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# KIP REIT eyes one acquisition in FY19

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KUALA LUMPUR (April 23): KIP Real Estate Investment Trust (REIT) is planning to purchase an asset in Kota Warisan, Sepang from the promoter's KIP Group of Companies, which is under KIP REIT's right of first refusal, by the financial year ending June 30, 2019 (FY19) in a bid to boost its total asset under management (AUM) to RM2 billion.

Speaking to reporters at a press conference here today, KIP REIT Management Sdn Bhd managing director Datuk Chew Lak Seong explained that the purchase will only be made if its occupancy rate reaches 85%, from 70% currently.

"85% [occupancy rate] will provide a more steady income stream," said Chew.

However, Chew noted that the purchase negotiation has not started, declining to reveal the purchase price.

Apart from looking to acquire other assets in suburban areas, Chew noted that KIP REIT is looking to diversify into the upstream segment such as logistic warehouse assets. But he said nothing is firm yet.

As at March 31, 2018, KIP REIT's total AUM stood at RM610.4 million.

At 3.40pm, shares in KIP REIT were traded at 73.5 sen, giving it a market capitalisation of RM371.4 million.

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