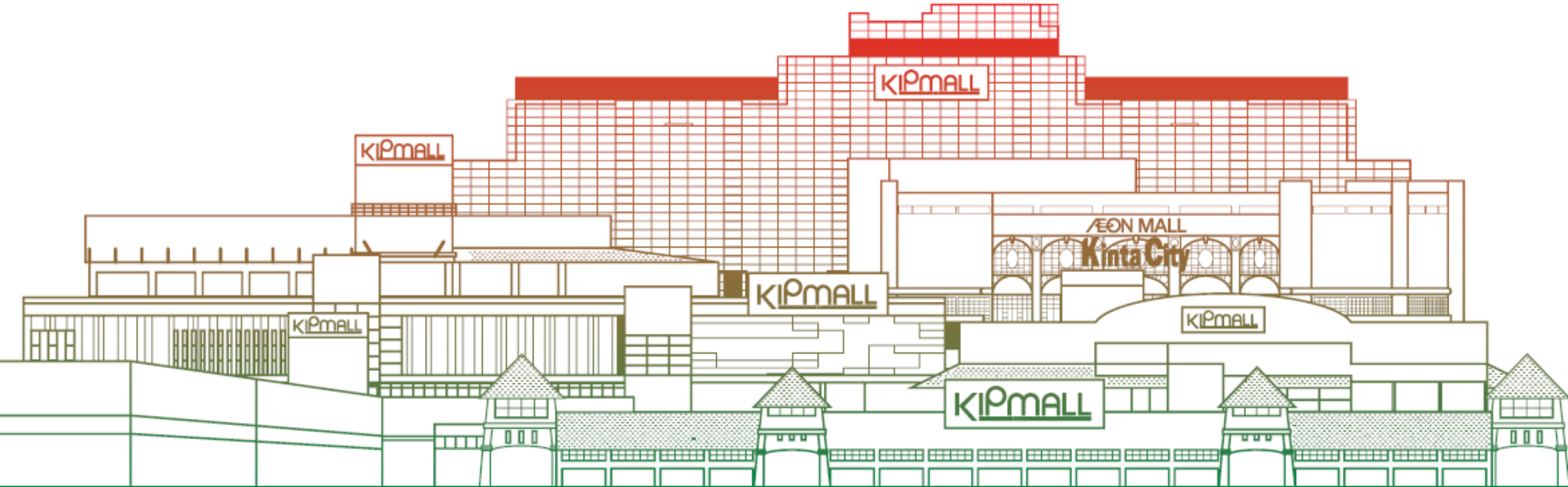


FINANCIAL RESULTS FOR Q4FY2022 & FULL YEAR FY2022



KIP Real Estate Investment Trust
KIP:MK (5280)

CONTENTS



















Section 1	Key Highlights
Section 2	Financial Performance
Section 3	Portfolio Updates
Section 4	Proposed Acquisitions
Section 5	Outlook and Moving Forward
Section 6	Appendix – Asset Portfolio

Key Highlights



KEY HIGHLIGHTS

Q4FY2022 & FY2022

 Gross Revenue	 Net Property Income	 Realised Profit After Tax	 Distributable Income	 Distribution Per Unit	 Average Occupancy Rate	 Annualised Distribution Yield
Q4FY2022						
RM19.2 M  0.9% Y-o-Y	RM14.2 M  5.8% Y-o-Y	RM9.5 M  6.1% Y-o-Y	RM9.7 M  4.2% Y-o-Y	2.10 Sen No Change	86.8%  6.6% Point Y-o-Y	7.51% Based on RM0.905 closing price as at 28 July 2022
FY2022						
RM73.7 M  0.7% Y-o-Y	RM56.8 M  0.2% Y-o-Y	RM36.0 M  0.1% Y-o-Y	RM37.3 M  2.4% Y-o-Y	6.80 Sen  0.6% Y-o-Y	87.3%  1.1% Point Y-o-Y	

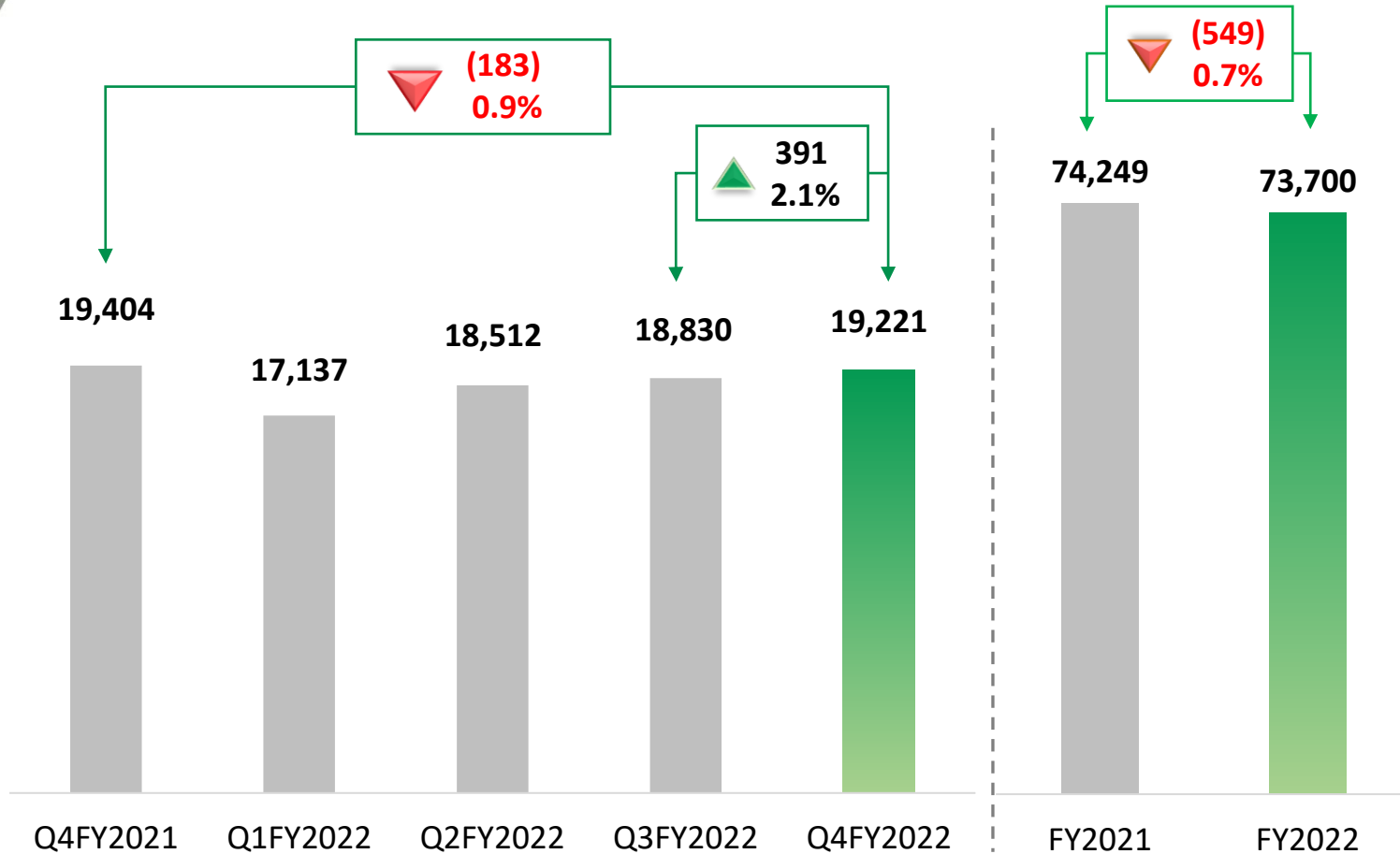
Financial Performance



FINANCIAL PERFORMANCE

Gross Revenue

Gross Revenue (RM'000)



Q4FY2021 vs Q4FY2022

- The lower gross revenue was due to lower revenue for Bangi since the anchor tenant lot was vacated since end February 2022.
- However, this was cushioned by lower rental rebate amortisation and higher promotional area income.

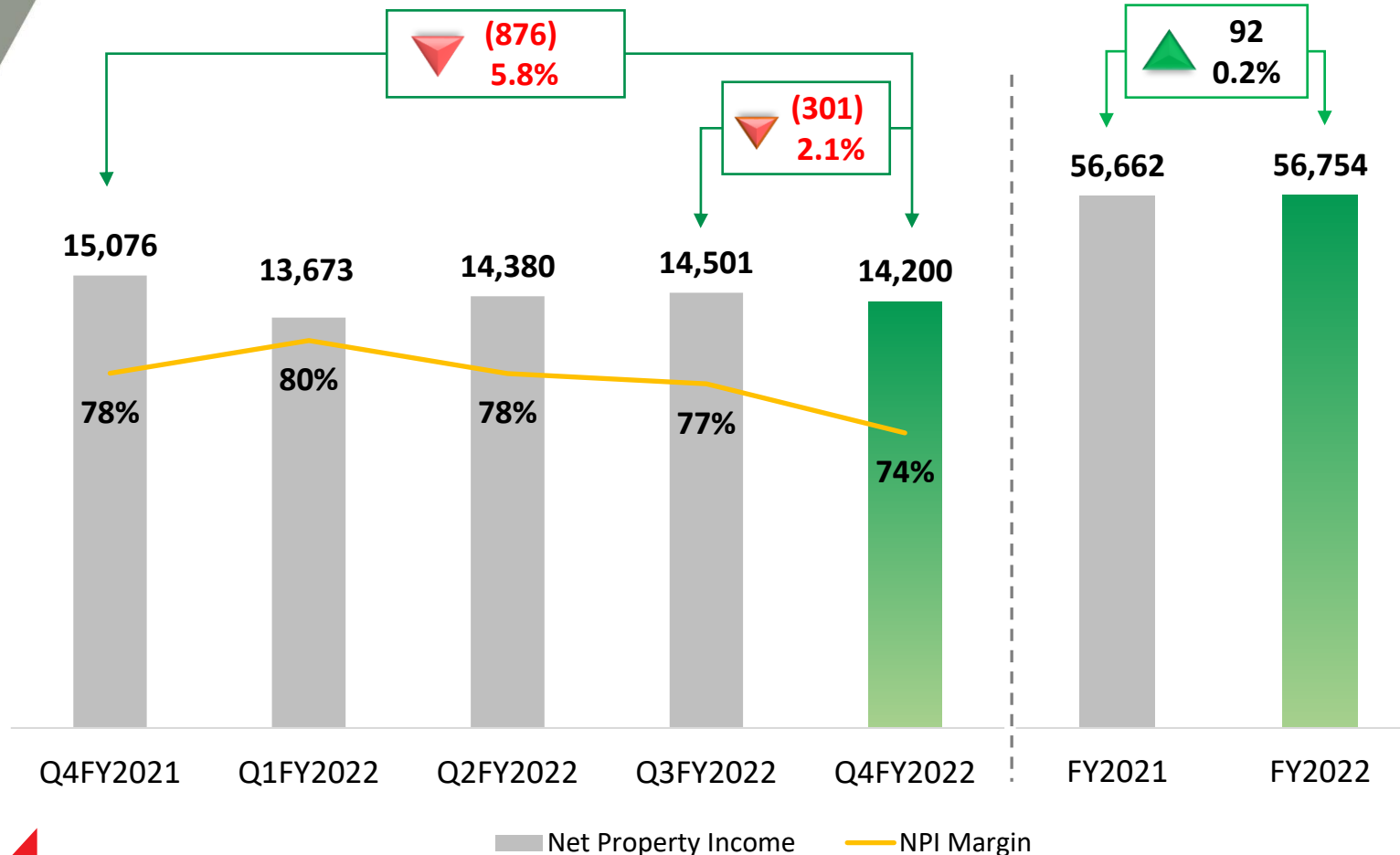
FY2021 vs FY2022

- Lower gross revenue was due to lower promotional income during the first 2 quarters and lower average occupancy rate as a result of vacated lots for KIPMall Bangi and Tampoi in preparation for new tenants onboarding.

FINANCIAL PERFORMANCE

Net Property Income

Net Property Income (“NPI”) (RM'000)



Q4FY2021 vs Q4FY2022

- The lower NPI was due to the lower gross revenue and higher utilities expenses as a result of full force of mall operations, coupled with the removal of 10% discount from TNB.

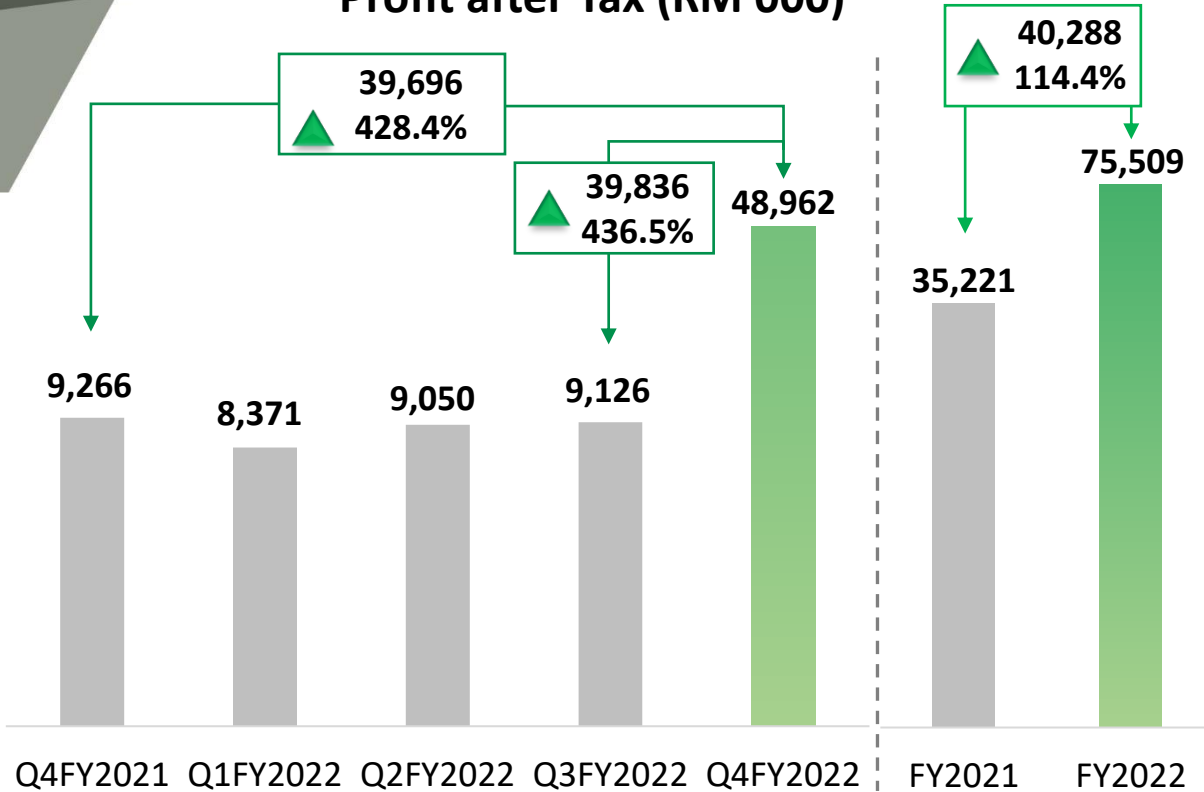
FY2021 vs FY2022

- Marginal improvement in FY2022 was attributed to higher revenue from AEON Mall Kinta City due to the step-up rent.

FINANCIAL PERFORMANCE

Profit after Tax

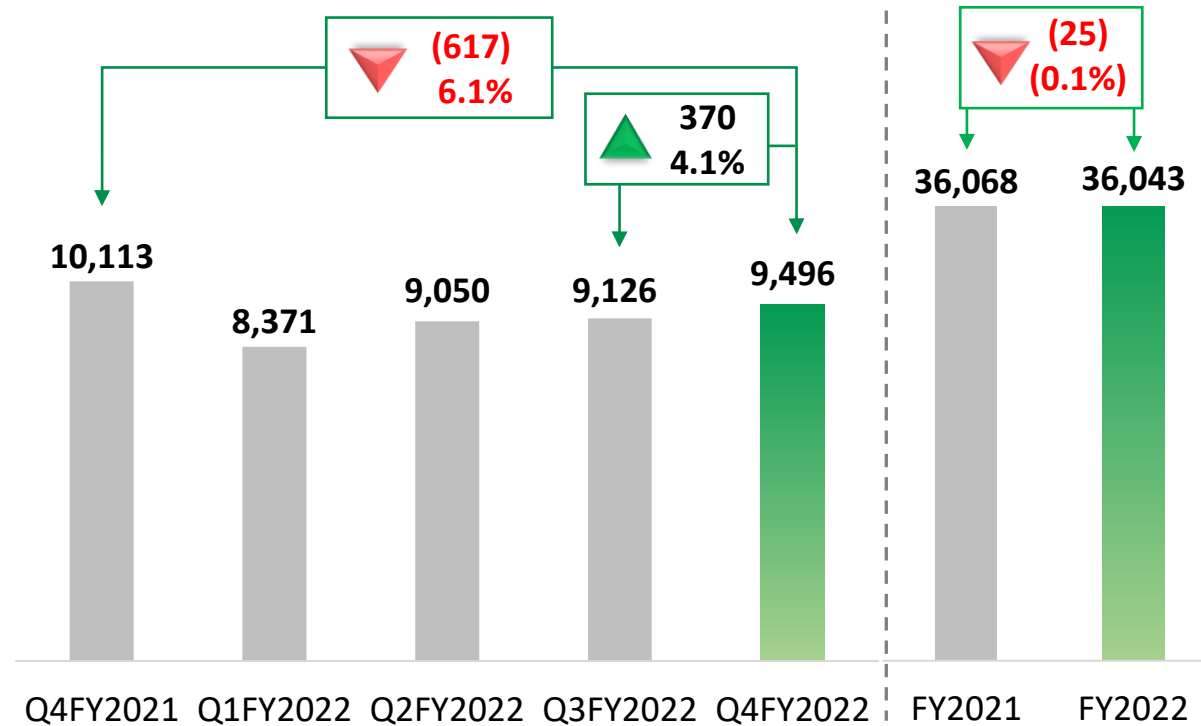
Profit after Tax (RM'000)



Q4FY2021 vs Q4FY2022 & FY2021 vs FY2022

- Higher PAT in Q4FY2022 and FY2022 were mainly due to the unrealised PAT derived from changes in fair value on investment properties amounted to RM39.5 million.

Realised Profit after Tax (RM'000)

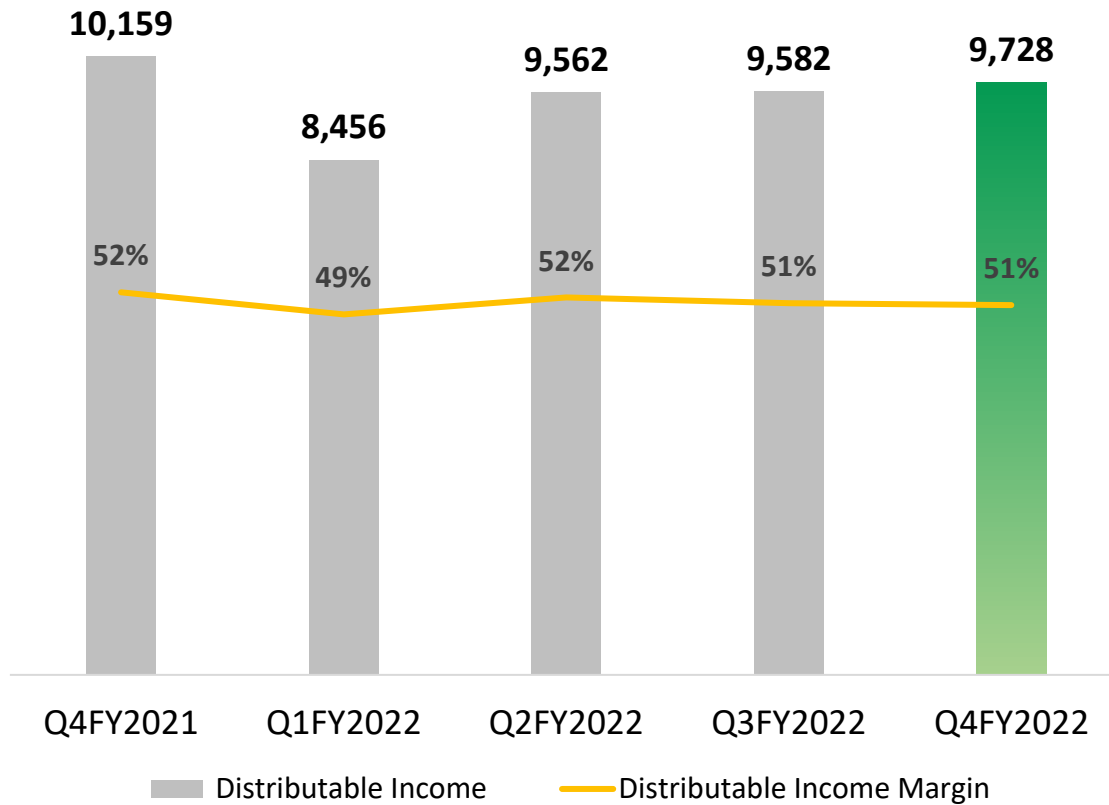


Q4FY2021 vs Q4FY2022 & FY2021 vs FY2022

- Lower realised PAT in Q4FY2022 and FY2022 were attributed to lower revenue, coupled with higher property expenses.

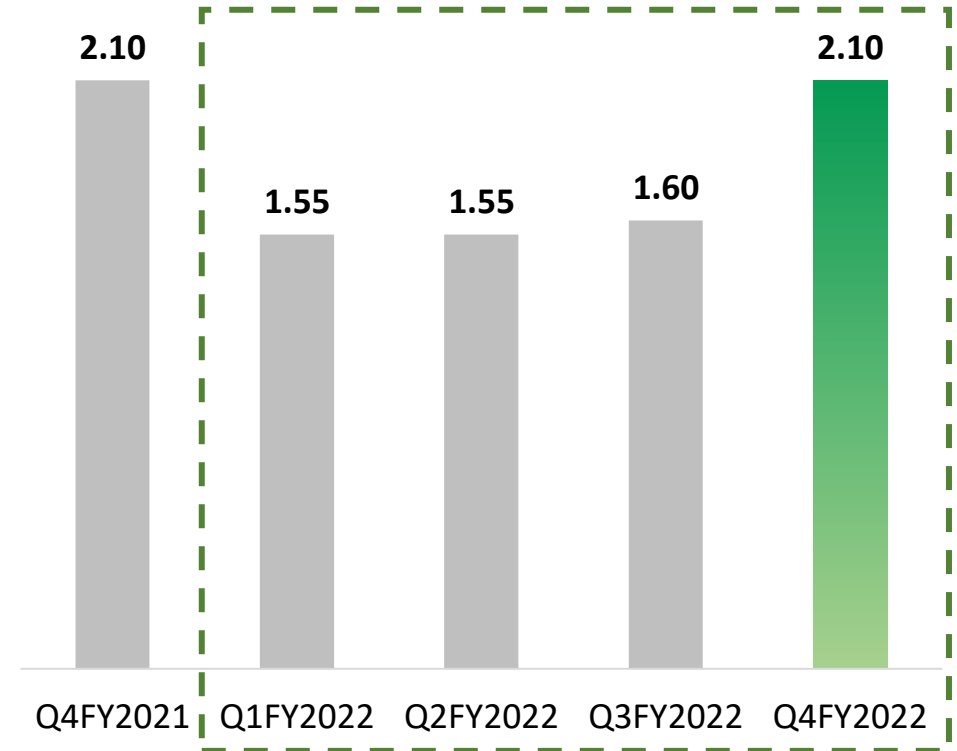
DISTRIBUTIONS

Distributable Income (RM'000)



Total distributable income for FY2022 = **RM37.3 million**

Distribution Per Unit (Sen)

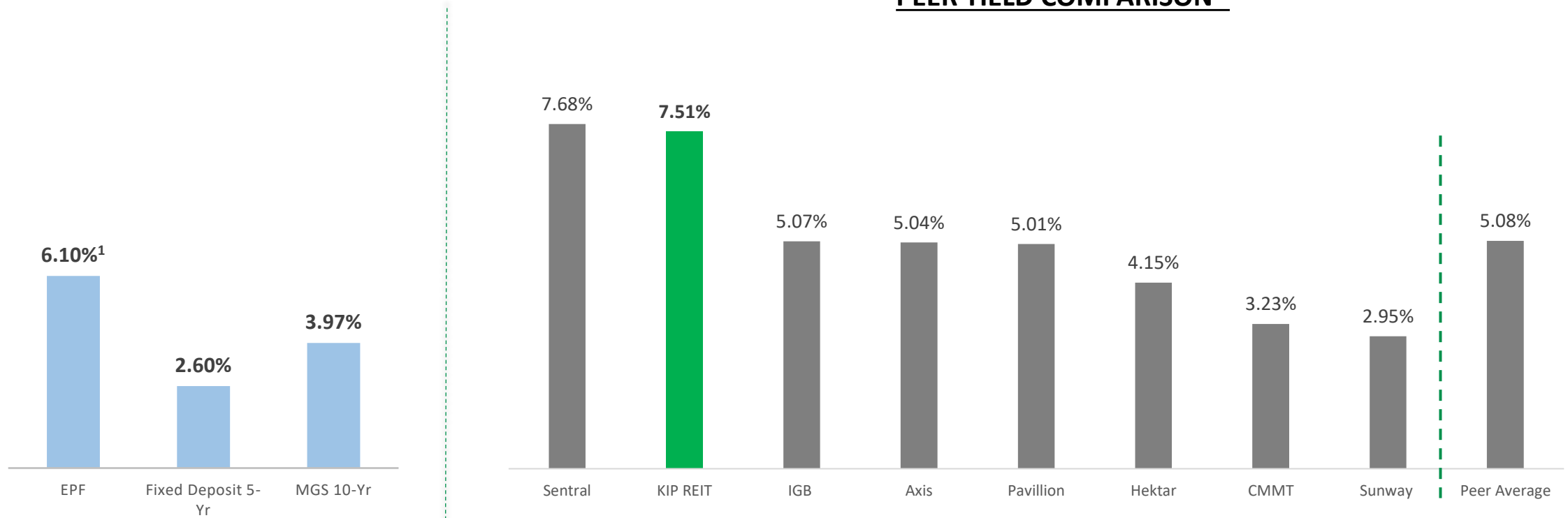


Distribution for last trailing 12 months = **6.80 sen**

ATTRACTIVE YIELD VS OTHER INVESTMENTS

Continues to deliver attractive annual yield of 7.51%

PEER YIELD COMPARISON ²



Note:

1. Source taken from the websites of EPF, Maybank and Bank Negara Malaysia as at 28 July 2022.
2. Calculated based on the distribution for the last trailing 12 months period at the closing price for each respective REITs as at 28 July 2022.
3. Calculated based on the distribution for the last trailing 12 months period (6.80 sen) at the closing price of RM0.91 as at 28 July 2022

HEALTHY BALANCE SHEET

AS AT 30 JUNE 2022

RM'000	Unaudited	Audited
	As at 30 June 2022	As at 30 June 2021
Investment Properties	852,000	808,000
Cash and cash equivalents	30,994	29,320
Other assets	6,041	8,901
Total Assets	889,035	846,221
Borrowings	312,913	312,708
Other liabilities	21,596	20,135
Total Liabilities	334,509	332,843
Net Assets Value (after income distribution)	554,526	513,378
NAV per unit (RM) ¹	1.0974	1.0160
Gearing ratio	35.2%	37.0%

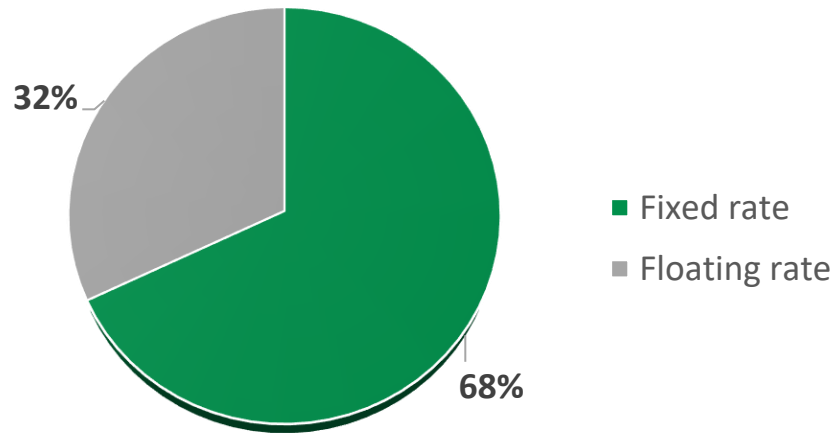
Note:

1. Based on units in issue of 505,300,000 as at 30 June 2022

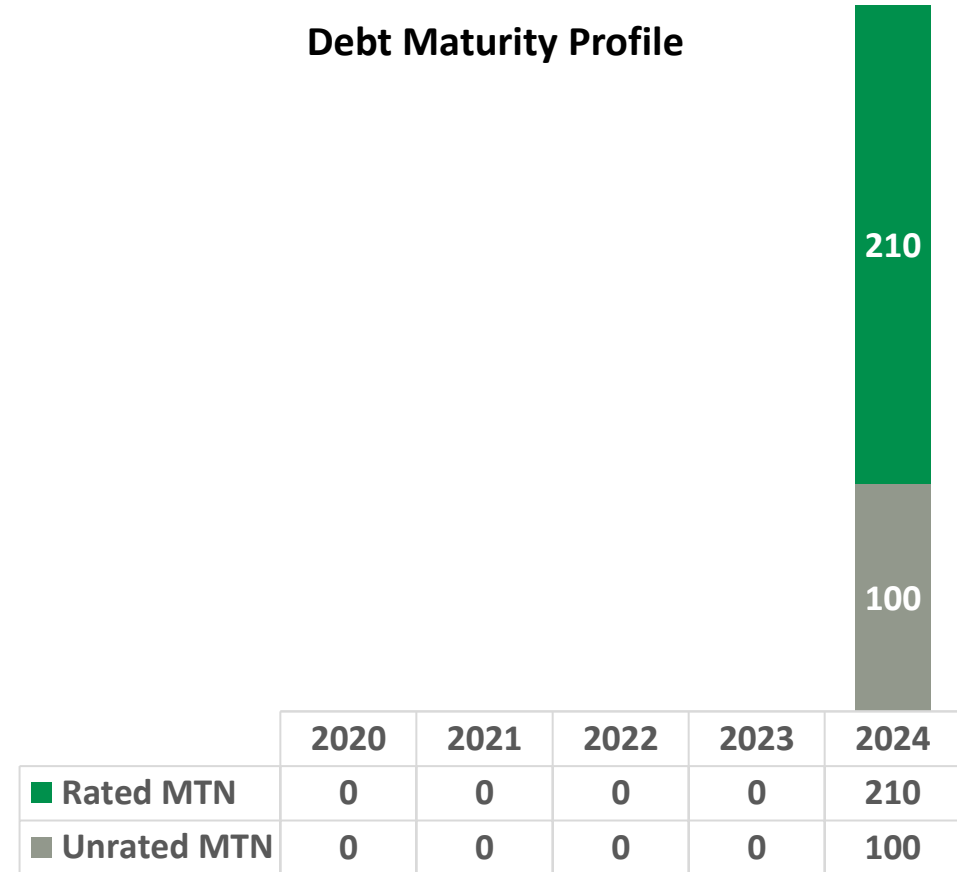
KIP REIT DEBT PROFILE

AS AT 30 JUNE 2022

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: 4.25% (30 June 2021: 4.25%)

- Next refinancing due on 31 July 2024

Portfolio Updates



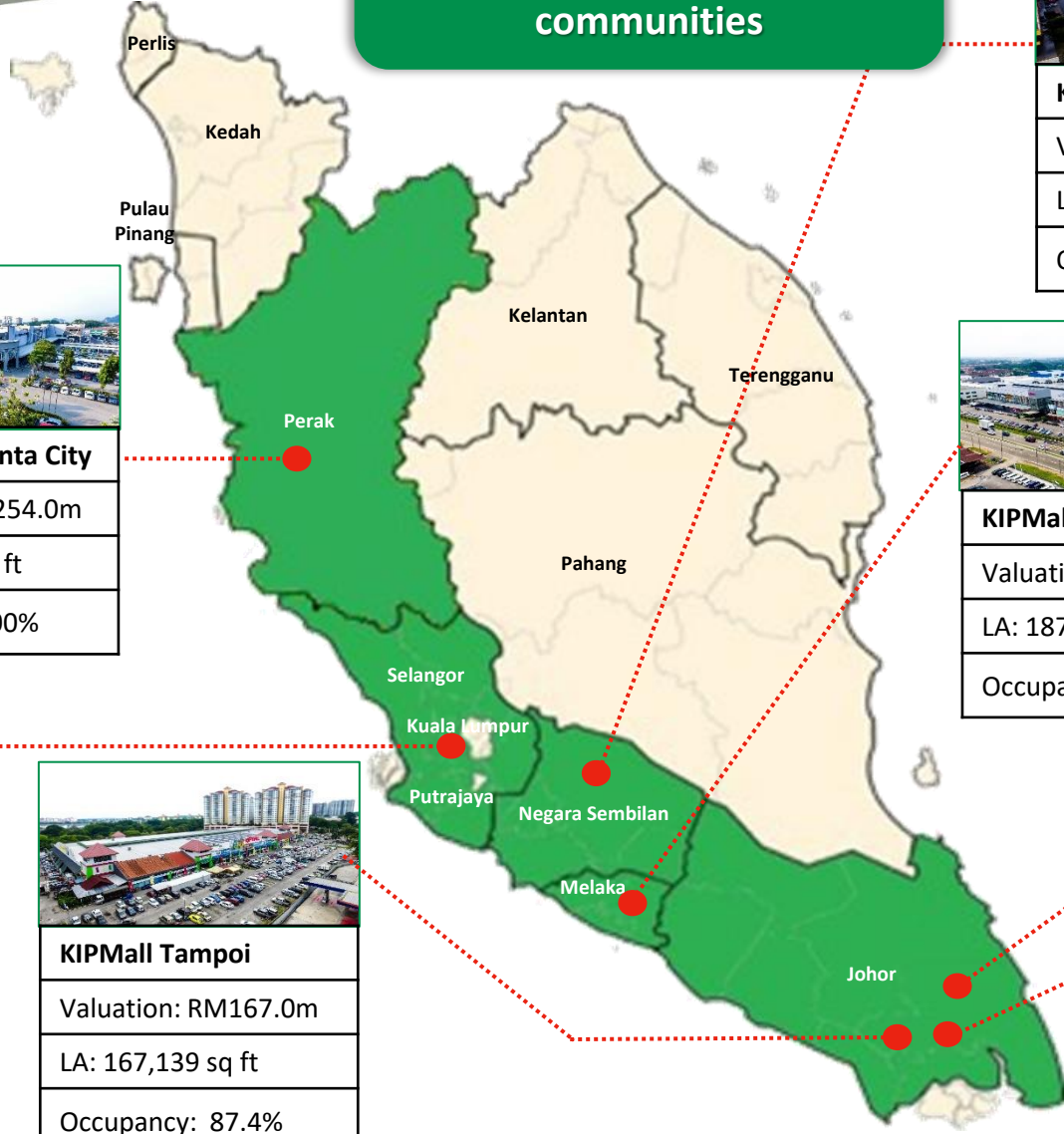
PORTFOLIO SUMMARY

One stop destination suburban malls that serve its communities

Portfolio

Valuation: RM852.0m
LA ¹ : 1.48 million sq ft
No. of tenancies ¹ : 780
Average Occupancy ² : 86.8%

- Notes:**
- As at 30 June 2022
 - Average occupancy rate for 3-month financial period ended 30 June 2022



AEON MALL Kinta City
Valuation: RM254.0m
LA: 530,181 sq ft
Occupancy: 100%



KIPMall Senawang
Valuation: RM27.0m
LA: 116,919 sq ft
Occupancy: 86.7%



KIPMall Melaka
Valuation: RM50.0m
LA: 187,841 sq ft
Occupancy: 82.5%



KIPMall Kota Tinggi
Valuation: RM56.0m
LA: 76,297 sq ft
Occupancy: 91.9%



KIPMall Bangi
Valuation: RM124.0m
LA: 255,202 sq ft
Occupancy: 56.8%



KIPMall Tampoi
Valuation: RM167.0m
LA: 167,139 sq ft
Occupancy: 87.4%



KIPMall Masai
Valuation: RM174.0m
LA: 151,836 sq ft
Occupancy: 93.4%



PORTFOLIO

AVERAGE OCCUPANCY RATE

	FY2018	FY2019	FY2020	FY2021	Q1FY2022	Q2FY2022	Q3FY2022	Q4FY2022
KIPMall Tampoi	96.2%	97.7%	97.4%	88.5%	77.3%	78.0%	79.3%	87.4%
KIPMall Kota Tinggi	92.8%	91.3%	92.8%	88.0%	90.1%	91.4%	92.2%	91.9%
KIPMall Masai	94.7%	93.7%	95.4%	88.9%	87.9%	91.3%	92.9%	93.4%
KIPMall Senawang	80.6%	79.5%	80.9%	78.2%	79.8%	83.8%	84.9%	86.7%
KIPMall Melaka	69.1%	80.6%	76.6%	80.1%	72.4%	75.4%	82.0%	82.5%
KIPMall Bangi	83.3%	86.0%	78.6%	81.9%	78.9%	74.6%	70.0%	56.8% ¹
AEON Mall Kinta City	N/A	N/A	100%	100%	100%	100%	100%	100%
Average Occupancy Rate	85.0%	87.8%	90.7%	89.6%	87.0%	87.5%	88.0%	86.8%

Note:

1. Decrease in KIPMall Bangi's average occupancy rate was due to the vacated lot by an anchor tenant since February 2022.
2. Increase in KIPMall Tampoi's average occupancy was due to the new major tenant, Bok Marketing Sdn Bhd occupying 13.4% of its NLA.

PORTFOLIO LEASE EXPIRY PROFILE

Lease expiry as at 30 June 2022	FY2023	FY2024	FY2025	FY2026
Number of leases expiring	590	176	13	1
Leased area expiring (sq. ft.)	442,746	278,320	40,890	530,181
Expires as % of occupied NLA	34.3%	21.5%	3.2%	41.0%
Expires as % of gross rental income	50.1%	20.5%	2.8%	26.6%

Weighted average lease expiry (WALE) as at 30 June 2022 stands at **2.51 years** by occupied NLA and **2.06 years** by gross rental income.

Proposed Acquisitions



PROPOSED ACQUISITIONS

Proposed acquisition of 3 industrial properties



- Purchase price consideration : RM78.7 million.
- Estimated completion date : Second quarter of the calendar year 2023
- Proposed leases tenure : 15 years

	Klang Property 1	Klang Property 2	Klang Property 3
Vendor	Hextar Chemicals S/B (HCSB)	Hextar Industrial Chemicals S/B (HCSB)	Teju Logistics S/B (TLSB)
Location	Pulau Indah Industrial Park	Pulau Indah Industrial Park	Pulau Indah Industrial Park
Land Area (sqm)	21,303	21,202	18,659
Tenure	Leasehold	Leasehold	Leasehold
Description	An industrial premises accommodating a double storey office building annexed with a single storey warehouse and guard house	An industrial premises accommodating a single storey warehouse, pump house and guard house	An industrial premises accommodating a single storey factory/warehouse, guard house, pump house and refuse chamber
Age	20	25	2
Lettable Area (sqft)	112,508	129,114	108,936
Occupancy Rate (%)	100	100	100
Property Yield (%)	6.5	6.5	6.5

Rationale of the proposed acquisitions



1. Strategic location of the Klang Properties

- Easily accessible to major highways
- Strong demand for industrial properties in this location and limited supply
- Support industries within the Pulau Indah Industrial Park



2. Enhances portfolio diversification and strengthen KIP REIT's portfolio

- Diversification via acquisition of industrial properties to spread risk across subsectors



3. Committed long term occupancy

- Stable and sustainable income stream through the Lease Agreements for a lease period of 15 years
- Early termination due to Lessees default, Lessee to compensate the whole unexpired term of Proposed Leases



4. Stable and quality cash flows

- The lessees, Hextar Group is related the major unitholder of KIP REIT



5. Structured leases with embedded organic growth

- Rental escalation of 13% at the 4th, 7th and 11th anniversaries of the Lease Term

Outlook and Moving Forward





1. Malaysia Retail Industry

- Retail Group Malaysia (RGM) has forecasted the retail industry to grow year-on-year at 25.7% for Q2FY2022, 3.4% for Q3FY2022 and 3.6% for Q4FY2022, bringing its FY2022 estimate growth at 13.1%.
- Malaysia Retailers Association (MRA) expects the retail industry in Malaysia to make a full recovery by end-2022 with steady quarterly growths.
- Footfall across shopping malls has picked up with visible traffic congestions since the easing of COVID-19 restrictions last year.
- Rising prices of basic necessities, consumer goods, oil price and the higher cost of living is expected to continue during the first half of 2022 and will affect the purchasing power of Malaysian households.
- An interest-rate hike will likely have a negative impact on the purchasing power of consumers.



2. Malaysian Economy

- For FY2022, the World Bank and International Monetary Fund have forecast a Malaysia's GDP growth of 5.5% and 5.75% respectively.
- Bank Negara Malaysia has projected growth to be 5.3% to 6.3%, underpinned by strong domestic demand, continued expansion in external demand and further improvement in the labour market.



1. Diversification of Portfolio

- Currently implementing a private placement exercise 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.
- Issue price for the first tranche of the Placement units is fixed at RM0.805 per Placement Unit. Granted time extension until 25 August 2022 to complete the Private Placement.
- We intend to widen the scope to explore opportunities to invest in income producing real estate assets where we see strong demand for commercial properties including industrial facilities, logistic facilities and warehouse facilities.



2. Operational Measures

- 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.
- 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.

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	167,139 sq ft
Average gross rent (per sq ft)	June 2022: RM8.39
Market value as at 30 June 2022	RM167,000,000
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 : 80.5% (12 month ended 30 Jun 2022)
Latest Occupancy Rate	June 2022: 90.8%
Number of tenancies as at 30 June 2022	222
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: 11,301 (12 month ended 30 Jun 2022)
Major tenants and % of occupied LA	Pasaraya Hwa Thai (Supermarket; 16.0%) Bok Marketing Sdn Bhd (Household Product; 13.4%) Mr Dollar (Household Product; 7.7%)

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)	June 2022: RM6.15
Market value as at 30 June 2022	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 : 91.4% (12 month ended 30 June 2022)
Latest Occupancy Rate	June 2022: 92.0%
Number of tenancies as at 30 June 2022	120
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: 3,847 (12 month ended 30 Jun 2022)
Major tenants and % of occupied LA	Pasaraya SongMart (Supermarket; 25.6%) 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)	June 2022: RM8.62
Market value as at 30 June 2022	RM174,000,000
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: 91.4% (12 month ended 30 Jun 2022)
Latest Occupancy Rate	June 2022: 93.1%
Number of tenancies as at 30 June 2022	214
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: 12,427 (12 month ended 30 June 2022)
Major tenants and % of occupied LA	Pasaraya Hwa Thai (Supermarket; 15.9%) Bok Marketing (Household Product, Gifts; 14.2%) Mr DIY (Household Products, Gifts; 8.4%)

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)	June 2022: RM2.26
Market value as at 30 June 2022	RM27,000,000
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: 83.8% (12 month ended 30 June 2022)
Latest Occupancy Rate	June 2022: 86.1%
Number of tenancies as at 30 June 2022	69
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: 1,586 (12 month ended 30 June 2022)
Major tenants and % of occupied LA	TF Value-Mart (Supermarket; 36.8%) Mr DIY (Household Product, Gifts; 11.1%) Porcelain Inn Sdn Bhd (Household Product, Gifts; 8.4%)

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	187,841 sq ft
Average gross rent (per sq ft)	June 2022: RM2.45
Market value as at 30 June 2022	RM50,000,000
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: 78.1% (12 month ended 30 June 2022)
Latest Occupancy Rate	June 2022: 83.4%
Number of tenancies as at 30 June 2022	82
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: 3,714 (12 month ended 30 June 2022)
Major tenants and % of occupied LA	Bachang Family Store (Supermarket; 29.0%) Mr. DIY (Household products, gifts; 10.4%) Omega Genius (Household products; 8.5%)

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	255,202 sq ft
Average gross rent (per sq ft)	June 2022: RM3.29
Market value as at 30 June 2022	RM124,000,000
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: 70.1% (12 month ended 30 Jun 2022)
Latest Occupancy Rate	June 2022: 55.5%
Number of tenancies as at 30 Jun 2022	72
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: 6,590 (12 month ended 30 Jun 2022)
Major tenants and % of occupied LA	Bok Marketing (Household Product ,Gifts; 14.2%) Live Sport Gallery (Entertainment & Leisure; 14.1%) Pusat Kain Silk House (Fashion Apparel; 8.6%)

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)	June 2022: RM2.82
Market value as at 30 June 2022	RM254,000,000
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: 17,291 (12 month ended 30 Jun 2022)

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





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