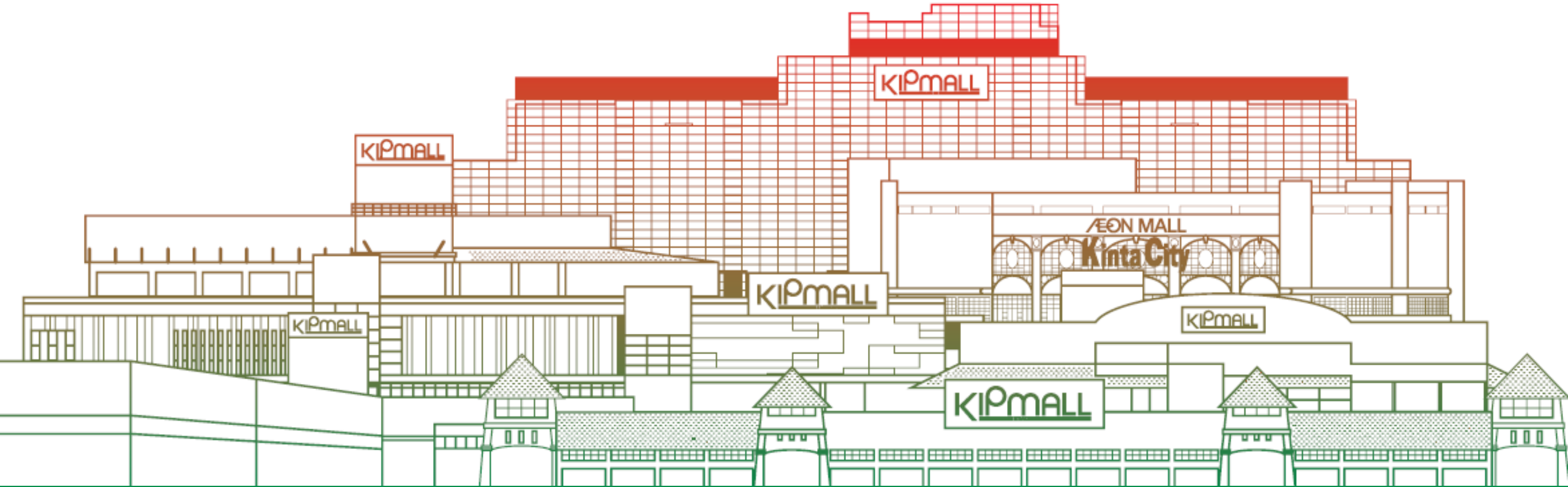


# FINANCIAL RESULTS FOR Q2FY2022



KIP Real Estate Investment Trust  
KIP:MK (5280)










# CONTENTS

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Section 1	Key Highlights for Q2FY2022
Section 2	Financial Performance
Section 3	Portfolio Updates
Section 4	Covid-19 Update
Section 5	Outlook and Moving Forward
Section 6	Appendix – Asset Portfolio

# Key Highlights for Q2FY2022

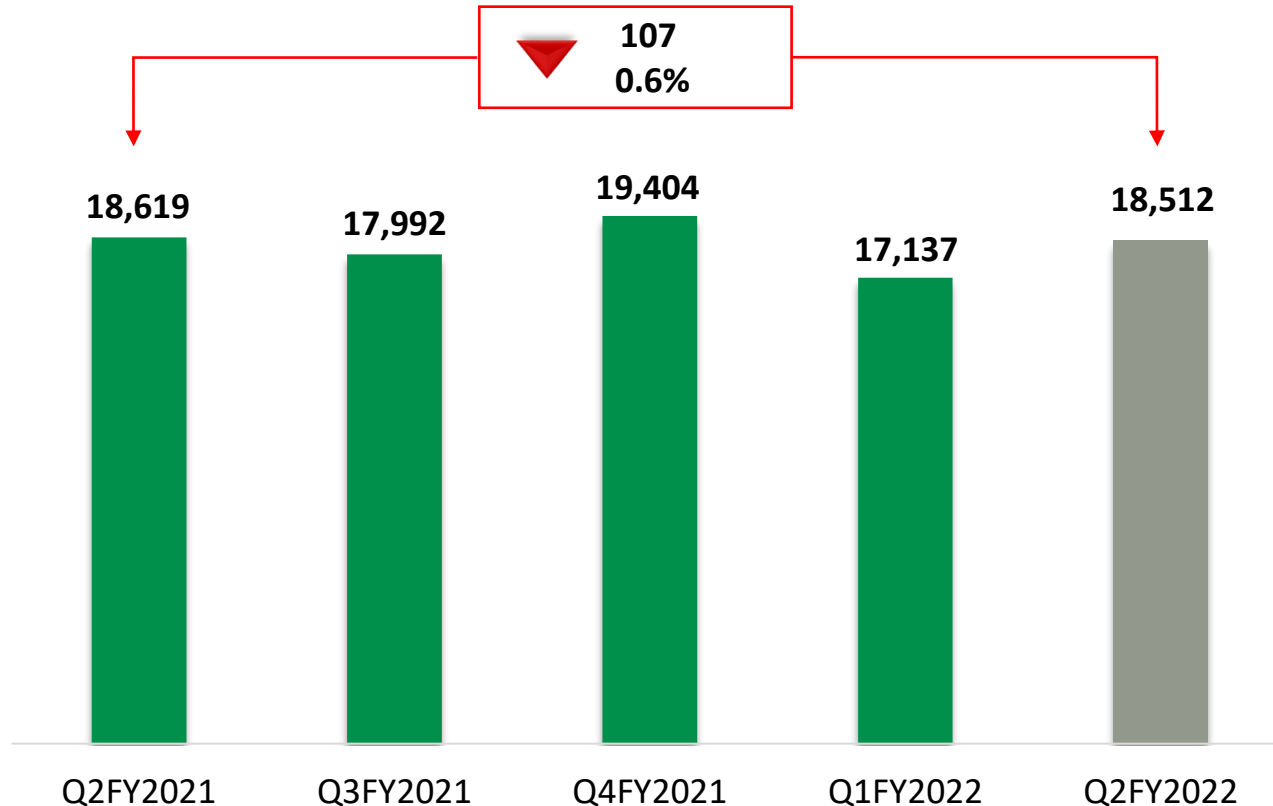
# KEY HIGHLIGHTS FOR Q2FY2022

 <p><b>Gross Revenue</b></p> <p>RM18.5 m</p> <p>▼ 0.6% Y-o-Y</p>	 <p><b>Net Property Income</b></p> <p>RM14.4 m</p> <p>▲ 3.5% Y-o-Y</p>	 <p><b>Realised Profit After Tax</b></p> <p>RM9.1 m</p> <p>▲ 4.5% Y-o-Y</p>	 <p><b>Distributable income</b></p> <p>RM9.6 m</p> <p>▲ 2.2% Y-o-Y</p>	 <p><b>Distribution Per Unit</b></p> <p>1.55 sen</p> <p><b>6MFY2022: 3.10 sen</b></p>	 <p><b>Annualised Distribution Per Unit</b></p> <p>6.80 sen</p> <p>Total distribution declared from 1 Jan 2021 to 31 Dec 2021</p>	 <p><b>Annualised Distribution Yield</b></p> <p>8.0%</p> <p>Based on RM0.85 closing price as at 19 Jan 2022</p>	 <p><b>Average Occupancy Rate</b></p> <p>87.5%</p> <p>▼ 1.5% Point Y-o-Y</p>	 <p><b>Investment Policy of KIP REIT</b></p> <p><b>Supplemental Trust Deed</b> registered with the SC on 12 Oct 2020, to enable the diversification of assets in industrial and commercial real estate</p>
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# Financial Performance



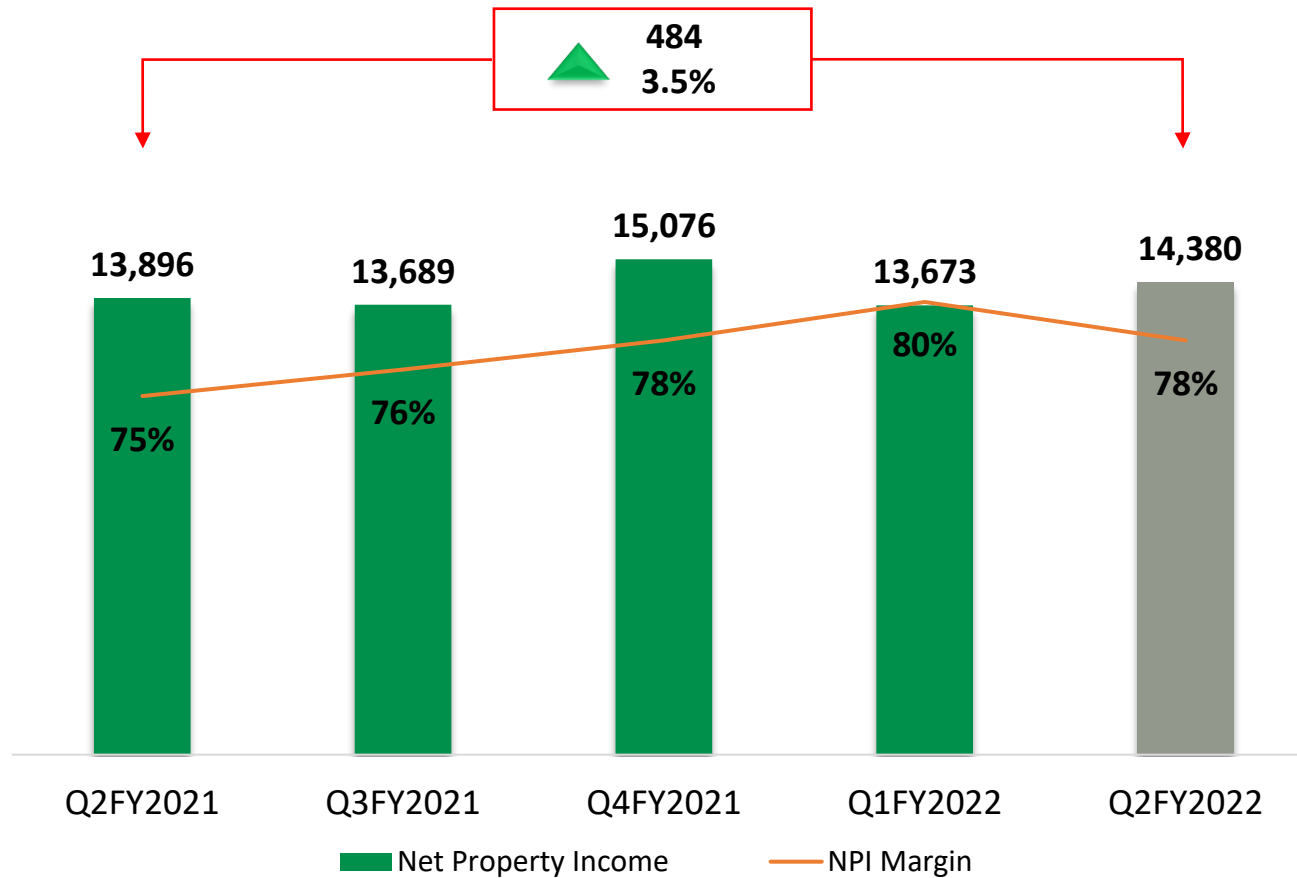
## Gross Revenue (RM'000)



### Q2FY2022 vs Q2FY2021

- The decrease in revenue was mainly due to lower promotional area income despite the relaxation of the SOPs and decline in the average occupancy rate, particularly KIPMall Bangi.
- Revenue from contracts with customers was higher mainly due to higher deposit forfeiture income and late payment interest income collected in Q2FY2022.

## Net Property Income ("NPI") (RM'000)

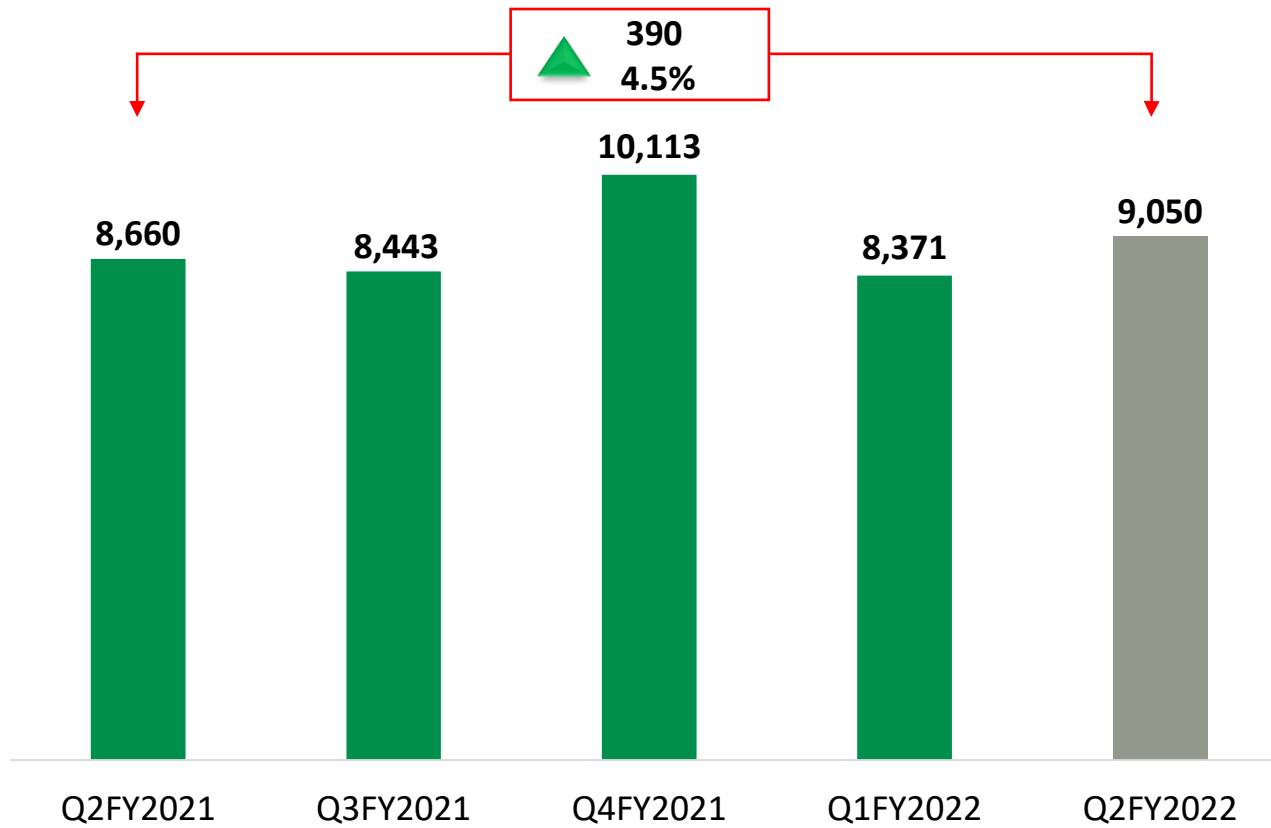


### Q2FY2022 vs Q2FY2021

- NPI was higher due to better cost management measures, leading to lower utilities expenses, maintenance and housekeeping expenses, marketing expenses, reimbursement costs and other operating expenses such as lower security expenses and discount for KT Carpark rental.

# Q2FY2022 FINANCIAL PERFORMANCE

## Realised Profit after Tax ("PAT") (RM'000)



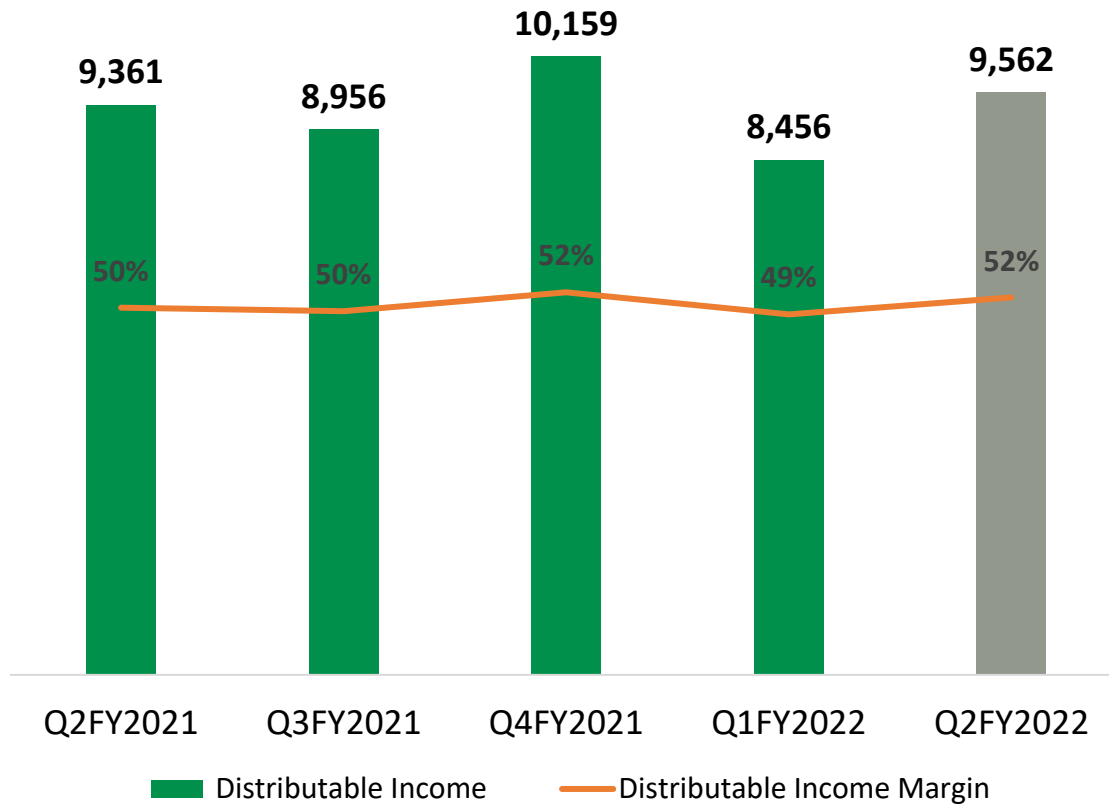
### Q2FY2022 vs Q2FY2021

- Realised PAT improved mainly due to higher net property income recorded.

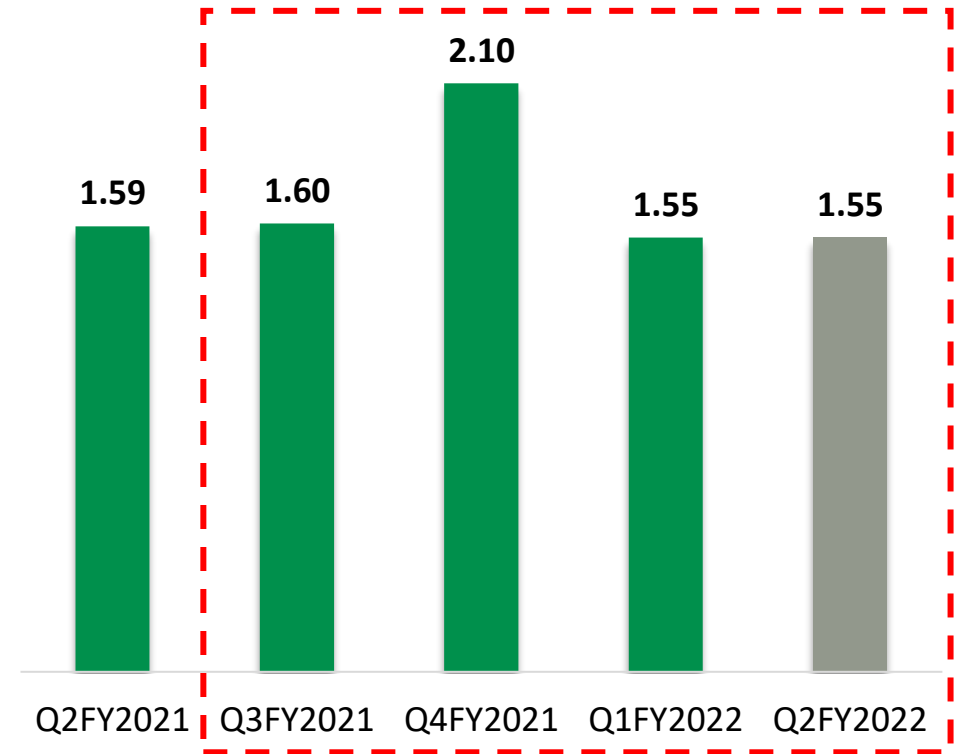


# Q2FY2022 DISTRIBUTIONS

## Distributable Income (RM'000)



## Distribution Per Unit (Sen)

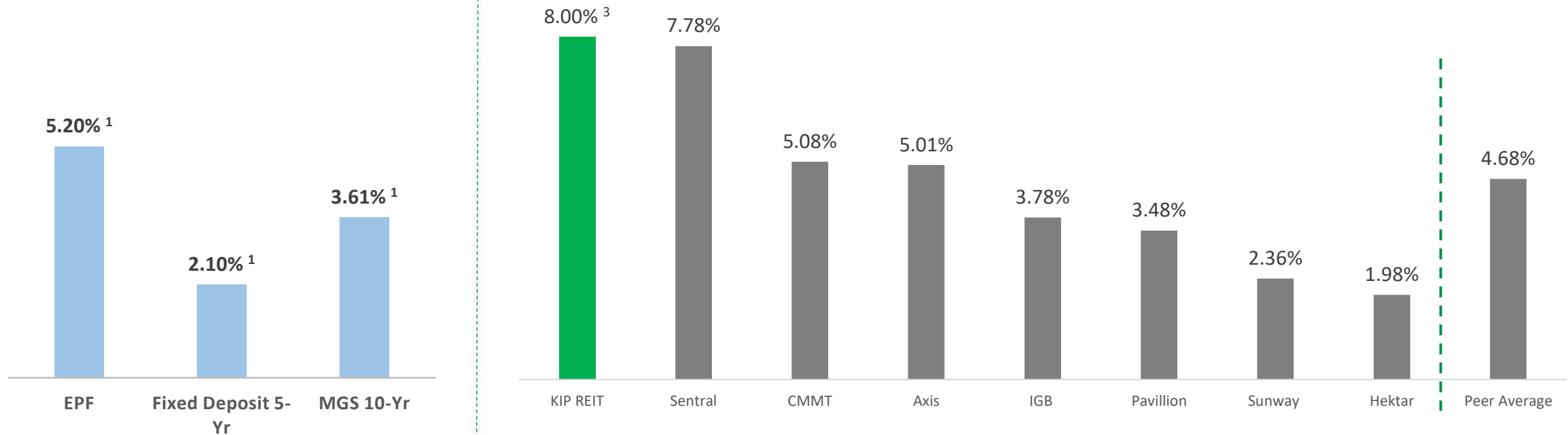


Distribution for last trailing 12 months = **6.80** sen

# ATTRACTIVE YIELD VS OTHER INVESTMENTS

Continues to deliver attractive annual yield of 8.0%

## PEER YIELD COMPARISON <sup>2</sup>



**Note:**

1. Source taken from the websites of EPF, Maybank and Bank Negara Malaysia as at 19 January 2022.
2. Calculated based on the distribution for the last trailing 12 months period at the closing price for each respective REITs as at 19 January 2022.
3. Calculated based on the distribution for the last trailing 12 months period (6.80 sen) at the closing price of RM0.85 as at 19 January 2022

# HEALTHY BALANCE SHEET AS AT 31 DECEMBER 2021

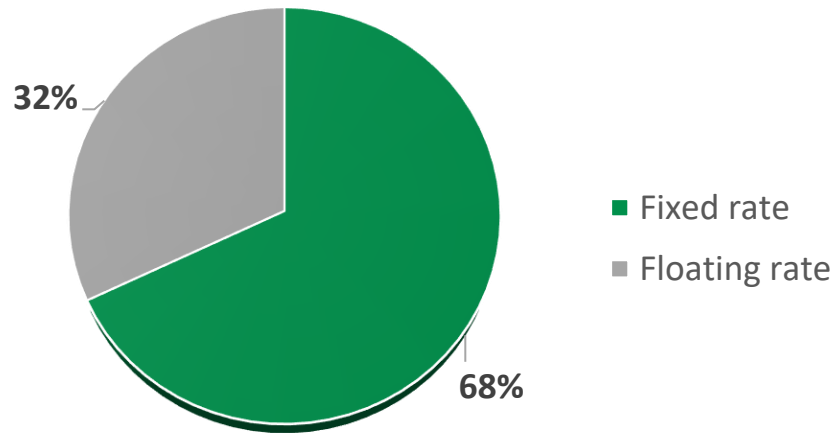
RM'000	Unaudited	Audited
	As at 31 December 2021	As at 30 June 2021
Investment Properties	808,348	808,000
Cash and bank balances	28,111	29,320
Other assets	8,737	8,901
<b>Total Assets</b>	<b>845,196</b>	<b>846,221</b>
Borrowings	312,888	312,708
Other liabilities	19,953	20,135
<b>Total Liabilities</b>	<b>332,841</b>	<b>332,843</b>
<b>Net Assets Value (after income distribution)</b>	<b>512,355</b>	<b>513,378</b>
<b>NAV per unit (RM) <sup>1</sup></b>	<b>1.0140</b>	<b>1.0160</b>
<b>Gearing ratio</b>	<b>37.0%</b>	<b>37.0%</b>

**Note:**

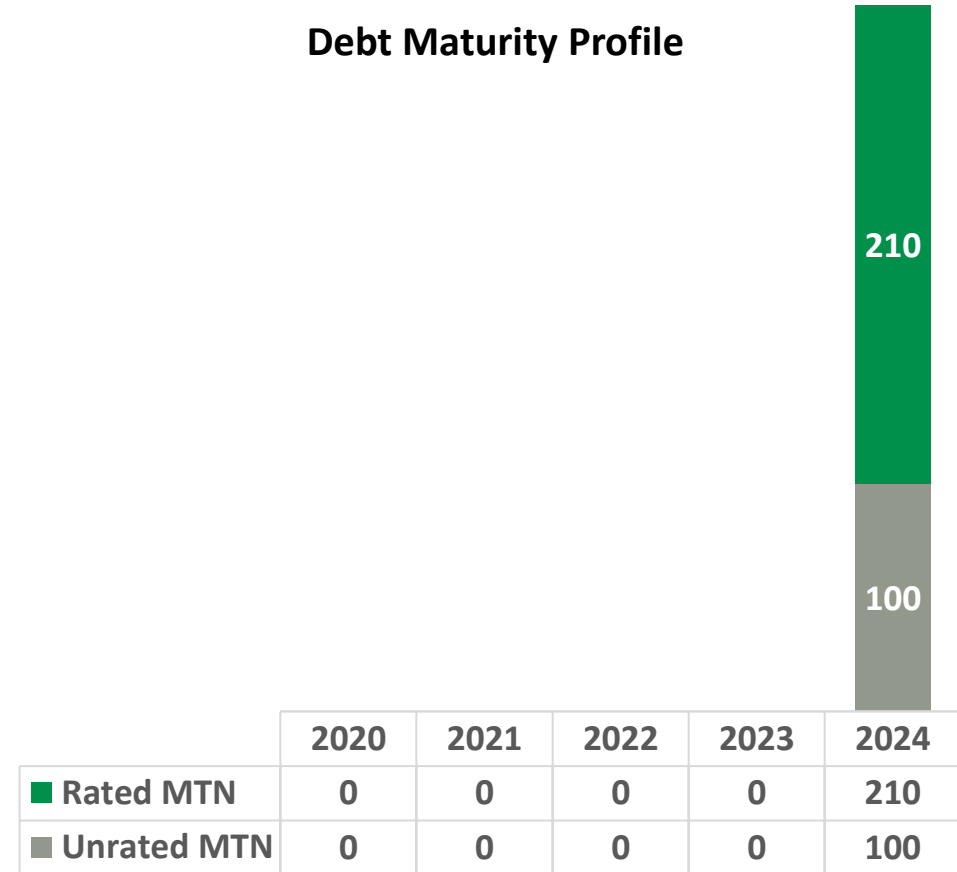
1. Based on units in issue of 505,300,000 as at 31 December 2021

# KIP REIT DEBT AS AT 31 December 2021

## Fixed and Floating Rate



## Debt Maturity Profile



- Total borrowings drawn down RM312.9 million
- 68% of borrowings are on fixed rate; 32% are on floating rate.
- Weighted average interest cost: 4.31% (30 June 2021: 4.25%)

- Next refinancing due on 31 July 2024

# Portfolio Updates

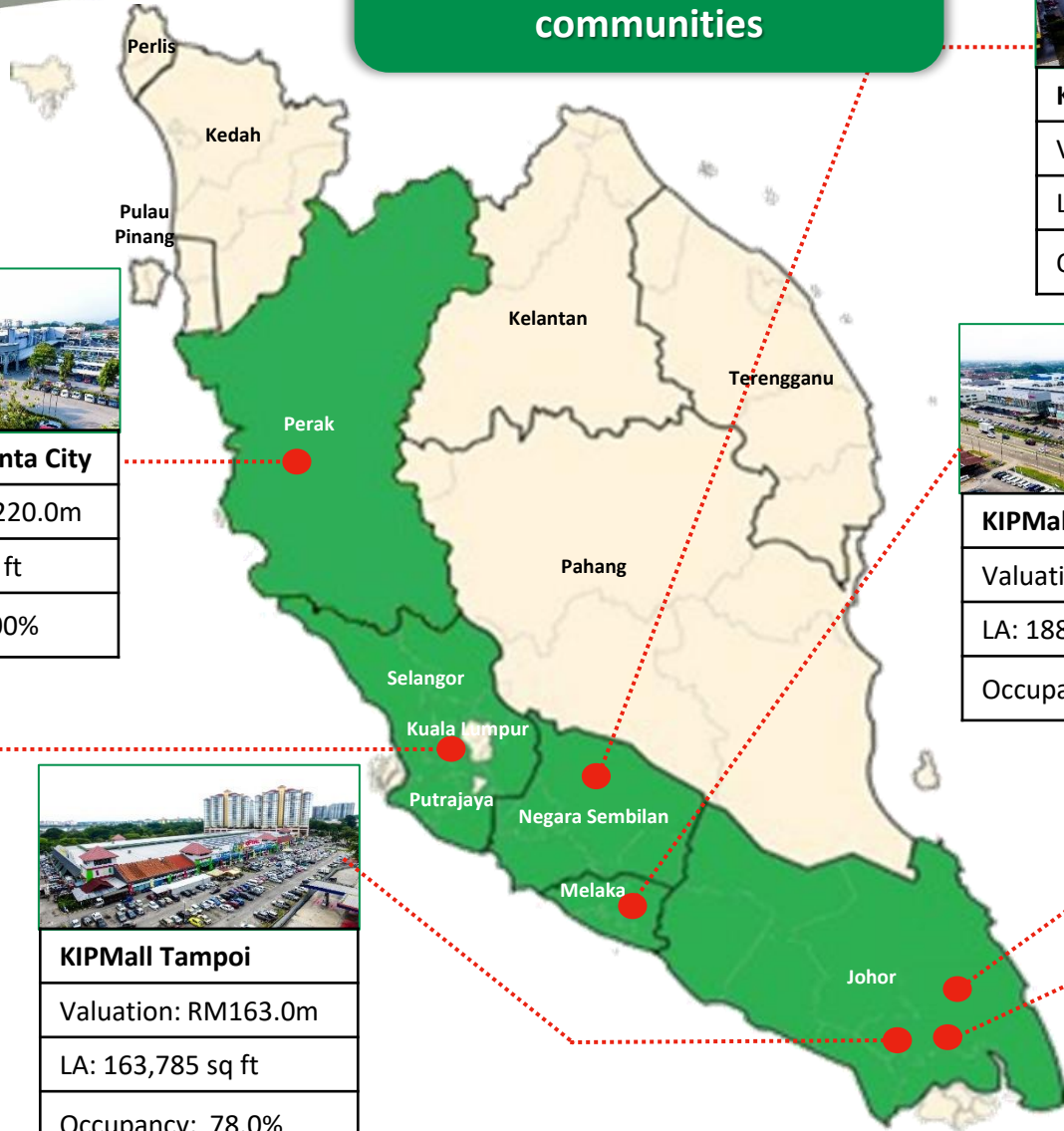


# PORTFOLIO SUMMARY

One stop destination suburban malls that serve its communities

Portfolio
Valuation: RM808.3m
LA <sup>1</sup> : 1.48 million sq ft
No. of tenancies <sup>1</sup> : 747
Average Occupancy <sup>2</sup> : 87.5%

- Notes:**
- As at 31 Dec 2021
  - Average occupancy rate for 3-month financial period ended 31 Dec 2021



<b>KIPMall Senawang</b>
Valuation: RM25.0m
LA: 116,919 sq ft
Occupancy: 83.8%



<b>KIPMall Kota Tinggi</b>
Valuation: RM56.0m
LA: 76,297 sq ft
Occupancy: 91.4%



<b>AEON MALL Kinta City</b>
Valuation: RM220.0m
LA: 530,181 sq ft
Occupancy: 100%



<b>KIPMall Melaka</b>
Valuation: RM48.0m
LA: 188,064 sq ft
Occupancy: 75.4%



<b>KIPMall Bangi</b>
Valuation: RM126.0m
LA: 254,772 sq ft
Occupancy: 74.6%



<b>KIPMall Tampoi</b>
Valuation: RM163.0m
LA: 163,785 sq ft
Occupancy: 78.0%



<b>KIPMall Masai</b>
Valuation: RM170.0m
LA: 151,836 sq ft
Occupancy: 91.3%



# PORTFOLIO

## AVERAGE OCCUPANCY RATE

	FY2018	FY2019	FY2020	FY2021	Q1FY2022	Q2FY2022
KIPMall Tampoi	96.2%	97.7%	97.4%	88.5%	77.3%	78.0%
KIPMall Kota Tinggi	92.8%	91.3%	92.8%	88.0%	90.1%	91.4%
KIPMall Masai	94.7%	93.7%	95.4%	88.9%	87.9%	91.3%
KIPMall Senawang	80.6%	79.5%	80.9%	78.2%	79.8%	83.8%
KIPMall Melaka	69.1%	80.6%	76.6%	80.1%	72.4%	75.4%
KIPMall Bangi	83.3%	86.0%	78.6%	81.9%	78.9%	74.6% <sup>1</sup>
AEON Mall Kinta City	N/A	N/A	100%	100%	100%	100%
<b>Average Occupancy Rate</b>	<b>85.0%</b>	<b>87.8%</b>	<b>90.7%</b>	<b>89.6%</b>	<b>87.0%</b>	<b>87.5%</b>

**Note:**

1. The decline in KIPMall Bangi was due to the preparation for the facelift project which is due to commence in March 2022.

# PORTFOLIO LEASE EXPIRY PROFILE

Lease expiry as at 31 December 2021	FY2022	FY2023	FY2024	FY2025	FY2026
Number of leases expiring	265	339	134	8	1
Leased area expiring (sq. ft.)	140,123	366,375	262,046	13,832	530,181
Expires as % of occupied NLA	10.7%	27.9%	20.0%	1.0%	40.4%
Expires as % of gross rental income	17.1%	37.0%	16.8%	1.7%	27.4%

Weighted average lease expiry (WALE) as at 31 December 2021 stands at **3.33 years** by occupied NLA and **2.85 years** by gross rental income.



# Covid-19 Update



## Operations

- To maintain shoppers' confidence, we will continue to comply with the latest SOPs mandated by the Ministry of Health across all KIPMalls while ensuring that proper sanitisation and housekeeping of the common areas are conducted on a regular basis.
- Overdue balances are regularly reviewed through ongoing communication with tenants to closely follow up on rental arrears, taking into consideration the current economic environment.
- Continue to practise fiscal prudence and implement credit control measures.

## Cost & Capital Management

- Focus on cost control and cash flow management.
- Reduction in expenses due to lower headcount on housekeeping and better negotiated rate on outsourced security services.
- Lower marketing expenses attributable better marketing planning.
- Stable gearing ratio at 37.0% and debt maturity profile – no refinancing due until July 2024

# Outlook and Moving Forward



## Malaysian Economy

- The World Bank has revised its initial growth projections to 5.8% for 2022, driven by an acceleration in private consumption.
- To date, over 40% of adults have received booster dose. However, Omicron being the latest variant of concern could potentially constrain economic recovery and growth.
- The government has provided a total of 8 economic stimulus packages worth RM530 billion to safeguard the '*rakyat*' and ensure business continuity, as a result of the Covid-19.
- Overall, Malaysian economy is expected to rebound in 2022 as activities in the manufacturing, services and agriculture sectors have picked up.

## Malaysia Retail Industry

- Retail Group Malaysia (RGM) has projected a 6% growth in Malaysia's retail sales for 2022.
- The local retail industry is expected to gain momentum in terms of recovery by the end of 2022.

## COVID-19

- We remain vigilant and prudent on managing our cash flow and exercising financial discipline to continue delivering value to our unitholders.
- Essential services under KIP REIT assets has shown relatively stronger resilience and we will continue to cater for its surrounding communities offering daily necessities and essential services.
- While COVID-19 cases have declined tremendously to less than 10,000 cases a day, we will continue to adhere to the relevant SOPs at all KIPMalls.
- We will continue to monitor the situation closely and adopt appropriate strategies accordingly to further encourage long term partnerships with tenants and ultimately ensure the long-term sustainability of KIP REIT.

## Diversification of Portfolio

- Currently conducting a private placement to raise approximately RM80.8 million of which RM79.8 million is allocated for future yield-accretive assets acquisitions to create long-term value to unitholders
- We intend to widen the scope to explore opportunities to invest in income producing real estate assets where we see strong demand for logistic facilities and warehouse facilities due to the rise in e-commerce activities especially during the COVID-19 pandemic.

# Appendix – Asset Portfolio



## KIPMall - TAMPOI



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Bandar Johor Bahru	20%	124,096
Tebrau	15%	316,327
Pulai	60%	360,642

Address / Location	Lot PTD 152711, Jalan Titiwangsa 1, Taman Tampoi Indah, 81200 Johor Bahru
Property type	Retail centre
Description	Single-storey retail centre with a mezzanine floor
Tenure	99 years
Age of property	18 years
Land area	452,191 sq ft (approx. 10.38 acres)
Lettable area	163,785 sq ft
Average gross rent (per sq ft)	Dec 2021: RM8.35
Market value as at 31 Dec 2021	RM163,000,000
Average Occupancy	FY2019: 97.7 % (12 month ended 30 Jun 2019) FY2020: 97.4% (12 month ended 30 Jun 2020) FY2021: 88.5% (12 month ended 30 Jun 2021) FY2022 : 77.7% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 79.5%
Number of tenancies as at 31 Dec 2021	200
Net property income (RM '000)	FY2019: 12,792 (12 month ended 30 Jun 2019) FY2020: 12,928 (12 month ended 30 Jun 2020) FY2021: 12,082 (12 month ended 30 Jun 2021) FY2022: 5,332 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	Pasaraya Hwa Thai (Supermarket; 18.7%) Mr Dollar (Household Product; 9.0%) Mr DIY (Household Product; 8.3%)

## KIPMaI – KOTA TINGGI



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Kota Tinggi	95%	62,976

Address / Location	No 1, Jalan Maju, 81900 Kota Tinggi, Johor Darul Takim
Property Type	Retail centre
Description	Single-storey retail centre with a mezzanine floor
Tenure	Freehold
Age of Property	14 years
Land area	168,111 sq ft (approx. 3.86 acres)
Lettable Area	76,297 sq ft
Average gross rent (per sq ft)	Dec 2021: RM6.02
Market value as at 31 Dec 2021	RM56,000,000
Average Occupancy	FY2019: 91.3% (12 month ended 30 Jun 2019) FY2020: 92.8% (12 month ended 30 Jun 2020) FY2021: 88.0% (12 month ended 30 Jun 2021) FY2022 : 90.8% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 91.6%
Number of tenancies as at 31 Dec 2021	116
Net Property Income (RM '000)	FY2019: 3,734 (12 month ended 30 Jun 2019) FY2020: 3,859 (12 month ended 30 Jun 2020) FY2021: 3,545 (12 month ended 30 Jun 2021) FY2022: 1,866 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	Pasaraya SongMart (Supermarket; 25.7%) Lionmas (Electrical and digital products; 10.9%) Mr Dollar (Household products; 8.3%)



## KIPMall - MASAI



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Plentong	50%	247,076

Address / Location	KIPMall Masai, Jalan Persiaran Dahlia 2, Taman Bukit Dahlia, 81700 Pasir Gudang, Johor
Property Type	Retail centre
Description	Single-storey retail centre with a mezzanine floor
Tenure	99 years
Age of Property	11 years
Land Area	472,757 sq ft (approx. 10.85 acres)
Lettable Area	151,836 sq ft
Average gross rent (per sq ft)	Dec 2021: RM8.46
Market value as at 31 Dec 2021	RM170,000,000
Average Occupancy	FY2019: 93.7% (12 month ended 30 Jun 2019) FY2020: 95.4% (12 month ended 30 Jun 2020) FY2021: 88.9% (12 month ended 30 Jun 2021) FY2022: 89.6% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 92.5%
Number of tenancies as at 31 Dec 2021	210
Net Property Income (RM '000)	FY2019: 12,563 (12 month ended 30 Jun 2019) FY2020: 12,836 (12 month ended 30 Jun 2020) FY2021: 12,313 (12 month ended 30 June 2021) FY2022: 6,003 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	Pasaraya Hwa Thai (Supermarket; 16.0%) Bok Marketing (Household Product, Gifts; 14.2%) Mr DIY (Household Products, Gifts; 8.5%)

## KIPMall – SENAWANG



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Ampangan	80%	130,823
Rantau	50%	64,328
Bandar Seremban	10%	32,393

Address / Location	No. 1, Jalan KLS 1, Lavender Heights, 70450 Seremban, Negeri Sembilan Darul Khusus
Property Type	Retail centre
Description	Single-storey retail centre with a mezzanine floor
Tenure	Freehold
Age of Property	9 years
Land area	438,414 sq ft (approx. 10.06 acres)
Lettable Area	116,919 sq ft
Average gross rent (per sq ft)	Dec 2021: RM2.23
Market value as at 31 Dec 2021	RM25,000,000
Average Occupancy	FY2019: 79.5% (12 month ended 30 Jun 2019) FY2020: 80.9% (12 month ended 30 Jun 2020) FY2021: 78.2% (12 month ended 30 Jun 2021) FY2022: 81.8% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 85.2%
Number of tenancies as at 31 Dec 2021	71
Net Property Income (RM '000)	FY2019: 820 (12 month ended 30 Jun 2019) FY2020: 1,047 (12 month ended 30 Jun 2020) FY2021: 1,207 (12 month ended 30 June 2021) FY2022: 830 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	TF Value-Mart (Supermarket; 37.2%) Mr DIY (Household Product, Gifts; 11.3%) Porcelain Inn Sdn Bhd (Household Product, Gifts; 8.5%)

## KIPMall - MELAKA



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Batu Berendam	100%	41,884
Bukit Baru	90%	43,225
Bandar Melaka	100%	63,854
Bachang	100%	22,873
Others	-	85,018

Address / Location	No. 8999, Jalan Tun Fatimah, Batu Berendam, 75350 Melaka
Property Type	Retail centre
Description	Two-storey retail centre
Tenure	99 years
Age of Property	8 years
Land area	380,310 sq ft (approx. 8.73 acres)
Lettable Area	188,063 sq ft
Average gross rent (per sq ft)	Dec 2021: RM2.43
Market value as at 31 Dec 2021	RM48,000,000
Average Occupancy	FY2019: 80.6% (12 month ended 30 Jun 2019) FY2020: 76.6% (12 month ended 30 Jun 2020) FY2021: 80.1% (12 month ended 30 June 2021) FY2022: 73.9% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 81.1%
Number of tenancies as at 31 Dec 2021	73
Net Property Income (RM '000)	FY2019: 2,454 (12 month ended 30 Jun 2019) FY2020: 2,641 (12 month ended 30 Jun 2020) FY2021: 3,429 (12 month ended 30 Jun 2021) FY2022: 1,741 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	Bachang Family Store (Supermarket; 29.8%) Mr. DIY (Household products, gifts; 10.6%) Omega Genius (Household products; 8.7%)

## KIPMall - BANGI

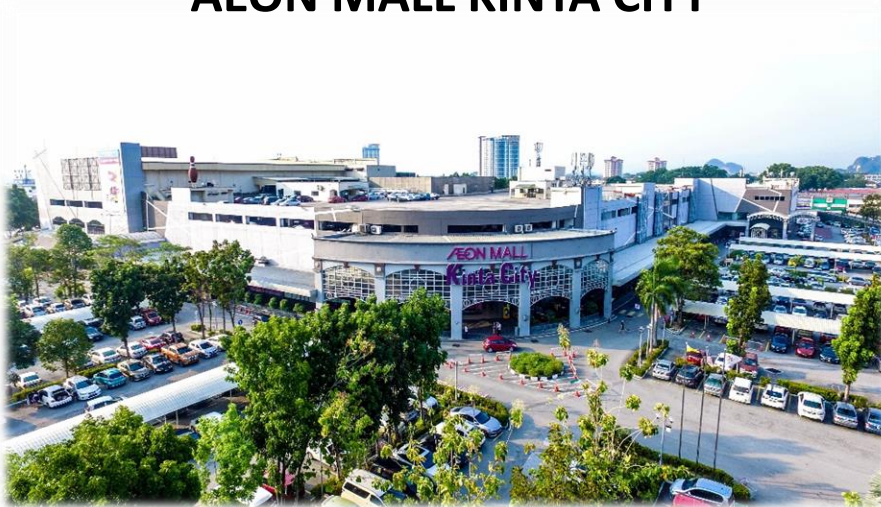


### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Ulu Langat	100%	187,538

Address / Location	No. 1, Jalan Medan Bangi, 43650 Bangi, Selangor
Property Type	Shopping Centre
Description	Five-storey shopping centre with a mezzanine floor
Tenure	99 years
Age of Property	22 years
Land Area	92,817 sq ft (approx. 2.13 acres)
Lettable Area	254,772 sq ft
Average gross rent (per sq ft)	Dec 2021: RM3.21
Market value as at 31 Dec 2021	RM126,000,000
Average Occupancy	FY2019: 86.0% (12 month ended 30 Jun 2019) FY2020: 78.6% (12 month ended 30 Jun 2020) FY2021: 81.9% (12 month ended 30 Jun 2021) FY2022: 76.7% (6 month ended 31 Dec 2021)
Latest Occupancy Rate	Dec 2021: 74.6%
Number of tenancies as at 31 Dec 2021	76
Net Property Income (RM '000)	FY2019: 9,590 (12 month ended 30 Jun 2019) FY2020: 8,303 (12 month ended 30 Jun 2020) FY2021: 7,566 (12 month ended 30 Jun 2021) FY2022: 3,587 (6 month ended 31 Dec 2021)
Major tenants and % of occupied LA	Giant Hypermarket (Supermarket; 24.8%) Bok Marketing Sdn Bhd (IT/ Electronic/ Digital; 10.6%) Live Sport Gallery ( Entertainment & Leisure; 10.6%)

## AEON MALL KINTA CITY



### Population coverage of 5 km radius

District	Estimation of coverage of 5 km radius	Estimation of population
Ipoh	50%	336,659

Address / Location	2, Jalan Teh Lean Swee, Taman Ipoh Selatan, 31400 Ipoh, Perak
Property Type	Shopping Centre
Description	Four-storey shopping centre
Tenure	Freehold
Age of Property	24 years
Land Area	648,310 sq ft (approx. 15 acres)
Lettable Area	530,181 sq ft
Average gross rent (per sq ft)	Dec 2021: RM2.84
Market value as at 31 Dec 2021	RM220,000,000
Occupancy Rate	100%
Number of tenancy	1
Net Property Income (RM'000)	FY2020: 14,403 (from date of completion 31 Jul 2019 to period ended 30 Jun 2020) FY2021: 16,519 (12 month ended 30 Jun 2021) FY2022: 8,695 (6 month ended 31 Dec 2021)

## CAUTIONARY STATEMENT

This presentation is intended to focus on matters which are relevant to the interests of stock analysts and shareholders (existing and potential) in KIP REIT.

The purpose of this presentation is to provide relevant information to assist in the process of assessing the strategies adopted and performance delivered by KIP REIT and the potential for those strategies to succeed. It should not be relied upon by any other party or for any other purpose.

Forward looking statements are made in good faith, based on a number of assumptions concerning future events and information available to the Management at the time of their approval of this presentation. These forward looking statements should be treated with caution due to the inherent uncertainties underlying such forward looking information.

The user of this review should not rely unduly on these forward looking statements, which are not a guarantee of performance and which are subject to a number of uncertainties and other facts, many of which are beyond KIP REIT's control and could cause actual events to differ materially from those in these statements. No guarantee can be given of future results, levels of activity, performance or achievements.



# Q&A





# THANK YOU

## KIP REAL ESTATE INVESTMENT TRUST

Unit B-6, Block B, Tingkat 6, Menara KIP, No.1, Jalan Seri Utara 1, Sri Utara Off Jalan Ipoh, 68100 Kuala Lumpur.

Tel : +603 6259 1133

Fax : +603 6258 8919

Email : [ir@kipreit.com.my](mailto:ir@kipreit.com.my)