

## KIP REIT's First Full Financial Year Performance Exceeds Expectations and Declares 1.8sen Distribution

Posted by **Jimmy Song** at Jul 27, 2018 10:22 AM | [Report Abuse](#)

Kuala Lumpur, 26 July 2018 – KIP Real Estate Investment Trust ("KIP REIT" or "the Fund"), the first hybrid community-centric retail REIT listed on Bursa Malaysia today announced its fourth quarter results ended 30 June 2018 ("Q4FY2018") with a total revenue of RM16.13 million and a higher profit after tax ("PAT") of RM12.40 million.

### FINANCIAL RESULTS

Revenue for the quarter of RM16.13 million was marginally higher than the preceding year's corresponding quarter ended 30 June 2017 ("Q4FY2017"). Net property income ("NPI") recorded an improvement of RM252,000 or 2.3% compared to Q4FY2017, which was due to higher rental from promotional events and lower operating expenses.

PAT for the quarter improved by RM3.3 million or 35.8% higher compared to Q4FYE2017 due to the fair value gain on the investment properties of RM3.3 million during the financial period as well as improved operational efficiency.

The performance for the financial year ended 30 June 2018 had exceeded the forecasted financial projections from the prospectus during the Fund's Initial Public Offering (IPO). Net property income was RM828,000 or 2% higher and PAT was RM4.58 million or 13.9% higher than forecasted. The improvement of RM1.26 million in PAT (excluding the RM3.3 million fair value gain on investment properties) was mainly contributed by the improved operational efficiency with lower operating expenses recognised by the Fund.

For the quarter under review, the Manager of KIP REIT declared an interim distribution per unit ("DPU") of 1.80 sen per unit, amounting to approximately RM9.095 million, which will be paid to unitholders on 23 August 2018. For the full financial year ended 30 June 2018, the Fund has declared a total distribution of RM34.51 million or 6.83 sen per unit, which translated to a distribution yield of 8.3%\*.

Commenting on the financial results, Dato' Chew Lak Seong, Managing Director of KIP REIT Management Sdn Bhd (the Manager of KIP REIT) said, "We are delighted to announce our first full year results ended 30 June 2018 and that we have delivered beyond our promise made during the IPO, despite the current challenging retail market conditions. With our full year distribution of 6.83 sen per unit, we can proudly claim that KIP REIT has one of the highest yields amongst the REIT players, with an exceptional distribution yield of 8.3% for the financial year.

He added, "We expect the 2H2018 to be positive for the retail industry as the Malaysian Institute of Economic Research ("MIER") reported that consumer confidence jumped to its highest levels in 21 years in light of improving consumers' income and favourable employment outlook, not forgetting the zerorising of the goods and services tax. Nevertheless, we will continue to pursue the perfect tenant mix and undertake asset enhancement initiatives ("AEIs") to ensure that our properties continue to generate strong performance. We will also continue to assess the injection of our right of first refusal ("ROFR") properties and offers to acquire third party properties at the right price to grow the Fund."

\*The distribution yield of 8.3% is based on the closing price of RM0.82 per KIP REIT unit as at the closing of 26 July 2018.