenancies. The tenancy agreements for most of the existing tenancies also contain safeguard provisions for the committed tenancies, whereby the tenants shall be obliged to pay the landlord the full amount of the rental for the remaining unexpired period of the tenancy terms if the demised premises are vacated earlier or abandoned by the tenants. The Manager will work closely with the relevant parties to take appropriate and timely measures to solve the issues arising from the above factors such as active engagement with the tenants as well as reviewing operational costs and expenses.

6.4 Non-renewal of tenancy agreements

The performance of KIP REIT will be dependent on, amongst others, the ability of the tenants of the Subject Property to renew the tenancy agreements upon the expiry of the tenancy term under the tenancy agreements. If any of the tenants terminate or do not renew the tenancy agreements on expiry, the ability of KIP REIT to continue to make distributions to its unitholders may be adversely affected if obtaining a suitable replacement of any of the tenants on satisfactory terms and in a timely manner is not possible. However, the Manager will use its best endeavours and leverage on its network to secure new tenants in the Subject Property if the tenants terminate or do not renew the tenancy agreements.

6.5 Losses from building defects, breaches of laws and regulations and other deficiencies

The Vendor's representations and warranties in favour of the Trustee under the SPA include a warranty that the CCC/ certificate of fitness for occupation has been duly issued for the Subject Property, and all buildings and structures were built and constructed in accordance with plans and specifications approved by the relevant authorities; where no such approval is legally required, such buildings and structures were built in accordance with plans prepared and approved by qualified and licensed engineers and architects.

Further, the Vendor has given a warranty that the land use of the Subject Property is consistent with (i) the category of land use and express condition stipulated in the document of title, and (ii) to the Vendor's knowledge and as at the SPA date, the town planning zoning plan and/ or local structure plan of the relevant local and municipal authorities as at the SPA date, and to the Vendor's knowledge, the Vendor has fully complied with all express and implied conditions and restriction-in-interest in the document of title and all laws affecting the Subject Property.

Despite the representations and warranties given by the Vendor in the SPA in favour of the Trustee, these may not offer sufficient protection to KIP REIT for the costs and liabilities arising from any defect or deficiency. Hence, the Manager has conducted among others mechanical and engineering (M&E) due diligence on the Subject Property, and the Vendor is obliged under the SPA to repair the identified damage or defects to the Subject Property under the SPA, at the Vendor's own cost and expense by the completion date of the SPA. If the foregoing damage or defects have not been repaired, rectified or dealt with by the Vendor by the completion date of the SPA, notwithstanding that there is no agreed arrangement under the SPA for the Trustee to withhold a portion of the balance purchase consideration until the Vendor has repaired the identified damage or defects to the Subject Property, it is agreed under the SPA that the Trustee and the Vendor shall, acting in good faith, discuss repairs to be carried out after the completion date of the SPA and at the Vendor's own cost and expense.

Notwithstanding that, should there be any breaches or issues of non-compliance with the said warranties, the Trustee will have a right to bring a claim against the Vendor under the applicable laws. Any material breach of any representation, warranty, covenant, undertaking or obligation of the Vendor under the SPA which is not capable of remedy, or capable of remedy but is not remedied or caused to be remedied by the Vendor within the timeframe stipulated in the SPA also constitutes an event of default by the Vendor, whereby the Trustee shall be entitled either (i) to seek, enforce and claim for the remedy of specific performance against the Vendor of the relevant term or condition of the SPA and/ or all reliefs flowing therefrom, or (ii) to terminate the SPA whereupon all monies paid by the Trustee towards the Purchase Consideration will be returned, and the Trustee can claim damages from the Vendor due to its material breach of the SPA.

6.6 Competition risks

The Subject Property may be affected by amongst others, increased competition from other retail properties in terms of new retail concept space, better trade mix and/ or attractive tenancy terms which may result in a loss of key/ significant number of tenants and non-renewal of tenancies following the expiry or renewal of tenancies at less favourable rates as well as the Manager's ability to collect rental on a timely basis. Further, shopping malls may face increased competition from online shopping. This would reduce the need for retailers to have physical stores in shopping malls, which in turn would reduce the demand for retail shopping spaces. Such development could in turn have an adverse impact on KIP REIT's financial position and results of operations. Nevertheless, the Manager will endeavour to manage the Subject Property to maximise traffic and maintain healthy occupancy rates. The Manager will also work closely with the tenants to build sustainable landlord-tenant relationships.

6.7 Losses in excess of insurance proceeds

The Subject Property may suffer physical damage caused by fire and acts of God such as natural disasters – unusual floods, storm, lightning, or other causes. In addition, certain types of risks (such as war risk, riots and losses caused by outbreak of contagious diseases, contamination or other damages) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured amounts occur, KIP REIT could suffer a loss of capital invested in the Subject Property as well as loss of anticipated future revenue from the Subject Property. There can be no assurance that material losses in excess of insurance proceeds (if any) will not occur. If an uninsured loss or loss in excess of insured limit occurs, this may adversely affect KIP REIT's financial position and result of operations.

Notwithstanding the above, the Subject Property is currently insured against risks which the Manager believes is in accordance with the general industry practice in Malaysia. The Manager will continue to review its insurance policies to ensure that the Subject Property is adequately insured upon completion of the SPA and may in the future take up insurance against such other relevant risks as and when the Manager considers there is a need to do so.

6.8 The proforma income distribution and DPU are not a guarantee of the actual financial results

KIP REIT's proforma income distribution and DPU as set out in **Section 7.3** of this Circular demonstrate the effects of the Proposed Acquisition based on certain assumptions of the Manager including the assumption that the Proposed Acquisition was completed on 1 July 2024 (being the beginning of the FYE 30 June 2025). No assurance is given that the assumptions used by the Manager will be realised and the actual DPU will be as projected. Further, the actual financial results of KIP REIT may differ from the proforma results set out in this Circular.

The risk of variance between the proforma income distribution and DPU and the actual financial results is mitigated by the fact that the proforma financial information has been prepared based on certain assumptions of the Manager, which are derived from historical performance of the Subject Property and prevailing market conditions at the time of preparation. The Manager has taken all reasonable steps to ensure that such assumptions are appropriate and reasonable for the purpose of preparing the proforma financial information, and the Manager will continue to actively manage the portfolio to support income stability post-acquisition.

6.9 Dispute relating to management charges of the Subject Property

There is an ongoing dispute between the Vendor and JMB Zetapark pertaining to the alleged maintenance charges, sinking fund contribution and late payment charges in relation to the Subject Property. Please see further details as set out in **Section 4, Appendix III** of this Circular. While the Dispute is between the Vendor and JMB Zetapark, there is a risk that any adverse determination, including a Judgment Sum, may indirectly affect the Subject Property and/ or result in claims being asserted against the Trustee as the incoming proprietor of the Subject Property in the event that the Vendor fails to satisfy any Judgment Sum within the prescribed timeframe. In addition, there can be no assurance that the Dispute will be resolved prior to completion of the Proposed Acquisition or on terms favourable to the Vendor.

Notwithstanding the above, the Trustee has sought to mitigate the above risk by including certain safeguard mechanisms in the SPA, including (a) the Vendor's obligation to use commercially reasonable endeavours to resolve the Dispute prior to the SPA completion and to provide regular updates on its status, (b) the retention of a portion of the Purchase Consideration (if there is no final and binding resolution of the Dispute by the SPA completion), which shall be released to the Vendor only after such resolution (whereby no appeal is pending and no further right of appeal subsists) and full payment of any Judgment Sum (if applicable) by the Vendor, (c) that if there is no final and binding resolution on the Dispute by the SPA completion, then under the SPA the Vendor will procure an indemnity in favour of the Trustee from Frasers Property (Singapore) Pte Ltd (UEN 201629453D) (an intermediate holding company of the Vendor), up to a maximum aggregate liability of RM15,100,000.00, in a form to be agreed between the indemnifier and the Trustee, (d) the Vendor's obligation to punctually pay (or cause to be paid) all maintenance and service charges and sinking fund contribution to Perbadanan Pengurusan Zetapark in respect of the Subject Property, save for those borne by any tenant/ occupant under the relevant tenancy agreement/ occupancy agreement, up to but excluding the completion date of the SPA, and (e) indemnity from the Vendor in favour of the Trustee against any fine, penalty, interest and cost which is or may be imposed against the Trustee in respect of any late payment or default in payment of any maintenance and service charges and sinking fund contribution payable by the Vendor up to but excluding the completion date of the SPA. There is however no assurance that such safeguards will fully eliminate the risks against the Subject Property and the Trustee associated with the Dispute. The Trustee has agreed to the sum of the retained portion of the Purchase Consideration and the maximum aggregate liability under the indemnity to be procured from Frasers Property (Singapore) Pte Ltd (UEN 201629453D), based on the estimated amount payable by the Vendor derived from the relevant documents of the Dispute furnished by the Vendor, and on the agreed basis under the SPA that the retained portion will only be released to the Vendor upon the Judgment Sum (if any) has been fully paid by the Vendor (and with documentation of full payment given to the Trustee), failing which the retained portion will be applied towards any outstanding Judgment Sum.

6.10 Compulsory acquisition by the Government of Malaysia

The State Authorities of the respective States in Malaysia have the power to compulsorily acquire any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960 (Revised 1992). The registered proprietor of the land whose land is compulsorily acquired and/ or any other person who has an interest in the land will be awarded an amount of compensation which is based on the fair market value of the acquired property and is assessed on the basis prescribed in the Land Acquisition Act 1960 (Revised 1992) and other relevant laws. Compulsory acquisition on the whole or any portion of the Subject Property could adversely affect the market value of the Subject Property, which could impact KIP REIT's financial condition and results of operations.

In the event of any compulsory acquisition relating to all or any part of the Subject Property being not less than ten percent (10%) of the GFA for any purpose prior to the completion of the SPA, the Trustee shall be entitled under the SPA to either continue or terminate the Proposed Acquisition. If the Trustee elects to continue with the Proposed Acquisition, the Trustee shall also be entitled under the SPA to receive all compensation monies and to attend any enquiries or hearings held in connection with such compulsory acquisition. KIP REIT will endeavour to minimise any potential losses from such acquisition, including invoking the relevant provisions of the Land Acquisition Act 1960 (Revised 1992) in relation to its rights to appeal against the Land Administrator's award for compensation as well as to submit an objection in respect of the compensation, where necessary.

7. EFFECTS OF THE PROPOSALS

For illustrative purposes, the pro forma effects of the Proposals have been prepared based on the following parameters:-

i. the illustrative issue price of the Placement Units is assumed at RM0.84 per Placement Unit, based on a discount of approximately 2.43% to the 5-day VWAP of KIP REIT up to and including the LTD of RM0.8609;

ii. the maximum number of Placement Units to be issued is 220,000,000 Units, representing approximately 22.95% of the existing total issued Units as at the LPD to raise gross proceeds of RM184.80 million based on the illustrative issue price of RM0.84 per Placement Unit; and

iii. the Purchase Consideration is assumed to be funded by a mixture of 40.6% equity financing via proceeds raised from the Proposed Placement and the remainder 59.4% via bank borrowings.

7.1 Unitholders' capital

The Proposed Acquisition will not have any effect on the unitholders' capital of KIP REIT as there is no issuance of new Units involved.

The pro forma effects of the Proposed Placement on the unitholders' capital of KIP REIT are as follows:-

	No. of Units ('000)	RM'000
Unitholders' capital as at the LPD	958,630	858,736
No. of Placement Units to be issued pursuant to the Proposed Placement	220,000	183,460[*1]
Enlarged unitholders' capital	**1,178,630**	**1,042,196**

Note:-

*1 *After incorporating the estimated placement fee of RM1.34 million incidental to the issuance of the Placement Units which is set-off against unitholders' capital.*

7.2 Substantial Unitholders' unitholdings

The Proposed Acquisition will not have any effect on the substantial unitholders' unitholdings as there is no issuance of new Units involved.

The pro forma effects of the Proposed Placement on the substantial unitholders' unitholdings are as follows:-

	Unitholdings as at the LPD				After the Proposed Placement[*5]			
	<--------------Direct-------------->		<-------------Indirect------------->		<--------------Direct--------------->		<-----------Indirect----------->	
Substantial unitholders	**No. of Units ('000)**	**%[*1]**	**No. of Units ('000)**	**%[*1]**	**No. of Units ('000)**	**%[*2]**	**No. of Units ('000)**	**%[*2]**
Dato' Ong Choo Meng	93,263	9.73	2,600[*3]	0.27	123,263	10.46	2,600[*3]	0.22
Dato' Ong Kook Liong	71,586	7.47	3,678[*4]	0.38	81,586	6.92	3,678[*4]	0.31

Notes:-

*1 *Based on the total issued Units of 958,629,900.*

*2 *Based on the total issued Units of 1,178,629,900.*

*3 *Deemed interested by virtue of his interest in Hextar Rubber Sdn Bhd pursuant to Section 8 of the Act.*

*4 *Deemed interested by virtue of his interest held through his spouse pursuant to Section 59(11)(c) of the Act.*

*5 *Assuming that the Proposed Placement does not give rise to the emergence of any substantial unitholders.*

As at the LPD, the other unitholders (other than substantial unitholders) directly hold collectively 82.80% of the total issued Units. Upon completion of the Proposed Placement and on the assumption that the Placement Units are fully placed out, the other unitholders (other than substantial unitholders) are expected to directly hold collectively 82.62% of the enlarged total issued Units.

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7.3 Earnings and distributable income

The Proposals are not expected to have any material effect on the earnings and distributable income of KIP REIT for the FYE 30 June 2026 as the Proposals are only expected to be completed in the fourth quarter of 2026.

The issuance of new Units pursuant to the Proposed Placement will initially dilute the EPU and DPU, due to the enlarged number of Units in circulation. However, after taking into consideration the additional net property income of the Subject Property following the completion of the Proposed Acquisition, the Manager believes that the Proposed Acquisition is expected to contribute positively to the earnings and distributable income of KIP REIT for the future financial years.

Assuming the Proposals were completed on 1 July 2024 (being the beginning of the FYE 30 June 2025), the pro forma effects of the Proposals on the EPU and DPU of KIP REIT for the audited FYE 30 June 2025 are as follows:-

	As at 30 June 2025 RM'000	I Subsequent events up to the LPD RM'000	II After I and the Proposed Placement RM'000	III After II and the Proposed Acquisition RM'000
Total comprehensive income	115,135	115,135	115,135	115,135
Add:-				
• Annual incremental income contribution of Subject Property	-		-	31,278
(Less):-				
• Estimated one-off expenses incidental to the Proposed Acquisition	-	-	-	(782)
• Manager, Trustee, and other property management fees	-	-	-	(4,449)[*2]
• Estimated cost of financing	-	-	-	(10,586)[*3]
Pro forma total comprehensive income	**115,135**	**115,135**	**115,135**	**130,595**
Distribution adjustments	(62,412)	(62,412)	(62,412)	(62,412)
Pro forma distributable income	**52,723**	**52,723**	**52,723**	**68,183**
Units in circulation ('000)	798,630	958,630[*1]	1,178,630	1,178,630
EPU[*4] (sen)	**15.94**	**12.01**	**9.77**	**11.08**
DPU[*5] (sen)	**6.80**	**4.95**	**4.03**	**5.21**

Notes:-

*1 *After adjusting for 123,000,000 Units that were placed out on 22 August 2025 at an issue price of RM0.81 per Unit and 37,000,000 Units that were placed out on 15 October 2025 at an issue price of RM0.825 in conjunction with the acquisition of KIPMall Desa Coalfields, Lotus's Indera Mahkota, three (3) Indera Mahkota shop offices, and KFC Indera Mahkota.*

*2 *Derived from the following:-*

i. *Manager fees of RM3.48 million, computed at a base rate of 0.8% per annum of the incremental total asset value;*

ii. *Trustee fees of RM7,000, computed at a base rate of 0.04% per annum of the incremental NAV;*

iii. *Performance management fees of RM938,334, computed at a base rate of 3% per annum of the incremental net property income; and*

iv. *Property manager fees of RM24,000, computed at a base rate assuming RM2,000 per month in relation to the Subject Property.*

*3 *Assuming interest rate of 4.10% per annum for the debt financing of RM258.20 million to partly satisfy the Purchase Consideration.*

*4 *Computed based on total comprehensive income over total number of units in circulation.*

*5 *Computed based on the payout ratio of approximately 93.8% and 90% of KIP REIT's distributable income for the FYE 30 June 2025 and FYE 30 June 2026 respectively and number of units in circulation.*

The Manager wishes to highlight that the computation above is merely for illustration purposes and have been prepared based on certain assumptions of the Manager. Accordingly, there can be no assurance that the assumptions used by the Manager will be realised and the actual EPU and DPU will be as projected.

7.4 NAV per Unit and gearing

Based on the latest audited statements of financial position of KIP REIT as at 30 June 2025, the pro forma effects of the Proposals on the NAV per Unit and gearing are as follows:-

	Audited as at 30 June 2025 RM'000	I Subsequent events up to the LPD RM'000	II After I and the Proposed Placement RM'000	III After II and the Proposed Acquisition RM'000
Unitholders' capital	730,496	858,736*1	1,042,196	1,042,196
Retained earnings	163,655	98,806*2	98,806	114,267*5
NAV	**894,151**	**957,542**	**1,141,002**	**1,156,463**
Number of Units in issue ('000)	798,630	958,630*1	1,178,630	1,178,630
NAV per Unit (RM)	**1.12**	**1.00**	**0.97**	**0.98**
Total borrowings	622,776	661,776*3	661,776	919,976*6
Total asset value	1,577,047	1,689,398*4	1,689,398	2,130,277*7
Gearing ratio (%)	**39.49**	**39.17**	**39.17**	**43.19**

Notes:-

*1 *After adjusting for 123,000,000 Units that were placed out on 22 August 2025 at an issue price of RM0.81 per Unit and 37,000,000 Units that were placed out on 15 October 2025 at an issue price of RM0.825 in conjunction with the acquisition of KIPMall Desa Coalfields, Lotus's Indera Mahkota, three (3) Indera Mahkota shop offices, and KFC Indera Mahkota.*

*2 *After taking into account the following:-*

- *final income distribution of 2.018 sen per Unit for the period from 1 April 2025 to 30 June 2025, which was declared on 24 July 2025 and paid on 29 August 2025;*
- *first income distribution of 0.60 sen per Unit for the period from 1 July 2025 to 31 July 2025, which was declared on 6 August 2025 and paid on 17 September 2025;*
- *second income distribution of 1.20 sen per Unit for the period from 1 August 2025 to 30 September 2025, which was declared on 29 September 2025 and paid on 11 November 2025;*
- *third income distribution of 1.70 sen per Unit for the period from 1 October 2025 to 31 December 2025, which was declared on 21 January 2026 and paid on 3 March 2026; and*
- *fourth income distribution of 1.73 sen per Unit for the period from 1 January 2026 to 31 March 2026, which was declared on 27 April 2026 and paid on 8 June 2026.*

*3 *After adjusting for borrowings of approximately RM39.0 million that was incurred for the funding of previous property acquisitions that were completed subsequent to the FYE 30 June 2025.*

*4 *After adjusting for the following:-*

- *increase in investment properties of RM28.7 million pursuant to the completion of the acquisition of the Bintulu industrial property on 30 September 2025;*
- *increase in investment properties of RM23.3 million pursuant to the completion of the acquisition of the Johor industrial property on 17 October 2025;*
- *increase in investment properties of RM62.0 million pursuant to the completion of the acquisition of KIPMall Desa Coalfields on 22 August 2025;*
- *increase in investment properties of RM39.0 million pursuant to the completion of the acquisition of Lotus's Indera Mahkota on 22 September 2025;*
- *increase in investment properties of RM12.0 million pursuant to the completion of the acquisition of three (3) Indera Mahkota shop offices on 22 September 2025;*
- *increase in investment properties of RM5.0 million pursuant to the completion of the acquisition of KFC Indera Mahkota on 22 September 2025;*

- *increase in investment properties of RM7.2 million pursuant to the completion of the AEI for KIPMall Tampoi in February 2026; and*

- *decrease in cash and bank balances of RM48.26 million pursuant to the total income distribution that was paid subsequent to the FYE 30 June 2025, details of which have been included in Note 2 above.*

*5 *After adjusting for the net earnings arising from the completion of the Proposed Acquisition as illustrated in **Section 7.3** of this Circular.*

*6 *After adjusting for the drawdown of the debt financing of RM258.20 million to partly satisfy the Purchase Consideration.*

*7 *After adjusting for the increase in investment properties based on the Purchase Consideration of the Subject Property of RM435 million and the one-off estimated expenses amounting to RM5.88 million which will be capitalised as expenditure directly associated with the Proposed Acquisition.*

7.5 Convertible securities

As at the LPD, KIP REIT does not have any convertible securities in issue.

8. APPROVALS REQUIRED

The Proposals are subject to the following being obtained:-

i. approval of Bursa Securities for the listing of and quotation for the Placement Units on the Main Market of Bursa Securities. The approval of which has been obtained vide Bursa Securities' letter dated 3 July 2026 and subject to the following conditions:-

	Conditions	Status of compliance
a.	KIP REIT and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Placement;	To be complied
b.	UOBKH to furnish Bursa Securities with details of the proposed placee(s) pursuant to Paragraph 6.15 of the Listing Requirements for review/ clearance, prior to the issuance/ allotment of the Placement Units;	To be complied
c.	KIP REIT/ UOBKH to furnish Bursa Securities a certified true copy of the resolution passed by the unitholders approving the Proposals;	To be complied
d.	UOBKH to inform Bursa Securities upon the completion of the Proposed Placement;	To be complied
e.	KIP REIT and UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Placement is completed; and	To be complied
f.	Payment of additional listing fees, if any, based on the market value of the Placement Units to be listed together with a copy of the details of the computation of the amount of fees payable.	To be complied, if applicable

ii. approval of the unitholders of KIP REIT for the Proposed Acquisition at the Unitholders' Meeting to be convened;

iii. approval of the unitholders of KIP REIT for the Proposed Placement at the Unitholders' Meeting to be convened;

iv. if required for the purpose of the application for the written approval set out in item (v) below and/ or the presentation of the instrument of transfer at the relevant land registry for registration, the written no-objection letter or confirmation from the MOE that the approval from the MOE for the Proposed Acquisition is not required under the MOE's Guideline on the Acquisition of Properties due to the Vendor not being a 'Bumiputera interest' or 'government agency' as defined in the said Guideline. The said written no-objection letter has been obtained on 25 June 2026; and

v. FMSB obtaining the written approval of the Land Executive Committee of the Federal Territory of Kuala Lumpur *(Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)* for the transfer of the Subject Property from FMSB to the Trustee pursuant to the restriction in interest endorsed on the document of title to the Subject Property. The said written approval has been obtained on 18 May 2026.

Further details on the conditions precedent are set out in **Appendix I** of this Circular.

The Proposed Acquisition is conditional upon the relevant approvals (including items (i) and (iii) above) being obtained for the Proposed Placement, but not vice versa. Notwithstanding this, if the approval under item (iii) above remains unfulfilled within the conditional period stipulated in the SPA, the Trustee may at any time within that period elect to waive such approval from being a condition precedent under the SPA.

The inclusion of such waiver rights in the SPA is intended to provide flexibility for the Trustee to proceed with the Proposed Acquisition should alternative funding arrangements be available and in the best interests of the unitholders. The Proposed Placement is intended as a funding mechanism for the Proposed Acquisition and, if it does not proceed, KIP REIT may utilise alternative funding sources, including debt financing, internally generated funds or other suitable funding arrangements to complete the Proposed Acquisition, after taking into consideration KIP REIT's future gearing level and working capital requirements. Accordingly, the waiver provisions are intended to preserve the commercial viability of the Proposed Acquisition and avoid its termination solely due to the non-completion of the Proposed Placement. Conversely, should the Proposed Acquisition not be completed for whatsoever reason, the proceeds that are earmarked for partial settlement of the Purchase Consideration as set out in **Section 3.6** of this Circular shall be reallocated to fund KIP REIT's acquisitions of other assets to be identified by the Manager of KIP REIT.

The Proposals are not conditional upon any other proposals undertaken or to be undertaken by KIP REIT.

9. PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 27.58%, computed based on the Purchase Consideration compared with the total asset value of KIP REIT as at 30 June 2025.

10. HISTORICAL UNIT PRICE PERFORMANCE

The monthly highest and lowest market prices of the Units as traded on Bursa Securities for the past 12 months from July 2025 to June 2026 are set out below:-

	High RM	Low RM
2025		
July	0.822	0.784
August	0.842	0.803
September	0.862	0.809
October	0.869	0.850
November	0.884	0.859
December	0.884	0.864
2026		
January	0.928	0.874
February	0.950	0.918
March	0.925	0.820
April	0.870	0.845
May	0.860	0.838
June	0.855	0.835
Last transacted market price of the Units as at the LTD		0.860
Last transacted market price of the Units as at the LPD		0.840

(Source: Bloomberg)

11. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE OF THE MANAGER, MAJOR UNITHOLDERS OF KIP REIT AND/ OR PERSONS CONNECTED TO THEM

11.1 Proposed Acquisition

The Proposed Acquisition is not a related party transaction. 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 Acquisition.

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11.2 Proposed Placement

Save as disclosed below, 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:-

	Unitholdings as at the LPD				
	<---Direct---->		<--Indirect-->		
	No. of Units ('000)	%[*1]	No. of Units ('000)	%[*1]	Nature of relationship and interest
Dato' Ong Choo Meng	93,263	9.73	2,600[*2]	0.27	• Proposed placee under the Proposed Placement • Indirect major shareholder of the Manager via his indirect interest through KIP Homes Sdn Bhd • Major unitholder of KIP REIT via his direct interest in KIP REIT and indirect interest through Hextar Rubber Sdn Bhd • Brother of Ong Tzu Chuen
Dato' Ong Kook Liong	71,586	7.47	3,678[*3]	0.38	• Proposed placee under the Proposed Placement • Indirect major shareholder of the Manager via his indirect interest through KIP Homes Sdn Bhd • Managing Director of the Manager • Father of Ong Pui Shan
Ong Tzu Chuen	-	-	2,600[*2]	0.27	• Executive Director of the Manager • Sister of Dato' Ong Choo Meng
Ong Pui Shan	3,810	0.40	-	-	• Executive Director cum Chief Executive Officer of the Manager • Daughter of Dato' Ong Kook Liong

Notes:-

*1 *Based on the total issued Units of 958,629,900.*

*2 *Deemed interested by virtue of his/ her interest in Hextar Rubber Sdn Bhd pursuant to Section 8 of the Act.*

*3 *Deemed interested by virtue of his interest held through his spouse pursuant to Section 59(11)(c) of the Act.*

The Interested Parties will abstain and will undertake to ensure that persons connected to them will also abstain from voting in respect of their direct and/ or indirect unitholdings in KIP REIT on the resolutions pertaining to the Proposed Placement (including the proposed placement to the Undertaking Parties in respect of their allocations) to be tabled at the Unitholders' Meeting to be convened. The Interested Directors have also abstained and will continue to abstain from deliberating and voting on the Proposed Placement (including the proposed placement to the Undertaking Parties in respect of their allocations) at the relevant Board meetings.

12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (being the subject matters of this Circular), there are no other corporate exercises which have been announced by the Manager and which are pending completion as at the LPD.

13. ADVISERS

UOBKH has been appointed as the Principal Adviser and Placement Agent for the Proposals.

CIMB and Maybank have been appointed as the Joint Placement Agents for the Proposed Placement.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

14.1 Proposed Acquisition

The Board, having considered all aspects of the Proposed Acquisition, including but not limited to the rationale and justifications, the terms and conditions of the SPA, the basis and justifications for the Purchase Consideration, the prospects of the Subject Property and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of KIP REIT and that the terms and conditions of the SPA are fair and reasonable.

Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Acquisition to be tabled at the Unitholders' Meeting.

14.2 Proposed Placement

The Board (save for the Interested Directors), having considered all aspects of the Proposed Placement, including but not limited to the rationale and effects, is of the opinion that the Proposed Placement is in the best interest of KIP REIT.

Accordingly, the Board (save for the Interested Directors) recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Placement to be tabled at the Unitholders' Meeting.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed in the fourth quarter of 2026. The tentative timetable for the implementation of the Proposals are set out below:-

Events	Tentative timing
Convening of the Unitholders' Meeting	23 July 2026
Fulfilment of conditions precedent to SPA	Mid September 2026[*1]
Completion of the Proposed Placement	End October 2026[*2]
Completion of the Proposed Acquisition	Mid December 2026[*3]

Notes:-

*1 *Assuming the conditions precedent to the SPA are fulfilled within twenty (20) weeks from the date of the SPA in accordance with the terms and conditions of the SPA.*

*2 *The Proposed Placement may be implemented in one or several tranches depending on the timing of fulfilment of the conditions precedent for the SPA.*

*3 *Assuming the balance Purchase Consideration is satisfied within the Completion Period in accordance with the terms and conditions of the SPA.*

16. UNITHOLDERS' MEETING

The Unitholders' Meeting will be conducted at Function Room, Level UG, Dpulze Shopping Centre, Persiaran Multimedia, Cyber 12, 63000 Cyberjaya, Selangor on Thursday, 23 July 2026 at 10:00 a.m, or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals. The Notice of Unitholders' Meeting together with the Form of Proxy are enclosed in this Circular.

If you are unable to attend the Unitholders' Meeting, you are entitled to appoint a proxy/ proxies to attend and vote on your behalf. In such event, the Form of Proxy must be completed and lodged at the registered office of the Manager at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or alternatively, login to Boardroom Smart Investor Portal at https://investor.boardroomlimited.com and deposit the Form of Proxy electronically, not less than 48 hours before the time appointed for holding the Unitholders' Meeting, or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating in the Unitholders' Meeting should you subsequently wish to do so.

17. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
KIP REIT MANAGEMENT SDN BHD

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

APPENDIX I – SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:-

1.	**AGREEMENT FOR SALE AND PURCHASE**	FMSB agrees to sell, and the Trustee agrees to purchase the Subject Property on an as-is-where-is basis in such state and condition as at the date of the SPA (fair wear and tear excepted and subject to repair of damage or defects identified in the SPA), including all on site fittings, machinery, equipment, systems and fixtures of any kind owned by FMSB and as set out in the SPA (including the trademarks stated therein) in working and operational repair and condition as at the date of the SPA, at the Purchase Consideration, free from all encumbrances but subject to the relevant tenancy agreements/ occupancy agreements and service agreements, with the possession, subject to the leasehold tenure, category of use, the express condition and restriction in interest all as more particularly described in the SPA and upon the other terms and conditions of the SPA. If the identified damage, defects or items have not been repaired, rectified or dealt with by the SPA completion, the parties shall, acting in good faith, discuss repairs to be carried out after the SPA completion and at FMSB's own cost and expense.
2.	**PURCHASE CONSIDERATION AND PAYMENT TERMS**	(i) The Purchase Consideration shall be paid by the Trustee in the manner as set out in **Section 2.4** of this Circular. (ii) In the event the Trustee does not pay any part of the balance Purchase Consideration in full upon expiry of three (3) months commencing from the date the SPA becoming unconditional, the payment period under the SPA shall be automatically extended for one (1) month for the Trustee to pay the outstanding sum in the abovesaid manner, subject to interest (at the rate of eight percent (8%) per annum calculated on a daily basis) of which such interest (if any) is payable by the Trustee to FMSB's solicitor as stakeholder no later than ten (10) business days from its last payment of such outstanding balance Purchase Consideration.
3.	**CONDITIONS PRECEDENT AND COMPLETION**	(i) The SPA is conditional upon the fulfilment of the following conditions precedent: (a) approval of Bursa Securities for the listing of and quotation for the Placement Units on the Main Market of Bursa Securities; (b) approval of the unitholders of KIP REIT for the Proposed Acquisition at the Unitholders' Meeting to be convened; (c) approval of the unitholders of KIP REIT for the Proposed Placement at the Unitholders' Meeting to be convened ("**Proposed Placement Approval**"); (d) if required for the purpose of the application for the written approval set out in sub-section (e) below and/ or the presentation of the instrument of transfer at the relevant land registry for registration, the written no-objection letter or confirmation from the MOE that the approval from the MOE for the Proposed Acquisition is not required under the MOE's Guideline on the Acquisition of Properties due to the Vendor not being a 'Bumiputera interest' or 'government agency' as defined in the said Guideline; and (e) FMSB obtaining the written approval of Land Executive Committee of the Federal Territory of Kuala Lumpur *(Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)* for the transfer of the Subject Property from FMSB to the Trustee pursuant to the restriction in interest endorsed on the document of title to the Subject Property. (ii) The SPA shall become unconditional on the date of the last condition precedent being fulfilled (or if applicable, waived) in accordance with the SPA. (iii) In the event any of the conditions precedent remains not fulfilled upon expiry of the period of twenty (20) weeks from the date of the SPA (subject to any extension(s) as may be mutually agreed by the parties in writing), or is deemed not fulfilled due to the rejection by the affected party of an adverse condition imposed in an approval (or if the Proposed Placement Approval remains not fulfilled upon expiry of the said period and the Trustee does not waive the Proposed Placement Approval from being a condition precedent under the SPA), either the Vendor or the Trustee may by written notice to the other party terminate the SPA, whereby the provisions under the termination clause as set out in the SPA shall apply.

		(iv) The date on which the full amount of the Purchase Consideration is paid shall be the completion date of the SPA.
4.	**EXISTING TENANCIES**	Within ten (10) business days from the unconditional date of the SPA, FMSB or FMSB's solicitor shall prepare and email (or cause to be prepared and emailed) to the Trustee's solicitor a draft novation agreement in the form annexed to the SPA in respect of each tenancy agreement/ occupancy agreement. The Trustee's solicitor shall, within ten (10) business days from the date of their receipt of each draft novation agreement, confirm the Trustee's agreement to the same or provide their comments thereon (if any) to FMSB's solicitor. Upon agreement on the final form of each novation agreement, FMSB shall execute and use its best endeavours to procure the execution thereof by the relevant tenants or occupants at least five (5) business days prior to the completion date of the SPA. The Vendor shall on the completion date of the SPA, deliver (or cause to be delivered) to the Trustee's solicitor, the following documents: (i) the stamped copies of all tenancy agreement/ occupancy agreement (including all renewals thereof) subsisting on the completion date of the SPA obtained by or provided to the Vendor; and (ii) five (5) copies of each novation agreement in respect of each tenancy agreement/ occupancy agreement subsisting on the completion date of the SPA, all duly executed by both the Vendor and the relevant tenant/ occupant.
5.	**DEFAULT AND TERMINATION**	<u>Trustee's Default</u> (i) In the event the Trustee fails to pay (a) the balance deposit and fails to remedy the same within ten (10) business days from the date the Trustee or its solicitor receives the Vendor's written notice to remedy (or such further period as may be agreed by the Vendor in writing), or (b) the balance Purchase Consideration and fails to remedy the same within ten (10) business days (or such further period as may be agreed by the Vendor in writing) from the last day of the extended payment period under the SPA, and/ or the Trustee is in material breach of any of its representations, warranties, covenants, undertakings or obligations under the SPA and such material breach is not capable of remedy or capable of remedy but is not remedied or caused to be remedied by the Trustee within ten (10) business days from the date the Trustee or its solicitor receives the Vendor's written notice requiring the same to be remedied (or such further period as may be agreed by the Vendor in writing), the Vendor shall be entitled either (A) to seek, enforce and claim for the remedy of specific performance against the Trustee of the relevant term or condition of the SPA and/ or all reliefs flowing therefrom, or (B) to terminate the SPA by written notice to the Trustee and claim damages from the Trustee due to its material breach of the SPA. (ii) In the event of any termination of the SPA by the Vendor due to the Trustee's default, within ten (10) business days from the Trustee's or the Trustee's solicitor's receipt of the relevant termination notice, the Purchase Consideration (including the deposit) and the Trustee's portion of any apportioned outgoings shall be refunded in the manner stipulated in the SPA, and thereafter the SPA shall cease to be of any further force and effect in accordance with the terms and conditions stipulated therein.

		Vendor's Default (i) In the event the Vendor (a) either materially defaults, or fails, refuses, is not able to or does not complete the sale and/ or transfer of the Subject Property (or any part thereof) to the Trustee in accordance with the SPA for any reason not attributable to any omission, breach, fault, neglect and/ or blameworthy conduct of the Trustee in complying with the SPA, and/ or (b) is in material breach of any of its representations, warranties, covenants, undertakings or obligations under the SPA and such material breach is not capable of remedy, or capable of remedy but is not remedied or caused to be remedied by the Vendor within ten (10) business days (or such further period as may be agreed by the Trustee in writing) from the date the Vendor or the Vendor's solicitor receives the Trustee's written notice requiring the same to be remedied, the Trustee shall be entitled either (A) to seek, enforce and claim for the remedy of specific performance against the Vendor of the relevant term or condition of the SPA and/ or all reliefs flowing therefrom, or (B) to terminate the SPA by written notice to the Vendor or the Vendor's solicitor and claim damages from the Vendor due to its material breach of the SPA. (ii) In the event of any termination of the SPA by the Trustee due to the Vendor's default, the Purchase Consideration (including deposit) and the Trustee's portion of the apportioned outgoings shall be refunded in the manner stipulated in the SPA, and thereafter the SPA shall cease to be of any further force and effect in accordance with the terms and conditions stipulated therein. Termination due to material damage to the Subject Property (i) Either party shall have the right to elect to either proceed with completing the SPA in accordance with the terms and conditions contained in the SPA, or terminate the SPA (by issuing a written termination notice to the other Party, their solicitor and the stakeholder) if any destruction or damage to the Subject Property prior to the completion date of the SPA is a "Material Damage", which means damage to (a) at least 10% of the GFA of the Subject Property and/ or any part of the Subject Property which materially affects the use or operations of the Subject Property; and (b) which requires at least nine (9) months to repair, or is incapable of being repaired, as confirmed in writing by a qualified and licensed engineer or architect to be appointed by the Vendor. (ii) If either party elects to terminate the SPA, the Purchase Consideration (including deposit) and the Trustee's portion of the apportioned outgoings shall be refunded in the manner stipulated in the SPA, and thereafter the SPA shall cease to be of any further force and effect in accordance with the terms and conditions stipulated therein. (iii) If neither party serves a termination notice within the prescribed period under the SPA, the Vendor shall at its own cost engage its own consultants and/ or contractors to undertake the repair works to reinstate the Subject Property to its original state and condition as at the date of the SPA. If such repairs remain incomplete by the completion date of the SPA, the parties shall arrange for the handover of the ongoing repair works to be completed by the Vendor's consultants and/ or contractors at the Vendor's own cost and expense.
6.	**REAL PROPERTY GAINS TAX**	Pursuant to the Real Property Gains Tax (Exemption) (No. 4) Order 2003 [P.U.(A) 451/2003], the Minister of Finance has exempted any person from the payment of real property gains tax in respect of chargeable gains accruing on the disposal of any chargeable asset to a real estate investment trust which is approved by the SC. The Trustee confirms, represents and warrants to the Vendor that as at the date of the SPA, the Trustee is a real estate investment trust approved by the SC. By reason of the foregoing, the parties confirm to each other that the Trustee is not required to retain and forward to the IRBM any sum for the purpose of the RPGT Act.

		In the event the IRBM determines that the RPGT Act applies to the disposal of the Subject Property and/ or such disposal is subject to the RPGT: (i) the Vendor shall within five (5) business days from its receipt of the IRBM's relevant notice, notify the Trustee or the Trustee's solicitor in writing and each party furnishes the other party or its solicitor with all information (including the party's tax identification number) necessary for the filing of returns under the RPGT Act; and (ii) the Vendor and Trustee shall respectively file their own return forms as prescribed by the IRBM. Each party to the SPA shall be fully responsible for its own obligations (if any) under the RPGT Act, including that the Vendor shall be fully responsible for the payment of any income tax or RPGT (if imposed) as may be payable in respect of the disposal of the Subject Property.
7.	**NON-REGISTRATION OF TRANSFER**	In the event the instrument of transfer of the Subject Property is not registered by the relevant land registry for any reason which is not caused by or attributable to any party, their respective solicitor, the Trustee's financier and/ or its solicitor, and which cannot be or is not rectified, remedied and/ or overcome within two (2) months (or such other period as agreed between the Vendor and the Trustee in writing) from the date of the Vendor's or the Vendor's solicitor's receipt of a written notice from the Trustee or the Trustee's solicitor setting out the full facts in respect of such non-acceptance, rejection or non-registration, together with supporting documents (if any), either party shall be entitled to terminate the SPA by written notice to the other party or its solicitor, whereby the provisions of the consequences of termination under the SPA shall apply.
8.	**DISCLOSURE OF DISPUTE**	The Vendor has disclosed to the Trustee and the Manager that, as at the SPA date, there is an ongoing dispute between the Vendor and the JMB/ MC pertaining to the Dispute. The Vendor shall use commercially reasonable endeavours to achieve a final and binding resolution of the Dispute with the JMB/ MC no later than ten (10) business days before the SPA completion, and to provide regular updates on its status. Where there is no final and binding resolution of the Dispute between the Vendor and the JMB/ MC by the SPA completion: (i) the Vendor will procure an indemnity in favour of the Trustee from Frasers Property (Singapore) Pte Ltd (UEN 201629453D) up to a maximum aggregate liability of RM15,100,000.00 in a form to be agreed between the indemnifier and the Trustee; and (ii) the relevant stakeholder shall retain a sum of RM10,000,000.00 (out of the balance Purchase Consideration) and shall only release the same to the Vendor within ten (10) days after receiving a written notice by the Vendor and the Trustee jointly, to be issued upon: (a) the final and conclusive determination of the Dispute, and no appeal is pending and no further right of appeal subsists; and (b) when the judgment sum (if any) has been fully paid by the Vendor, and relevant documentation evidencing such full payment (if any) has been received by the Trustee from the Vendor.
9.	**LIMITATION OF LIABILITY**	<u>Trustee</u> Any liability of the Trustee arising under or in connection with the SPA shall be limited to and only be enforceable against it to the extent that such liability can be satisfied from, the assets of KIP REIT for the time being held by the Trustee in its capacity as trustee. Nothing in this provision shall limit or exclude the liability of the Trustee in respect of any claims against it caused by fraud on its part.

		Vendor (i) The Vendor shall not be liable in respect of any claim(s) made by the Trustee under, in connection with, or for a breach of the SPA ("**Claim**") to the extent that the matter or circumstance giving rise to the Claim is, or arises from, any fact, matter or circumstance, in all material respects, truly and accurately disclosed by the Vendor. (ii) The maximum aggregate liability of the Vendor for all Claims under the SPA is 100% of the Purchase Consideration.

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CBRE | WTW

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
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Report and Valuation

Our Ref : WTW/01/V/003479/26/SHS

22 April 2026

PRIVATE & CONFIDENTIAL

PACIFIC TRUSTEES BERHAD
Trustee of KIP Real Estate Investment Trust
A-11-8, 11th Floor Megan Avenue 1
No. 189, Jalan Tun Razak
Off Persiaran Hampshire
50400 Kuala Lumpur

Dear Sirs,

CERTIFICATE OF VALUATION
PAJAKAN NEGERI 46795/M1/B1/1
TOGETHER WITH FORTY-SEVEN (47) ACCESSORY PARCELS
KNOWN AS SETAPAK CENTRAL MALL
ERECTED ON PART OF PARENT LOT NO. 30119
MUKIM OF SETAPAK, DISTRICT OF KUALA LUMPUR
FEDERAL TERRITORY OF KUALA LUMPUR
FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD
(Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur)

We thank you for your instructions to carry out a formal valuation on the above-mentioned property in providing our opinion of the Market Value of the property for the purpose of submission to Bursa Malaysia Securities Berhad and for inclusion in the circular to shareholders of KIP Real Estate Investment Trust in relation to the proposed acquisition of Setapak Central Mall by Pacific Trustees Berhad, acting as the trustee for and on behalf of KIP Real Estate Investment Trust.

Having inspected the property and investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, mortgage, charge and free from all encumbrances is **RM435,000,000/- (Ringgit Malaysia: Four Hundred and Thirty Five Million Only)**.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Certificate of Valuation should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.".

The material date of valuation is taken as at 9 March 2026.

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(Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur)

TERMS OF REFERENCE

The valuation is carried out based on the following **BASIS**:-

i) The subject property has a total lettable area of 514,777 square feet (approximately 47,824 square metres) as per the tenancy schedule dated 28 February 2026; and

ii) It has a total of 1,090 car parking bays.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS/ASSUMPTIONS WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS/ASSUMPTIONS ARE INVALID/INCORRECT.

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(Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur)

PROPERTY IDENTIFICATION

The property	:	A purpose-built three (3)-storey shopping mall together with a basement car park
Location	:	Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur
Strata Title No.	:	Pajakan Negeri 46795/M1/B1/1
Parcel No.	:	1
Storey No.	:	B1
Building No.	:	M1
Accessory Parcel Nos.	:	A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46 and A286
Share Unit of Parcel	:	190,200
Total Share Units of All Subdivided Buildings on the Land	:	284,100
Parent Lot No.	:	Parent Lot 30119, Mukim of Setapak, District of Kuala Lumpur, Federal Territory of Kuala Lumpur
Tenure	:	Leasehold of 99 years expiring on 20 November 2106 (Unexpired term of approximately 81 years)
Strata Floor Area	:	

Main Parcel Area	93,327 square metres (approximately 1,004,562 square feet)
Accessory Parcel Area	7,640 square metres (approximately 82,236 square feet)
Total	100,967 square metres (approximately 1,086,798 square feet)

Lettable Area	:	514,777 square feet (47,824 square metres)
Green Building Certificate	:	Bronze GreenRE Certificate awarded by GreenRE Sdn Bhd

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PROPERTY IDENTIFICATION (Cont'd)

Age of Building	:	Approximately 15 years as per the Partial Certificate of Completion and Compliance (CCC) bearing reference no. LAM/WP/No. 0128 dated 22 August 2011
Occupancy Rate as at the date of valuation	:	99.89%
Registered Owner	:	FESTIVA MALL SDN. BHD.
No. of Car Parking bays	:	1,090 bays
Category of Land Use	:	Building
Encumbrances	:	Charged to PUBLIC BANK BERHAD
Express Condition	:	"Perniagaan"
Restriction in Interest	:	"Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur."
Date of Valuation	:	9 March 2026

CERTIFICATE OF VALUATION
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GENERAL DESCRIPTION

The subject property is a purpose-built three (3)-storey shopping mall together with a basement car park known as Setapak Central Mall, No. 67, Jalan Taman Ibu Kota, 53300 Setapak, Kuala Lumpur.

It forms part of the stratified integrated commercial development which comprises serviced apartment, office towers and mall known as Setapak Central.

The subject property is having a strata floor area of 100,967 square metres (approximately 1,086,798 square feet).

Based on the Tenancy Schedule dated 28 February 2026 as provided to us by the client, the subject property has a total lettable area of 514,777 square feet.

CAR PARK

The number of car park bays (including OKU car park) under the subject property based on the Approved Building Plan is 1,090 bays.

The vendor is currently undergoing an update exercise of the building plan, and the new number of car park bays will be at least 1,118 bays which will be reflected on the architect's submissions. In relation to car wash areas, understand that both in the new plans and existing plans approved by Dewan Bandaraya Kuala Lumpur (DBKL), these are designated areas for car washing operations which are concurrently used with 12 car park bays (and which still remain as car park bays).

PLANNING PROVISION

The subject property is designated for commercial use as per the Express Condition in the document of strata title.

METHOD OF VALUATION

The subject property is valued based on the Income Approach of Valuation by adopting Investment Method. This method entails determining the net current annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

As a check, we have adopted the Comparison Approach. The Comparison Approach entails analysing recent transactions and asking prices of similar properties for comparison purposes with adjustments made for differences in location, size, age and condition of building(s), tenure, type of property, title restrictions, if any and other relevant characteristics to arrive at the market value.

OCCUPATION

Based on the Tenancy Schedule as at 28 February 2026 provided to us by the client, the subject property was tenanted to multiple tenants including department store, food & beverages, fashion & accessories and etc. It has an occupancy rate of 99.89%.

Most of the tenancies have committed for a 3-year term, while some of the tenancies are subject to payment of sales turnover rent, with the percentages varying based on factors such as the nature of business, unit size, use of licensed areas, and the base rent charged. If the percentage rent exceeds the base rent for immediately preceding month plus service charge and advertising & promotional charge, the tenant shall be obliged to pay the top up portion, monthly in arrears.

The past 3 years' occupancy rate of the subject property is summarised as follow:-

Year	Occupancy Rate
2023	Approximately 98%
2024	
2025	100%

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VALUE CONSIDERATION

a) Income Approach (Investment Method)

We have adopted the Income Approach (Investment Method) as the primary approach for this valuation exercise whilst the Comparison Approach is used as a check.

The parameters adopted in the Income Approach (Investment Method) for the shopping mall are as follows:-

<table>
<tr><th>Description</th><th>Parameters</th><th>Remarks</th></tr>
<tr><td>Average Term Gross Monthly Rental</td><td>RM6.64 psf</td><td>We have adopted existing passing rent of the shopping mall inclusive of service and promotional charges but excluding turnover rent.</td></tr>
<tr><td>Average Reversionary Gross Monthly Rental</td><td>RM7.00 psf</td><td>We have considered the concluded rentals of similar shopping malls within Klang Valley and existing passing rent of the shopping mall. The concluded rental rates adopted for comparable properties are base rental inclusive of service charge, advertising and promotional charge but exclusive of turnover rent.

The adopted Average Reversionary Gross Monthly Rental is considered reasonable and consistent with prevailing market rates.</td></tr>
<tr><td>Turnover Rent</td><td>RM2,530,612/- per annum</td><td>The turnover rent between year 2023 to 2025 is summarised as follows:-
<table><tr><th>Year</th><th>Turnover Rent (per annum)</th></tr><tr><td>2023</td><td>RM2,601,812</td></tr><tr><td>2024</td><td>RM2,344,891</td></tr><tr><td>2025</td><td>RM2,645,133</td></tr></table>
The turnover rent has been derived from the historical average income achieved between 2023 and 2025, amounting to approximately RM2,530,612/- per annum.

The adopted rates are considered to be in line with prevailing market rates, having regard to the subject property's historical performance, tenant profile, occupancy levels, and prevailing market practices for similar properties.</td></tr>
<tr><td>Other Income – Advertising & Promotional</td><td>RM4,448,998/- per annum</td><td>The other income from year 2023 to 2025 is summarised as follows:
<table><tr><th>Year</th><th>Other Income (per annum)</th></tr><tr><td>2023</td><td>RM3,909,378</td></tr><tr><td>2024</td><td>RM4,478,940</td></tr><tr><td>2025</td><td>RM4,958,676</td></tr></table>
The other income includes income derived from promotion space, push carts, signage income and others, is a separate income stream from the rental income generated from the occupation of retail space. Whereas for the promotional charge stipulated in the lease agreement that tenants pay to the mall owner. It is usually intended to fund mall-wide marketing activities such as advertising campaigns, festive decorations, events and promotions and etc.

The other income has been derived based on the historical average income achieved from Year 2023 to 2025, amounting to approximately RM4,448,998/- per annum. The adopted rates are considered reflective of prevailing market conditions, taking into account the subject property's historical operating performance, tenant profile, occupancy levels, and market practices observed for similar properties.</td></tr>
<tr><td>Car Park Income</td><td>RM2,981,127/- per annum</td><td>The car park income from year 2023 to 2025 is summarised as follows:
<table><tr><th>Year</th><th>Car Park Income (per annum)</th></tr><tr><td>2023</td><td>RM2,609,231</td></tr><tr><td>2024</td><td>RM3,022,435</td></tr><tr><td>2025</td><td>RM3,311,715</td></tr></table>
Car Park Income has been derived based on the historical average income achieved from Year 2023 to 2025, amounting to approximately RM2,981,127/- per annum.

The adopted rates are considered to be in line with prevailing market rates, having regard to the subject property's historical performance, tenant profile, occupancy levels, and prevailing market practices for similar properties.</td></tr>
</table>

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VALUE CONSIDERATION (Cont'd)

a) Income Approach (Investment Method) (Cont'd)

<table>
<tr><th>Description</th><th>Parameters</th><th>Remarks</th></tr>
<tr><td>Monthly Outgoings</td><td>Term:
RM3.50 psf

Reversionary:
2.50% increase</td><td>The average outgoings analysed from the actual records of Setapak Central Mall for year 2023 to 2025 as provided to us are as follows:-

<table><tr><th>Year</th><th>Monthly Outgoings</th></tr><tr><td>2023</td><td>RM3.55 per square foot</td></tr><tr><td>2024*</td><td>RM3.95 per square foot</td></tr><tr><td>2025</td><td>RM3.45 per square foot</td></tr></table>
Based on the information made available to us, the provisional Common Area Maintenance (CAM) charges for the past three years were approximately RM620,000 per annum. However, for the purpose of this assessment, we have adopted the latest projected figures provided by the client upon formation of the Management Corporation (MC) in the last quarter of 2025.

Following the formation of the MC, responsibility for the upkeep and maintenance of common areas will be transferred to the MC. Under the revised structure, the maintenance charge for the shopping mall component is set at RM0.30 per share unit, with an additional sinking fund contribution fixed at 10% of the maintenance charges (equivalent to RM0.03 per share unit). On this basis, the total annual maintenance charges are estimated to be in the region of RM750,000 per annum.

Based on available market evidence for stratified shopping malls, outgoings generally range from approximately RM3.00 to RM4.50 per square foot per month, depending on factors such as building age, specification, available facilities, occupancy profile, and other related considerations. Properties offering enhanced amenities, centralised air-conditioning systems, larger common areas, and higher service standards generally command outgoings at the upper end of the range.

In our valuation, we have estimated the term outgoings at RM3.50 per square foot over the lettable area taking into consideration the average actual historical outgoings recorded from Year 2023 to 2025.

Upon reversionary, we considered a growth of 2.50% from the actual outgoings (ie. RM3.60 per square foot) over the total lettable area. The adopted reversionary outgoings rate of RM3.60 per square foot is considered to fall within the lower-to-mid range of prevailing market benchmarks and is therefore regarded as reasonable and consistent with normal market practice</td></tr>
<tr><td>Void</td><td>5.00%</td><td>We have adopted the void for risk of vacancy and uncertainty.

Taking into consideration the current market condition of similar properties, we have adopted the void at 5.00%. In addition, we have taken into consideration a buffer period of 6 months to all vacant spaces.</td></tr>
<tr><td>Term Capitalisation Rate</td><td>6.00%</td><td rowspan="2">Selected shopping malls yield located within Klang Valley are ranging from 5.75% to 7.14%. Taking into consideration the existing term rental, location, building specification and building age of the subject property, we have adopted the net yield (term) at 6.00% and net yield (reversionary) at 6.50%.

Higher yield adopted for annual turnover rent and other income is to reflect the associated risk derived from this income stream.</td></tr>
<tr><td>Reversionary Capitalisation Rate</td><td>6.50%</td></tr>
</table>

*Note: We were made to understand that there is an outstanding maintenance charges and sinking fund contribution over the past several years, the additional amount of RM2,759,941 (approximately RM0.45psf) represents the cumulative balance of these arrears, which has been formally recognised in the financial records for the year ended 2024. The Common Area Maintenance (CAM) & Sinking Fund provision was made in addition to the actual costs incurred directly by the mall prior to the formation of Management Corporation (MC). Following the formation of the MC and the approval of the new rates, this provision is no longer applicable.

The market value derived from Income Approach (Investment Method) is **RM435,000,000/-**.

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VALUE CONSIDERATION (Cont'd)

a) Comparison Approach

In arriving at the market value of the subject property based on Comparison Approach, we have considered transactions of similar type malls as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa announcement dated 18 September 2024 and Circular to Shareholders dated 25 March 2025	Bursa announcement dated 27 May 2024 and Circulars to Unitholders dated 17 September 2024	Bursa announcement dated 22 November 2022 and Circular to Unitholders dated 7 March 2023
Building Name	Paradigm Mall Petaling Jaya	D'Pulze Shopping Centre	Pavilion Bukit Jalil
Location	Paradigm Mall Petaling Jaya, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor	D'Pulze Shopping Centre, Cyber 12, 63000 Cyberjaya, Selangor	Pavilion Bukit Jalil, No. 2, Persiaran Jalil 8, Bandar Bukit Jalil, 57000 Kuala Lumpur
Type	A retail mall comprising six (6) retail levels with a lower ground floor and two (2) basement car park levels along with two (2) retail levels sited below the existing Le Meridien Petaling Jaya	A stratified seven (7) -storey commercial building with 2 levels of basement	A five (5)-storey retail mall with two (2) basement car park levels
Tenure	Leasehold expiring on 9 February 2111	Term in perpetuity (Freehold)	
Lettable Area (square feet)	680,177 (approximately 63,191 square metres)	311,499 (approximately 28,939 square metres)	1,822,041 (approximately 169,273 square metres)
Date	18/09/2024	27/05/2024	22/11/2022
Vendor	JELAS PURI SDN BHD (a 70% joint venture of WCT LAND SDN BHD)	DPULZE VENTURES SDN BHD	REGAL PATH SDN BHD
Purchasers	RHB TRUSTEES BERHAD (as trustee of Paradigm Real Estate Investment Trust "**PARADIGM REIT**")	PACIFIC TRUSTEES BERHAD (as trustee of KIP Real Estate Investment Trust "**KIP REIT**")	MTRUSTEE BERHAD (as trustee of Pavilion Real Estate Investment Trust "**PAVILION REIT**")
Consideration	RM600,000,000/-	RM320,000,000/-	RM2,200,000,000/-
Analysis (RM per square foot)	RM882/-	RM1,027/-	RM1,207/-
Adjustments	Adjustments are made for location-general, building age/ condition, tenure, size (lettable area), car park ratio and green feature		
Adjusted Value (RM per square foot)	RM860/-	RM899/-	RM1,177/-

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VALUE CONSIDERATION (Cont'd)

b) Comparison Approach (Cont'd)

It is noted that the analysed values range from RM860 per square foot to RM1,177 per square foot.

We have adopted Comparable 1 as the most recent and appropriate comparable as it represents the latest transaction and similar type of property with multiple tenants. Therefore, we have adopted RM860 per square foot in our valuation.

Hence, the market value derived from Comparison Approach is **RM440,000,000/-**.

RECONCILIATION OF VALUE

The market value for the subject property derived from both the Income Approach (Investment Method) and Comparison Approach are shown as follows:-

Income Approach (Investment Method)	-	RM435,000,000/-
Comparison Approach	-	RM440,000,000/-

We have adopted the market value derived from Income Approach (Investment Method) as a fair representation of the market value of the subject property in view that the subject property is an income generating property.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease, mortgage, charge and free from all encumbrances at **RM435,000,000/- (Ringgit Malaysia : Four Hundred and Thity Five Million Only)**.

Yours faithfully
for and on behalf of
CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr HENG KIANG HAI
MBA (Real Estate), B.Surv (Hons) Prop.Mgt,
MRICS, FRISM, FPEPS, MMIPFM
Registered Valuer (V-486)

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to the Vendor and the Subject Property in this Circular were obtained from the management of the Vendor, through their respective solicitors, public searches, available public sources or the valuation report prepared by the Valuer (as applicable). The responsibility of the Board with respect to such information is limited to ensuring that such information is correctly extracted and reproduced in this Circular.

2. CONSENT

UOBKH, being the Principal Adviser and Placement Agent for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

CBRE WTW, being the Valuer in relation to the valuation of the Subject Property, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Valuation Report, and all references thereto in the form and context in which they appear in this Circular.

CIMB and Maybank, being the Joint Placement Agents for the Proposed Placement, have given and have not subsequently withdrawn their written consent to the inclusion in this Circular of their names and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser and Placement Agent for the Proposals.

CBRE WTW has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Valuer in relation to the valuation of the Subject Property.

CIMB, its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for KIP REIT, the Manager and/ or any of their respective affiliates, in addition to the roles set out in this Circular.

In addition, any member of CIMB Group may at any time, in the ordinary course of business offer or provide its services to or engage in any transactions (on its own account or otherwise) with KIP REIT, the Manager and/ or their respective affiliates, hold long or short positions in securities issued by KIP REIT and/ or the Manager, make investment recommendations and/ or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other clients in debt or equity securities or senior loans of KIP REIT, the Manager and/ or any of their respective affiliates. This is a result of the business of CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of CIMB Group and/ or its clients now have or in the future, may have interest or take actions that may conflict with the interests of KIP REIT and/ or the Manager.

As at the LPD, the CIMB Group has extended credit facilities to KIP REIT. CIMB is of the view that the extension of these credit facilities does not result in a conflict of interest situation in respect of its capacity to act as the Joint Placement Agent for the Proposed Placement and any potential conflict of interest that exists or is likely to exist in respect of its capacity as the Joint Placement Agent for the Proposed Placement is mitigated by the following:

(i) These credit facilities were extended on an arms' length basis and in the ordinary course of business of the CIMB Group;

(ii) CIMB is a licensed investment bank and its appointment as the Joint Placement Agent for the Proposed Placement is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits save for the placement fees in relation to its appointment as the Joint Placement Agent;

(iii) CIMB is required under its investment banking licence to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its operations. These guidelines require, among others, the establishment of "Chinese Wall" policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;

(iv) The conduct of CIMB Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, CMSA and CIMB Group's internal controls and checks; and

(v) The total outstanding amount owed by KIP REIT to the CIMB Group of approximately RM319.0 million as at the LPD is not material when compared to the audited net assets of the CIMB Group as at 31 December 2025 of approximately RM70.4 billion.

Accordingly, CIMB confirms that there is no conflict of interest which exists or is likely to exist in its capacity to act as the Joint Placement Agent for the Proposed Placement.

Maybank confirms that there is no conflict of interest which exists or is likely to exist in its capacity to act as the Joint Placement Agent for the Proposed Placement.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, KIP REIT is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Board is not aware of any material litigation, claims or arbitration, proceedings pending or threatened against KIP REIT, or of any fact likely to give rise to any proceedings which may materially affect the financial position or business of KIP REIT.

Save as disclosed below, as at the LPD, the Vendor has given its written confirmation that there is no material litigation, claim or arbitration involving the Subject Property.

<u>Dispute relating to management charges of the Subject Property</u>

On 20 August 2025, the High Court decided that JMB Zetapark is entitled to impose back charges against the Vendor for outstanding maintenance charges and sinking fund contributions, save that any amounts attributable to the period before 30 April 2018 are barred by limitation. The High Court further ordered that such charges are subject to a set-off for expenses incurred by the Vendor after 29 April 2018, that the parties are at liberty to apply for an assessment of the quantum of the maintenance charges, sinking fund contributions and the set-off, and that the Vendor is entitled to attend and vote at the first annual general meeting of the management corporation.

Appeal

On 17 September 2025, JMB Zetapark filed an appeal against the High Court's Order dated 20 August 2025 on two grounds: (a) the entitlement of the Vendor to attend and vote at the first annual general meeting of the management corporation; and (b) the findings that JMB Zetapark is not entitled to impose back charges against the Vendor for maintenance charges and sinking fund contributions attributable to the period prior to 30 April 2018 (**"Appeal"**). On 24 June 2026, the Court of Appeal allowed the substitution of *Perbadanan Pengurusan Zetapark* ("**MC Zetapark**") in place of JMB Zetapark, and MC Zetapark has taken over the conduct of the Appeal.

On 23 June 2026, three parcel owners/former members of the Joint Management Committee of JMB Zetapark ("**Joint Management Committee**") filed an application to intervene in the Appeal. The intervener application has been tentatively fixed for hearing on 23 September 2026.

The Appeal can only proceed after the intervener application is disposed of.

Assessment Application

Separately, pursuant to the High Court Order dated 20 August 2025, JMB Zetapark filed an assessment application at the High Court on 10 November 2025 for the determination of the quantum of the maintenance charges, sinking fund contributions and the set-off (**"Assessment Application"**). Pursuant to the High Court Order dated 16 March 2026, MC Zetapark has been substituted in place of JMB Zetapark and has taken over the conduct of the Assessment Application.

The Assessment Application that was fixed for case management on 26 June 2026 was adjourned to 7 July 2026. On 1 July 2026, three parcel owners/ former members of the Joint Management Committee filed an application to intervene in the Assessment Application. The learned judge had on 7 July 2026 issued directions for the parties to file their respective affidavits in reply and written submissions by certain dates, and the intervener application has been tentatively fixed for hearing on 3 August 2026.

The Assessment Application and the expert witnesses' hot-tubbing process are put on hold pending the disposal of the intervener application.

Legal Assessment

Based on the Trustee's solicitor's legal assessment:

i. in respect of the Appeal, subject to arguments to be put forth by both parties in their respective submissions, MC Zetapark does not have a strong basis to proceed with the Appeal, and the Vendor has a reasonable chance of successfully resisting the same; and

ii. in respect of the Assessment Application, subject to the arguments to be advanced by parties, the learned High Court Judge may either apply different rates based on the actual expenditures attributable to each component of the development, or apply a single uniform rate across the entire development. Under the former scenario, the Vendor would only be liable for the expenses incurred for its benefit based on its proportionate share units, and the estimated amount payable by the Vendor for the period from 30 April 2018 to 18 October 2025 (being the date of accrual of the cause of action of the Dispute up until the date of MC Zetapark's first Annual General Meeting) is RM4,127,372.16. Under the latter scenario, all proprietors within the development would be liable for the total expenditures apportioned according to their respective share units, and the estimated amount payable by the Vendor for the period from 30 April 2018 to 18 October 2025 (being the date of accrual of the cause of action of the Dispute up until the date of MC Zetapark's first Annual General Meeting) is RM25,127,844.53. For avoidance of doubt, the abovesaid amounts are indicative estimates and not conclusive, and the actual amounts, if any, remain subject to the determination of the High Court.

Notwithstanding the above, as stated in **Section 6.9** of this Circular, the Trustee has sought to mitigate the Dispute by including certain safeguard mechanisms in the SPA, including, if there is no final and binding resolution on the Dispute by the SPA completion, and where JMB / MC commences, continues or enforces any claim or demand against the Trustee in respect of the subject matter in the Dispute and/or restricts the Trustee's access, or right to use or enjoy the common property of the development involving the Subject Property due to cause(s) of action under the Dispute ("**Related Dispute**"), the Vendor will procure an indemnity in favour of the Trustee from Frasers Property (Singapore) Pte Ltd (UEN 201629453D) ("**Frasers**") (an intermediate holding company of the Vendor), up to a maximum aggregate liability of RM15,100,000.00, in a form to be agreed between Frasers and the Trustee, to fully indemnify the Trustee and keep the Trustee fully indemnified for and against all claims, demands, damages, losses, costs, expenses (including all legal fees) and liabilities arising from or in connection to such Related Dispute ("**Dispute Indemnity**").

5. MATERIAL COMMITMENT

Save for the balance payment of the Purchase Consideration to be made and as disclosed below, as at 31 March 2026, the Board confirms that there are no material commitments incurred or known to be incurred by KIP REIT that has not been provided for which, may have a material impact on the financial results/ position of KIP REIT:-

Description	RM'000
Approved and contracted for:-	
i. KIPMall Bangi Facelift	888
ii. KIPMall Senawang	169
iii. KIPMall Tampoi	3,910
iv. KIPMall Kota Warisan	442
	5,409

6. CONTINGENT LIABILITIES

As at 31 March 2026, the Board confirms that there are no contingent liabilities incurred or known to be incurred by KIP REIT which, upon becoming enforceable, may have a material impact on the financial results/ position of KIP REIT.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Manager at 12th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the Unitholders' Meeting:-

i. the Trust Deed;

ii. the SPA;

iii. the valuation report by the Valuer together with the valuation certificate set out in **Appendix II** of this Circular, in relation to the Subject Property;

iv. Undertaking Letters from the Undertaking Parties dated 27 April 2026;

v. the audited consolidated financial statements of KIP REIT for the past 2 financial years up to the FYE 30 June 2025 and the latest unaudited financial statements of KIP REIT for the 9-month financial period ended 31 March 2026;

vi. the letters of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this Appendix; and

vii. the cause papers in relation to the Dispute referred to in **Section 4** of this Appendix.

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)

NOTICE OF UNITHOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT the meeting of unitholders of KIP Real Estate Investment Trust ("**KIP REIT**") ("**Unitholders' Meeting**") will be conducted at Function Room, Level UG, Dpulze Shopping Centre, Persiaran Multimedia, Cyber 12, 63000 Cyberjaya, Selangor on Thursday, 23 July 2026 at 10:00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY PACIFIC TRUSTEES BERHAD ("TRUSTEE"), ACTING SOLELY IN ITS CAPACITY AS THE TRUSTEE FOR AND ON BEHALF OF KIP REIT OF A THREE (3) STOREY SHOPPING MALL TOGETHER WITH A BASEMENT CARPARK KNOWN AS SETAPAK CENTRAL MALL LOCATED AT NO. 67, JALAN TAMAN IBU KOTA, 53300 SETAPAK, KUALA LUMPUR, HELD UNDER STRATA TITLE NO. PAJAKAN NEGERI 46795/M1/B1/1 TOGETHER WITH FORTY-SEVEN (47) ACCESSORY PARCELS NOS. A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A286, LOT 30119, MUKIM OF SETAPAK, DISTRICT OF KUALA LUMPUR, FEDERAL TERRITORY OF KUALA LUMPUR ("SUBJECT PROPERTY"), FROM FESTIVA MALL SDN BHD, FOR A CASH CONSIDERATION OF RM435 MILLION ("PROPOSED ACQUISITION")

"**THAT** subject to the passing of Ordinary Resolution 2 and the fulfilment of the conditions precedent under the conditional sale and purchase agreement dated 27 April 2026 between the Trustee and Festiva Mall Sdn Bhd ("**SPA**") and the approvals of all relevant authorities and/ or parties (where required) being obtained, approval be and is hereby given to the Trustee, acting solely in its capacity as the trustee for and on behalf of KIP REIT, to acquire the Subject Property in accordance with the terms and conditions of the SPA;

AND THAT the board of directors of KIP REIT Management Sdn Bhd ("**Board**"), being the management company of KIP REIT ("**Manager**") and the Trustee, acting solely in its capacity as the trustee for and on behalf of KIP REIT, be and is hereby authorised to:-

(a) enter into any arrangements, transactions and/ or undertakings and to execute (including where necessary, by way of affixation of the common seal of the Trustee in accordance with the provisions of its Constitution or Memorandum and Articles of Association), sign and deliver for and on behalf of KIP REIT, all such agreements (including the SPA), instruments (including instrument of transfer in Form 14A of the National Land Code [*Act 828*]), documents and/ or deed as the Board and the Trustee may from time to time deem fit, necessary, expedient and/ or appropriate for or in connection with the Proposed Acquisition;

(b) assent and/ or give effect to any terms, conditions, modifications, variations and/ or amendments in respect of the Proposed Acquisition (including but not limited to the SPA) as may be required and/ or as the Board may in its discretion deem fit, necessary, expedient or appropriate and/ or as may be required by the relevant regulatory authorities; and

(c) take all such steps and do all such acts, deeds and things in any manner as the Board and the Trustee may from time to time deem fit, necessary, expedient and/ or appropriate to perform, implement, finalise and/ or give full effect to and complete the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED PLACEMENT OF UP TO 220,000,000 NEW UNITS IN KIP REIT ("UNITS") ("PLACEMENT UNITS"), REPRESENTING APPROXIMATELY 22.95% OF THE EXISTING ISSUED UNITS OF KIP REIT, AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PLACEMENT"), TO THE FOLLOWING PARTIES:-

(A) ALLOCATION OF UP TO 30,000,000 UNITS TO DATO' ONG CHOO MENG;

(B) ALLOCATION OF UP TO 10,000,000 UNITS TO DATO' ONG KOOK LIONG; AND

(C) ALLOCATION OF UP TO 180,000,000 UNITS TO INDEPENDENT INVESTORS TO BE IDENTIFIED AT A LATER DATE, WHERE SUCH INVESTORS SHALL FALL WITHIN SCHEDULES 6 AND 7 OF THE CAPITAL MARKETS AND SERVICES ACT 2007

"**THAT** subject to the approvals of all relevant parties and/ or authorities being obtained, approval be and is hereby given to the Board and the Trustee to issue and allot up to 220,000,000 Placement Units, representing approximately 22.95% of the existing total issued Units, at an issue price to be determined later by way of bookbuilding exercise;

THAT the Placement Units shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Units in issue, save and except that the Placement Units shall not be entitled to any advance distribution of KIP REIT's distributable income for the period commencing on the day immediately after the relevant distribution up to such date to be determined by the Board, which is before the date on which the Placement Units are allotted to identified investors, and shall also not be entitled to any distributable income, rights, benefits, entitlements and/ or any other distributions, unless the allotment of the Placement Units were made on or prior to the entitlement date of such distributable income, rights, benefits, entitlements and/ or any other distributions;

THAT approval be and is hereby given to the Board and the Trustee to utilise the proceeds to be derived from the Proposed Placement for the purposes as set out in **Section 3.6** of the circular to unitholders dated 8 July 2026;

AND THAT the Board and the Trustee be and are hereby authorised to sign and execute all documents, do all such acts, deeds and things as they may consider necessary, expedient or appropriate to give effect to the Proposed Placement with full powers to assent to any condition, variation, modification, addition and/ or amendment that may be required or imposed by any regulatory authority, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient and in the best interests of KIP REIT to implement, finalise and give full effect to the Proposed Placement."

ORDINARY RESOLUTION 3

PROPOSED ALLOTMENT OF UP TO 30,000,000 PLACEMENT UNITS TO DATO' ONG CHOO MENG PURSUANT TO THE PROPOSED PLACEMENT ("PROPOSED ALLOTMENT TO DATO' ONG CHOO MENG")

"**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant parties and/ or authorities being obtained, approval be and is hereby given to the Board and the Trustee to issue and allot up to 30,000,000 Placement Units, representing approximately 3.13% of the existing total issued Units, to Dato' Ong Choo Meng and/ or any nominee(s) designated by him, if applicable, for purpose of subscribing the Placement Units, at an issue price to be determined later by way of bookbuilding exercise pursuant to the Proposed Placement;

THAT the Placement Units shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Units in issue, save and except that the Placement Units shall not be entitled to any advance distribution of KIP REIT's distributable income for the period commencing on the day immediately after the relevant distribution up to such date to be determined by the Board, which is before the date on which the Placement Units are allotted to identified investors, and shall also not be entitled to any distributable income, rights, benefits, entitlements and/ or any other distributions, unless the allotment of the Placement Units were made on or prior to the entitlement date of such distributable income, rights, benefits, entitlements and/ or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to sign and execute all documents, do all such acts, deeds and things as they may consider necessary, expedient or appropriate to give effect to the Proposed Allotment to Dato' Ong Choo Meng with full powers to assent to any condition, variation, modification, addition and/ or amendment that may be required or imposed by any regulatory authority, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient and in the best interests of KIP REIT to implement, finalise and give full effect to the Proposed Allotment to Dato' Ong Choo Meng."

ORDINARY RESOLUTION 4

PROPOSED ALLOTMENT OF UP TO 10,000,000 PLACEMENT UNITS TO DATO' ONG KOOK LIONG PURSUANT TO THE PROPOSED PLACEMENT ("PROPOSED ALLOTMENT TO DATO' ONG KOOK LIONG")

"**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant parties and/ or authorities being obtained, approval be and is hereby given to the Board and the Trustee to issue and allot up to 10,000,000 Placement Units, representing approximately 1.04% of the existing total issued Units, to Dato' Ong Kook Liong and/ or any nominee(s) designated by him, if applicable, for purpose of subscribing the Placement Units, at an issue price to be determined later by way of bookbuilding exercise pursuant to the Proposed Placement;

THAT the Placement Units shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Units in issue, save and except that the Placement Units shall not be entitled to any advance distribution of KIP REIT's distributable income for the period commencing on the day immediately after the relevant distribution up to such date to be determined by the Board, which is before the date on which the Placement Units are allotted to identified investors, and shall also not be entitled to any distributable income, rights, benefits, entitlements and/ or any other distributions, unless the allotment of the Placement Units were made on or prior to the entitlement date of such distributable income, rights, benefits, entitlements and/ or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to sign and execute all documents, do all such acts, deeds and things as they may consider necessary, expedient or appropriate to give effect to the Proposed Allotment to Dato' Ong Kook Liong with full powers to assent to any condition, variation, modification, addition and/ or amendment that may be required or imposed by any regulatory authority, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient and in the best interests of KIP REIT to implement, finalise and give full effect to the Proposed Allotment to Dato' Ong Kook Liong."

By Order of the Board
KIP REIT MANAGEMENT SDN BHD
Registration No. 201501044317 (1169638-M)
(the Manager for KIP REIT)

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
CHIN CHOOI WEI (MAICSA 7062555) (SSM PC No. 202308000544)
Company Secretaries

Selangor Darul Ehsan
8 July 2026

Notes:-

1. *A unitholder who is entitled to participate in the Unitholders' Meeting 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 in the Unitholders' Meeting 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 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, no later than Tuesday, 21 July 2026 at 10:00 a.m. being 48 hours before the time appointed for holding the Unitholders' Meeting 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 16 July 2026 shall be entitled to participate, vote and speak at the Unitholders' Meeting 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, the ordinary resolutions set out in the Notice of Unitholders' Meeting will be put to vote by way of a poll.*

8. *The Circular is available on KIP REIT's website at www.kipreit.com.my which unitholders can view or download at their convenience.*

KIP REIT

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

(Before completing this form please refer to the notes below)

CDS Account No.	
No. of Units held	

I/ We ____ Tel/ Mobile No.: ____________________

[Full name in block, NRIC/ Passport/ Company No.]

of ____

____

being unitholder(s) of KIP Real Estate Investment Trust ("**KIP REIT**") hereby appoint the following person(s) as my/ our proxy to attend on my/our behalf at the Unitholders' Meeting:-

Full Name (in Block)	NRIC/ Passport No.	No. of units to be represented by proxy	
Email Address & Tel No.		No. of Units	%

and/ or* (*delete as appropriate)

Full Name (in Block)	NRIC/ Passport No.	No. of units to be represented by proxy	
Email Address & Tel No.		No. of Units	%
			100%

or failing him/her, the Chairman of the Unitholders' Meeting, as my/ our proxy for me/ us on my/ our behalf at the Unitholders' Meeting to be conducted at Function Room, Level UG, Dpulze Shopping Centre, Persiaran Multimedia, Cyber 12, 63000 Cyberjaya, Selangor on Thursday, 23 July 2026 at 10:00 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below:-

		FIRST PROXY		**SECOND PROXY**	
No.	**Ordinary Resolutions**	**FOR**	**AGAINST**	**FOR**	**AGAINST**
1	Proposed Acquisition				
2	Proposed Placement				
3	Proposed Allotment to Dato' Ong Choo Meng				
4	Proposed Allotment to Dato' Ong Kook Liong				

Dated this______________day of_________________2026

____

Signature/ Common Seal of Unitholder(s)

Notes:-

1. *A unitholder who is entitled to participate in the Unitholders' Meeting 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 in the Unitholders' Meeting 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 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, no later than Tuesday, 21 July 2026 at 10:00 a.m. being 48 hours before the time appointed for holding the Unitholders' Meeting 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 16 July 2026 shall be entitled to participate, vote and speak at the Unitholders' Meeting 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, the ordinary resolutions set out in the Notice of Unitholders' Meeting will be put to vote by way of a poll.*

8. *The Circular is available on KIP REIT's website at www.kipreit.com.my which unitholders can view or download at their convenience.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
KIP REIT MANAGEMENT SDN BHD
(The Manager for KIP Real Estate Investment Trust)

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

1st fold here