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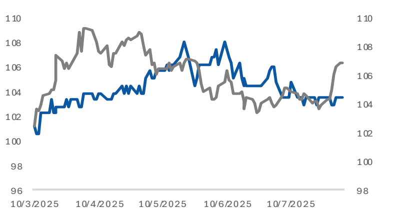
Recommendation:	BUY
Current Price:	RM 0.86
Previous Target Price:	N/A
Target Price:	RM 1.07
Capital Upside/Downside:	24.4%
Dividend Yield (%):	8.0%
Total Upside/Downside:	**32.4%**

Stock information	
Board	MAIN
Sector	REITS
Bursa / Bloomberg Code	5280 / KIP MK
Syariah Compliant	No
ESG Rating	★★★
Shares issued (m)	798.6
Market Cap (RM' m)	686.8
52-Week Price Range (RM)	0.945-0.82
Beta (x)	0.4
Free float (%)	59.9
3M Average Volume (m)	0.9
3M Average Value (RM' m)	0.7

Top 3 Shareholders	(%)
Ong Choo Meng	9.9
Ong Kook Liong	9.0
Employees Provident Fund Board	5.5

Share Price Performance



	1M	3M	12M
Absolute (%)	1.8	0.6	-4.4
Relative (%)	2.5	0.5	-2.2

Earnings Summary	FY26F	FY27F	FY28F
Revenue (RM'm)	166.3	178.5	186.8
PATAMI (RM'm)	69.8	76.7	82.1
CNP (RM'm)	69.8	76.7	82.1
EPU (sen)	8.7	8.9	9.5
P/E (x)	9.8	9.7	9.0

KIP Real Estate Investment Trust

A Stable, Defensive Safe Haven

- **KIPREIT is a real estate investment trust focused on long-term investments in income-producing properties, with a principal focus on community-centric malls and industrial assets.**
- **The Group offers an attractive distribution yield exceeding 8% and provides strong defensive stability through its diversified asset base and solid financial footing.**
- **It maintains a consistent occupancy rate of 98.7%, underpinned by strong tenant relationships and footfall. Future earnings growth is expected to be driven by 3 newly acquired assets and 7 planned acquisitions of retail and commercial properties.**
- **We initiate coverage on KIPREIT with a BUY recommendation and a TP of RM1.07, based on 7% target distribution yield applied to FY26F DPU of 6.9 sen. The target yield represents a 1.7%-pts premium over the peer average of 5.3%, which we view as reasonable given KIPREIT's lower asset quality and exposure to non-prime retail segments.**

Key Investment Highlights

Lucrative distribution yield along with defensive shield. KIPREIT presents a compelling investment opportunity, offering a robust distribution yield of exceeding 8% for FY26F-FY28F, well above the peer average of 5.6% and the EPF's 6.3% in 2025. Its resilience is underpinned by a diversified asset base, its position as a one-stop community-centric mall curator serving the mass market, a high 90% distribution policy, and a strong balance sheet.

Backed by two strong sponsors on acquisition of new assets. KIPREIT primarily focuses on acquiring existing income-producing properties with established tenancies (typically secured under 12 to 15-year leases yielding c.6.5-7.5%). Growth is also supported by potential acquisitions from its main sponsors (two main private shareholders who own assets such as KIPMall Kota Warisan and KIPMall Kuantan). Notably, its latest acquisition, DPULZE, the only shopping mall in Cyberjaya, serves as the key retail hub for a population of approximately 144.0k.

Healthy occupancy and rental reversion rate. KIPREIT maintains a strong 98.7% occupancy rate, supported by resilient tenant relationships and a stable base of anchor tenants such as Econsave, Jaya Grocer, Giant, Hwa Thai, and Mr DIY, along with a master lease with AEON Mall Kinta City. These established brands boost footfall and offer flexibility in tenant mix management. In FY25, KIPREIT recorded a solid 7% rental reversion, driven by improving leasing demand, with management guiding for continued positive reversions of 7-10% in FY26.

Defensive shield from SST expansion. Effective 1 Jul 2025, an 8% service tax on rental and leasing services will be applied to commercial rentals with annual turnover exceeding RM1.0m. The tax is billed to tenants and remitted to Customs, so it will not directly impact KIPREIT's earnings. Although rising costs may pressure tenants, KIPREITS's necessity-driven, community-focused malls are expected to maintain steady demand and resilient tenant performance, with cost increases likely passed on to end consumers.

Strong Institutional Endorsement. Investments by EPF, AIA, and Allianz signal strong institutional confidence, with EPF as a substantial shareholder, making KIPREIT more attractive to other investors and supporting its long-term growth outlook.

Valuation & Recommendation. We initiate coverage on KIPREIT with a **BUY** call and a target price of RM1.07, based on a 7.0% target distribution yield and a three-star ESG rating. The target yield represents a 1.7%-pts premium over the peer average of 5.3%, which we view as reasonable. The premium reflects compensation for KIPREIT's lower asset quality and exposure to non-prime retail segments, which carry higher risk but offer more attractive returns.

KDN PP13226/06/2024 (035469)

Company Background

Established in Malaysia in 2016 and listed on Bursa Malaysia in 2017, KIPREIT is a real estate investment trust focused on long-term investments in income-producing properties, with a principal focus on community-centric malls and industrial assets. This includes warehouses, logistics facilities, and manufacturing sites. Initially focused on retail properties, KIPREIT expanded its investment policy in October 2020 to include industrial and commercial properties.

Business Overview

Business Model. Real estate investment trust (REIT) focused on income-generating retail and industrial properties, primarily in suburban Malaysia, as illustrated in **Figure 1.**

Figure 1: Property Assets

(i) Retail Properties

	Portfolio	Location	Valuation (m)	Net Lettable Area (sq ft)	Average occupancy (%)
1	Aeon Mall Kinta City	Perak	258.0	530,181	100.0
2	TF Value Mart - Hypermarket	Perak	17.0	60,895	100.0
3	Kip Mall Kota Warisan	Selangor	103.0	192,864	100.0
4	Dpulze Shopping Centre	Selangor	328.0	323,260	99.9
5	Kipmall Bangi	Selangor	132.0	170,526	97.0
6	Kipmall melaka	Melaka	66.0	202,506	97.6
7	Kipmall Tampoi	Johor	193.0	170,526	97.0
8	Kipmall Kota Tinggi	Johor	65.0	78,071	94.5
9	Kipmall Masai	Johor	197.0	157,531	96.0
10	Kipmall Senawang	Negeri Sembilan	30.0	122,065	96.3
			1389.0	**2,008,425**	**97.8**

Source: KIPREIT, Apex Securities

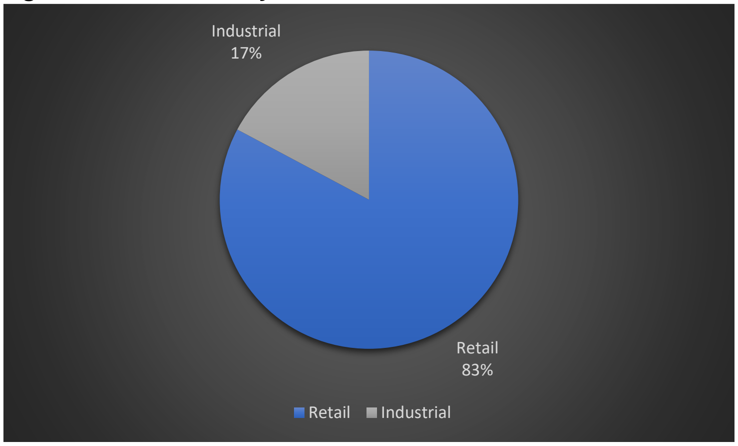
(ii) Industrial Properties

	Portfolio	Location	Valuation (m)	Net Lettable Area (sq ft)	Average occupancy (%)
1	3 Industrial properties (Pulau indah)	Selangor	82	350,558	100.0
2	Industrial property (Cheras Jaya)	Kuala Lumpur	23	66,632	100.0
			105.0	**417,190**	**100.0**

Source: KIPREIT, Apex Securities

Property Portfolio. As at 30 Jun 2025, KIPREIT's portfolio comprises 10 retail malls and 4 industrial assets valued at RM1.5bn, with a combined net lettable area (NLA) of 2.6m sq ft and 1,178 tenancies. The portfolio maintains a robust average occupancy rate of 97.8%.

Figure 2: Portfolio Mix by Net Lettable Area



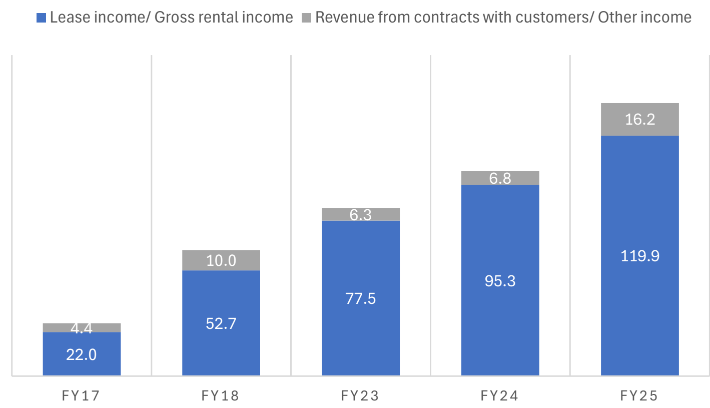
Source: KIPREIT, Apex Securities

KIPREIT's assets are strategically located in suburban areas across Malaysia. Its retail segment includes community-centric neighbourhood malls under the "KIPMall" brand in Tampoi, Kota Tinggi, Masai, Senawang, Melaka, Bangi, and Kota Warisan, as well as AEON Mall Kinta City and DPULZE Shopping Centre. These malls primarily serve the mass market, focusing on essential goods and convenience. The industrial segment comprises three assets in Pulau Indah, Port Klang, and Cheras Jaya, mainly used for warehousing and manufacturing.

Geographic Positioning & Target Market. KIPREIT's assets strategically target mature and rapidly developing suburban townships with dense, growing residential populations, fostering a loyal local customer base. Unlike prime city malls, KIPREIT's community-centric hubs focus on essential daily needs and F&B, catering to the mass market and value-conscious suburban communities. This focus provides inherent resilience against economic shifts, supporting stable foot traffic and tenant sales, while benefiting from lower operating costs, diverse tenancy, and convenient accessibility.

Revenue breakdown. KIPREIT's revenue is derived from two main components: (i) the primary stream, which is rental income, and (ii) a smaller 4-12% contribution from contracts with customers and other income **(Figure 3)**.

Figure 3: Revenue Breakdown



Source: KIPREIT, Apex Securities

Revenue from contracts with customers primarily comprises reimbursements for utilities and other property-related services. Meanwhile, other income includes interest income, fair value changes in investment properties, and the accounting treatment of lease incentives and transaction costs.

KIPREIT's Key Tenants. Econsave, Mr DIY, Hero Market, Hwa Tai Supermarket, Aeon, Lotus (coming soon) and more serve as KIPREIT's anchor tenants across its portfolio. The presence of these anchor tenants is crucial in preventing significant vacant retail space within their assets **(Figure 4).**

Figure 4: KIPREIT's Key Tenants

Source: KIPREIT, Apex Securities

AEON Mall Kinta City in Ipoh, owned by KIPREIT, benefits from a strong partnership with AEON, which master leases newly developed space under a long-term agreement.

Figure 5: Key Contributor to KIPREITS's Net Property Income

Source: KIPREIT, official website

AEON Mall Kinta City is a key contributor to KIPREIT's net property income (NPI), maintaining 100% occupancy with limited available retail space. AEON, the key tenant, plans to expand its footprint in the mall within the next two quarters, following the signing of a MoU with KIPREIT in March 2025. This expansion is expected to include an extended lease term.

While specific expansion details are still pending, channel checks suggest that the Group will bear the Asset Enhancement Initiatives (AEI) costs, which refer to improvements or renovations to enhance the mall's value. Once the expansion is complete, the rental terms will be revised. For example, if KIPREIT charges AEON RM3/sq ft and AEON sublets the space at RM5/sq ft, KIPREIT earns RM3 while AEON retains the RM2 margin. A revised long-term master lease will formalise this arrangement.

Completed Acquisitions. KIPREIT has completed three acquisitions in FY2025.

- **DPULZE Shopping Center (Cyberjaya):** Acquired on 12 Dec 2024 for RM320m, with a NLA of over 319,000 sq ft and a 99.3% occupancy rate, generating RM22.8m in NPI.
- **TF Value Mart (Perak):** Acquired on 14 Nov 2024 for RM14.8m, a single-story hypermarket with over 60,000 sq ft of NLA and 100% occupancy under a master lease.
- **Industrial Property (Cheras Jaya):** Acquired on 26 Feb 2025 for RM22.6m, a detached factory with an office building spanning over 66,000 sq ft and 100% occupancy with a long-term tenancy.

Proposed Acquisitions. As shown in **Figure 6** below, a few proposed acquisitions are yet to be finalised.

Figure 6: Proposed Retail and Industrial Assets

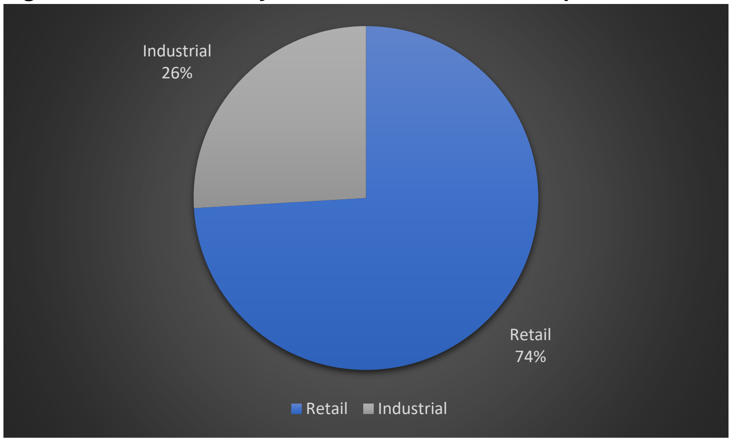
	Portfolio	Location	Valuation (m)	Net Lettable Area (sq ft)	Average occupancy (%)
1	Kipmall Desa Coalfields	Selangor	68.0	153,282	99.0
2	Lotus's Indera Mahkota	Pahang	40.0	107,527	100.0
3	Shop Office	Pahang	13.0	39,824	100.0
4	Commercial Building	Pahang	5.0	6,725	100.0
			108.0	**260,809**	**100.0**

	Portfolio	Location	Valuation (m)	Net Lettable Area (sq ft)	Average occupancy (%)
1	Industrial Property (Pasir Gudang)	Johor	24.1	184,120	100.0
2	Industrial Property (Port Klang Free Zone)	Selangor	23.7	193,365	100.0
3	Industrial Property (Bintulu)	Sarawak	28.8	207,315	100.0
			47.8	**377,485**	**100.0**

Source: KIPREIT, Apex Securities

Post-acquisition, the portfolio mix by asset type will change, as illustrated in **Figure 7**:

Figure 7: Portfolio Mix by Net Lettable Area Post-Acquisition



Source: KIPREIT, Apex Securities

Proportion of KIPREIT's Gross Rental Income by Tenant Segment. The historical portfolio occupancy rate shows a consistent upward trend, reaching an average of c.97.9% in FY25, with AEON Mall Kinta City, KIPMall Kota Warisan, and TF Value Mart achieving 100% occupancy (**Figure 8**).

Figure 8: Historical Portfolio Occupancy Rate

Historical Portfolio Occupancy rate	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Kipmall Tampoi	97.7%	97.4%	88.5%	80.5%	94.7%	97.4%	97.0%
Kipmall Kota Tinggi	91.3%	92.8%	88.0%	91.4%	89.1%	91.4%	94.5%
Kipmall Masai	93.7%	95.4%	88.9%	91.4%	94.9%	96.2%	96.0%
Kipmall Senawang	79.5%	80.9%	78.2%	83.8%	86.4%	62.9%	96.3%
Kipmall Melaka	80.6%	76.6%	80.1%	78.1%	89.8%	95.3%	97.6%
Kipmall Bangi	86.0%	78.6%	81.9%	70.1%	74.0%	83.9%	89.8%
AEON Mall Kinta City		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Kipmall Kota Warisan						99.5%	100.0%
TF Value Mart - Hypermarket							100.0%
Dpulze Shopping Centre							99.9%
Lot 5, Pulau Indah					100.0%	100.0%	100.0%
Lot 3A, Pulau Indah					100.0%	100.0%	100.0%
Lot 9, Pulau Indah					100.0%	100.0%	100.0%
Lot 35, Cheras Jaya							100.0%
Average Occupancy rate	**88.1%**	**88.8%**	**86.5%**	**85.0%**	**92.9%**	**93.3%**	**97.9%**

Source: KIPREIT, Apex Securities

This healthy occupancy is supported by a diverse tenant mix, as evidenced by the trade sector analysis **(Figure 9).**

Figure 9: Breakdown of Occupied Net Lettable Area by Trade Sectors

Trade Sector analysis (% of Occupied NLA)	FY19	FY20	FY21	FY22	FY23	FY24
Fresh Market	8.5%	9.1%	8.9%	9.7%	7.9%	5.9%
F&B	6.8%	6.7%	6.8%	6.1%	6.5%	9.3%
Supermarket	27.8%	25.4%	24.3%	19.3%	19.6%	18.6%
Fashion Apparel	14.9%	15.8%	13.3%	14.4%	14.2%	15.0%
Entertainment & Leisure	4.9%	5.4%	5.1%	4.5%	5.0%	5.0%
Beauty, Health and Wellness	3.1%	3.4%	2.8%	3.2%	3.4%	3.8%
Timepieces & Jewellery	0.5%	0.6%	0.6%	0.6%	0.6%	0.9%
Home Décor, Gifts, Souvenirs and Stationery	21.3%	18.6%	24.3%	30.4%	32.8%	28.7%
IT/ Electronic/ Digital	8.6%	12.0%	9.5%	6.9%	6.1%	4.4%
Furniture/ Show Gallery	2.4%	1.8%	1.6%	1.1%	0.7%	1.5%
Sundry & Services	1.2%	1.3%	2.8%	3.8%	3.2%	6.9%
	100%	100%	100%	100%	100%	100%

Source: KIPREIT, Apex Securities

While the Supermarket sector, along with the Home Décor, Gifts, Souvenirs, and Stationery sectors, contributes significantly to the occupied NLA, the Fashion Apparel sector consistently generates the largest share of gross rental income, highlighting its key role in the portfolio's profitability **(Figure 10)**. Although it occupies a smaller portion of NLA, the Fashion Apparel sector typically commands higher rental margins, whereas supermarkets primarily function as anchor tenants to drive footfall rather than serve as major revenue contributors.

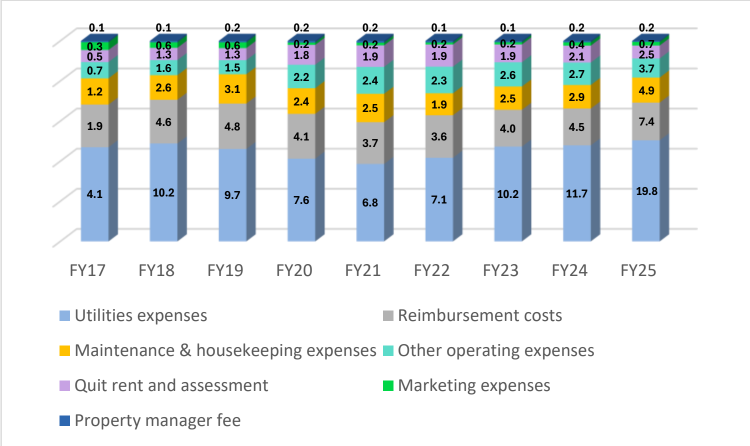
Figure 10: Breakdown of Gross Rental Income by Trade Sectors

Trade Sector analysis (% of Gross Rental Income)	FY19	FY20	FY21	FY22	FY23	FY24
Fresh Market	18.2%	19.3%	20.5%	21.8%	19.0%	15.1%
F&B	11.1%	11.5%	11.9%	11.1%	12.9%	15.4%
Supermarket	8.9%	7.8%	8.3%	6.1%	6.6%	7.6%
Fashion Apparel	23.9%	23.8%	21.6%	22.4%	22.5%	22.5%
Entertainment & Leisure	4.0%	3.7%	3.0%	3.9%	3.4%	3.0%
Beauty, Health and Wellness	7.0%	7.0%	5.8%	6.1%	6.4%	7.0%
Timepieces & Jewellery	1.3%	1.6%	1.6%	1.5%	1.4%	2.9%
Home Décor, Gifts, Souvenirs and Stationery	9.3%	8.7%	11.3%	13.6%	15.4%	13.3%
IT/ Electronic/ Digital	11.7%	12.5%	11.8%	9.6%	8.9%	7.4%
Furniture/ Show Gallery	2.3%	1.8%	1.5%	1.0%	0.7%	1.6%
Sundry & Services	2.3%	2.3%	2.6%	2.9%	2.8%	4.2%
	100%	100%	100%	100%	100%	100%

Source: KIPREIT, Apex Securities

Cost analysis. As KIPREIT's primary business is leasing retail spaces, with its portfolio predominantly consisting of shopping complexes, utilities expenses represent the Group's most significant cost, followed by reimbursement fee, and maintenance & housekeeping expenses **(Figure 11)**.

Figure 11: Operating Expenses Breakdown



Source: KIPREIT, Apex Securities

Effective 1 Jul 2025, the base electricity tariff for Regulatory Period 4 (RP4) is set at 45.4 sen/kWh, representing a 13.6% increase from RP3 levels. However, the impact on the Group's electricity expenses is expected to be minimal, as the ICPT surcharge, now replaced by the AFA, has been reduced to zero. Additionally, the Group benefits from off-peak consumption patterns and the mid-sized nature of KIPMalls, which are not connected to high-voltage supply, further mitigating potential cost increases.

Electricity costs for common areas are absorbed by KIPREIT, while tenants are individually metered and responsible for their own usage. To further optimise energy efficiency, all KIPMalls are equipped with solar systems, and the recent solar capacity expansions at KIPMall Tampoi and KIPMall Masai are expected to deliver an additional 30% in energy savings.

This is complemented by KIP's partnership with KJTS, which provides around 15% in utility cost savings through advanced cooling systems, to be realised in FY26. Under a 20-year agreement, KJTS will also carry out retrofit works and provide ongoing operation and maintenance (O&M) services, including chilled water supply across seven KIPMalls: Bangi, Kota Warisan, Senawang, Melaka, Tampoi, Masai, and Kota Tinggi.

Industry Overview

Growing M-REITs market capital. The Malaysian REIT (M-REIT) market capitalisation has experienced substantial growth, rising more than fivefold from RM9.0bn in 2010 to RM48.9bn as of 31 Dec 2024. This expansion has been supported by various factors, including the launch of the Bursa Malaysia REIT Index in Oct 2017, which enhanced the visibility of M-REITs in the capital market. As of August 2025, there are 20 REITs listed on Bursa Malaysia, with Paradigm REIT (market capitalisation: RM1.6bn) being the most recent addition. This brings the total market capitalisation of the Malaysian REIT sector to RM50.5bn **(Figure 12)**.

Figure 12: M-REIT's Data

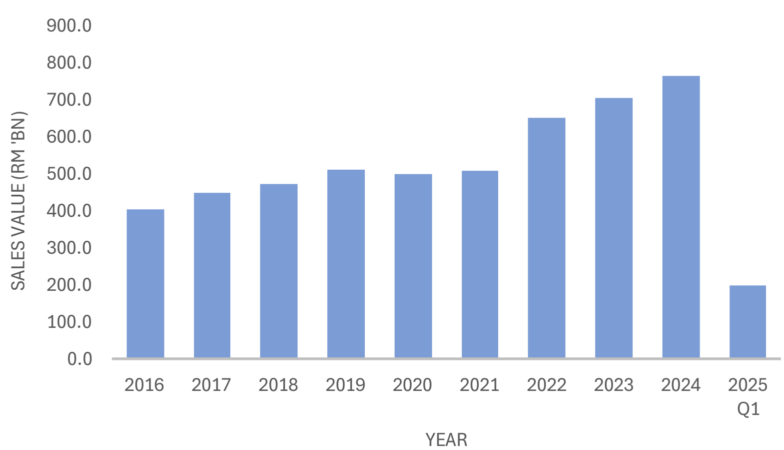
Name	Price	Distribution Yield	Price-to-Book	DPU	NAV	Property Yield	Gearing Ratio
KIP REIT ^	0.87	7.8%	0.78	0.07	1.18	6.5%	39.5%
Pavilion REIT	1.77	5.3%	1.29	0.09	1.37	6.2%	37.2%
Sunway REIT	2.25	4.4%	1.43	0.10	1.57	5.5%	46.0%
KLCC Property Holdings	8.60	5.2%	1.14	0.45	7.57	6.6%	31.6%
Sentral REIT	0.80	8.0%	0.69	0.06	1.16	6.0%	44.6%
IGB REIT	2.79	3.8%	2.17	0.11	1.28	8.4%	21.2%
IGB Commericial REIT	0.61	6.0%	0.61	0.04	0.99	4.1%	25.9%
Al-'Aqar Healthcare REIT	1.23	5.9%	0.98	0.07	1.26	6.7%	41.4%
Al-Salam REIT	0.42	1.7%	0.38	0.01	1.12	4.3%	48.6%
AmanahRaya REIT	0.38	4.0%	0.30	0.01	1.27	3.8%	42.2%
AME REIT	1.57	4.7%	1.40	0.07	1.12	6.0%	22.9%
AmFirst REIT	0.31	7.9%	0.25	0.02	1.20	3.9%	47.1%
Atrium REIT	1.34	6.4%	0.94	0.09	1.43	7.0%	41.6%
Axis REIT	2.01	4.6%	1.22	0.09	1.64	5.4%	33.3%
Capitaland Malaysia Tru	0.65	7.2%	0.65	0.05	1.00	4.3%	41.2%
Hektar REIT	0.47	6.8%	0.44	0.03	1.05	4.5%	41.7%
Tower REIT	0.30	4.1%	0.25	0.01	1.16	2.7%	27.7%
UOA REIT	0.89	6.9%	0.61	0.06	1.46	4.8%	40.8%
YTL Hospitality REIT	1.15	6.7%	0.64	0.08	1.80	5.7%	42.8%
Paradigm REIT	0.95	0.0%	0.95	0.00	1.00	6.0%	34.0%
Average		**5.37%**	**0.86**				

^ Based on 4QFY25 financial report
 # Share prices were captured as at 1 Aug 2025
Source: MREIT, The Fifth Person, Apex Securities

Malaysia Retail Trade Sector Sales Value. According to DOSM, Malaysia's total retail trade sales reached RM764.9bn in 2024, marking the highest annual value since 2016. As of May 2025, retail trade sales stood at RM332.1bn, accounting for 43.4% of the 2024 full-year total, and reflecting a 4.9% YoY growth over the same period last year. This suggests that the retail sector remains on a positive trajectory going into the second half of 2025.

Malaysia's retail trade sector recorded a CAGR of 8.3% from 2016 to 2024, with total sales value rising to RM764.9bn in 2024 from RM403.8bn in 2016 **(Figure 13)**. Looking ahead, Retail Group Malaysia (RGM) forecasts a 4.3% YoY growth in retail sales in 2025.

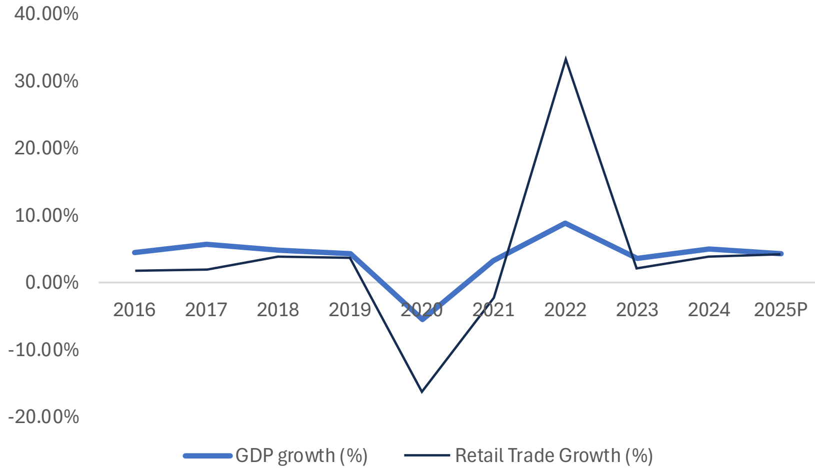
Figure 13: Malaysia Retail Trade Sector Sales Value, 2016-1Q2025



Source: DOSM, Apex Securities

Malaysia Sales Growth and GDP growth. According to the Malaysia Retailers Association (MRA), retail sales growth in Malaysia has generally trailed the GDP growth since 2016, with the exception of a sharp 33.3% rebound in 2022, driven by post-lockdown reopening **(Figure 14)**.

Figure 14: Malaysia Sales and GDP growth

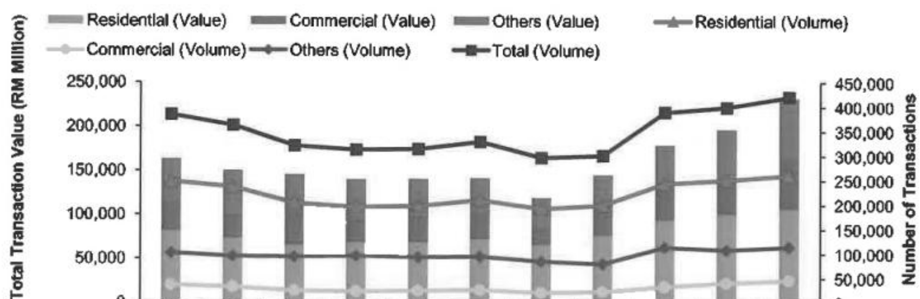


Source: Malaysia Retailers Association (MRA), Apex Securities

While Malaysia reported a 4.4% GDP growth in 1Q2025, BNM expects full-year growth to be around 4.0%-4.8%, citing uncertainties in global trade developments, a view also supported by the IMF's 4.1% growth projection. Despite this more cautious GDP outlook, RGM projects a 4.3% retail sales growth for 2025. This optimistic outlook is likely underpinned by expectations of continued tourism recovery and supportive government measures, which are anticipated to offset pressures from rising cost of living.

Performance of the Real Estate Market. Malaysia's property market witnessed a decade-high transaction volume and value in 2024, with 420.5k units traded for a total value of RM232.3m. This represents 5.4% YoY increase in volume compared to the 398.0k units in 2023, and a substantial 18.0% rise in value from the previous year's RM196.8m **(Figure 15)**.

Figure 15: Performance of the Real Estate Market



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Others (Value)	49,080	50,028	43,891	45,937	42,065	40,011	33,672	40,025	52,185	57,595	67,318
Commercial (Value)	31,835	26,400	35,943	25,439	29,514	28,985	19,530	27,941	32,613	38,309	58,063
Residential (Value)	82,080	73,470	65,574	68,463	68,748	72,407	65,874	76,902	94,276	100,929	106,924
Residential (Volume)	247,251	235,967	203,064	194,684	197,385	209,295	191,354	198,812	243,190	250,586	260,516
Commercial (Volume)	35,528	31,776	23,745	22,162	23,936	25,654	20,255	22,428	32,809	40,463	45,985
Others (Volume)	101,261	94,362	93,616	94,978	92,369	93,898	84,359	79,257	113,108	107,959	114,044
Total (Volume)	384,060	362,105	320,425	311,824	313,710	328,647	295,968	300,497	389,107	398,008	420,545

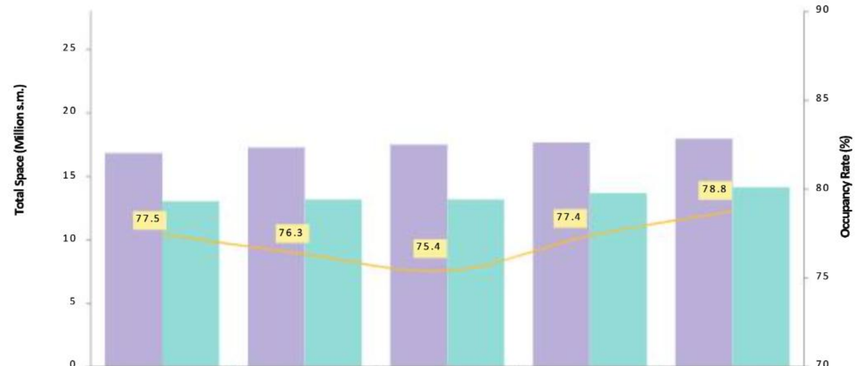
Source: National Property Information Centre (NAPIC)

Notably, the commercial sector recorded robust growth, with transaction volume increased 13.6% YoY to 45.9k units (from 40.4k in 2023), while transaction value surged 51.6% YoY to RM58.0m (from RM38.3m in 2023). Looking ahead, despite global economic headwinds, Malaysia's real estate sector is expected to maintain its recovery momentum, supported by ongoing government initiatives for property development under the MADANI Budget 2025 and the recent 25-bps cut in the Overnight Policy Rate (OPR).

Lower borrowing costs are expected to ease financing burdens and enhance distributable income. KIPREIT, for instance, stands to benefit from the rate cut given that approximately 60% of its borrowings are on floating rates, making it more sensitive to changes in interest rates. This positive outlook is further supported by expectations of a stronger economic performance in 2025 compared to the previous year.

Supply and Occupancy Rate of Shopping Centres. As shown in **Figure 16**, Malaysia's shopping mall sector saw improved performance in 2024, with occupancy rates rising to 78.8% (from 77.4% in 2023), demonstrating market strength.

Figure 16: Overall Supply and Occupancy Rate of Shopping Complex 2020-2024

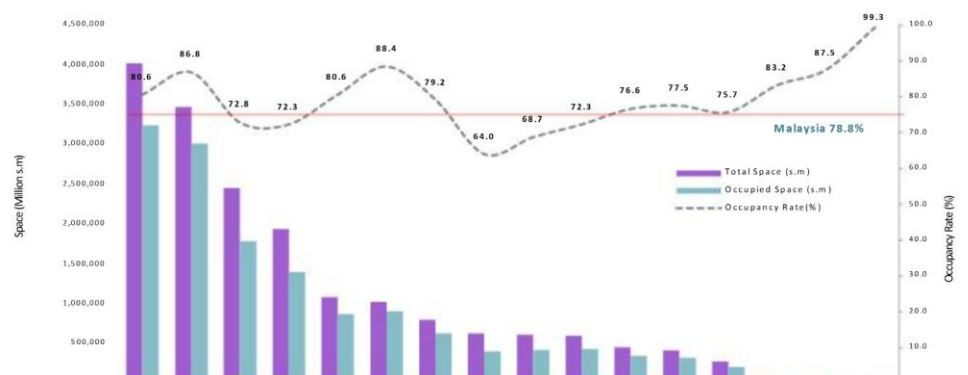


	2020	2021	2022	2023	2024
Total Retail Space (Million s.m.)	16.85	17.28	17.51	17.69	17.97
Space Occupied (Million s.m.)	13.06	13.19	13.20	13.69	14.16
Occupancy Rate (%)	77.5	76.3	75.4	77.4	78.8

Source: National Property Information Centre (NAPIC)

Malaysia's 1,080 malls offered 17.9m sq m (c. 193.4m sq ft) of retail space, concentrated mainly in Selangor, Kuala Lumpur, and Johor. Seven states enjoyed over 80.0% occupancy, while Melaka had the lowest at 64.0%, as shown in **Figure 17.**

Figure 17: Supply and Occupancy of Shopping Complex by State 2024

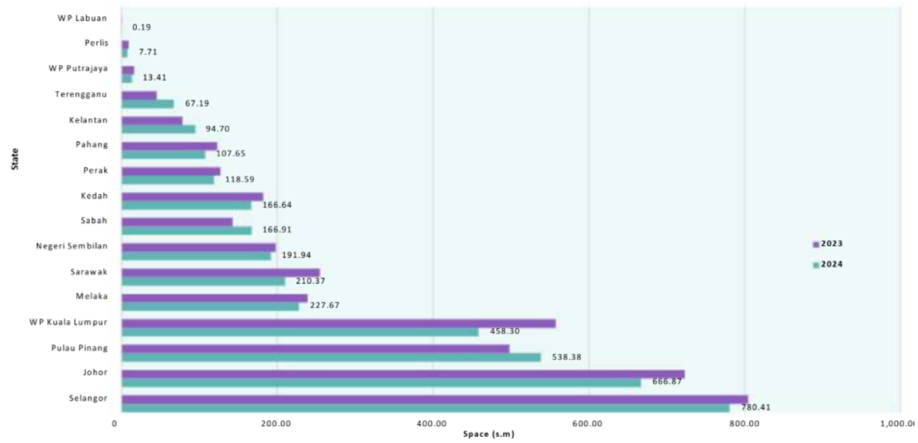


	Selangor	WP Kuala Lumpur	Johor	Pulau Pinang	Sarawak	Perak	Sabah	Melaka	Negeri Sembilan	Kedah	Pahang	Kelantan	Terengganu	WP Putrajaya	Perlis	WP Labuan
Total Space (s.m)	4,022,466	3,471,216	2,455,302	1,940,911	1,084,230	1,026,504	801,027	632,354	613,463	601,899	459,105	420,078	276,156	79,744	61,714	28,614
Occupied Space (s.m)	3,242,056	3,012,917	1,788,433	1,402,534	873,861	907,917	634,116	404,682	421,526	435,257	351,454	325,380	208,970	66,331	54,003	28,421
Occupancy Rate(%)	80.6	86.8	72.8	72.3	80.6	88.4	79.2	64.0	68.7	72.3	76.6	77.5	75.7	83.2	87.5	99.3

Source: National Property Information Centre (NAPIC)

Meanwhile, available retail space across 836 buildings nationwide declined to 41.0m sq ft in 2024 from 43.1m sq ft in 2023, reducing the availability rate to 21.2% **(Figure 18)**. Selangor accounted for the largest share of vacant space (20.4%, or 8.4m sq ft), followed by Johor (17.5%, or 7.2m sq ft) and Pulau Pinang (14.1%, or 5.8m sq ft).

Figure 18: Supply and Availability of Shopping Complexes by State in 2024



**The data have been converted to sq ft (from sq m)*
Source: National Property Information Centre (NAPIC)

Our View. Despite its strategic focus on the mass market, KIPREIT has notably outperformed the broader Malaysian shopping complex sector. Its occupancy rate of 98.7% as of FY25 (2024: 97.1%) stands notably higher than the national average of 78.8% in 2024. This underscores the effectiveness of its strategy in catering to a wide consumer base and highlights KIPREIT's ability to thrive in its targeted market segment, showcasing its competitive strength compared to competitors with potentially different target demographics.

Geographic Exposure: Selangor and Johor. Selangor and Johor form the largest geographic exposures in KIPREIT's portfolio, collectively accounting for the majority of its retail property base. The economic resilience and demographic strength in both states support healthy tenant demand, stable rental income, and long-term asset value appreciation.

Selangor's Economic Overview. Selangor continues to be Malaysia's top economic contributor, accounting for 25.9% of national GDP in 2023, exceeding the 2025 target of 23.6% under the 12th Malaysia Plan. From 2015-2023, GDP grew at a CAGR of 5.3%, with a strong post-pandemic rebound of 11.9% in 2022 and 5.4% in 2023. The state's population reached 7.4m in 2024, representing 21.6% of Malaysia's population, which supports consistent consumer spending and footfall in retail locations.

Selangor's unemployment rate declined to 1.7% in Dec 2024 (from 2.7% in 2023). It is significantly below the national rate of 3.1% in 2024, reflecting effective job creation initiatives, especially aimed at reducing youth unemployment. The strong labour market is supportive of retail activity and demand for space in suburban malls such as those owned by KIPREIT. Although official economic data for Selangor in 2024 is not yet available, multiple sources suggest continued strong economic performance. A preliminary GDP growth is arrived at 6.3%.

Figure 19: Selangor's Economic Overview, 2015 -2024

Selangor

Key indicators	CAGR	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P*
Real GDP at constant 2015 prices (RM'm)	5.30%	268,825	281,839	302,186	323,215	345,008	326,805	344,103	385,809	406,623	432,116
Real GDP growth (%)	-	N.A.	4.80%	7.20%	7.00%	6.70%	-5.30%	5.30%	11.90%	5.40%	6.30%
GDP per capita at current prices (RM)	4.60%	43,513	45,506	49,048	51,547	55,030	48,591	52,054	59,794	62,492	N.A.
Real GDP by economic activity (%)											
Services		61.0%	61.7%	61.6%	62.0%	62.1%	61.2%	59.7%	60.6%	61.0%	N.A.
Manufacturing		28.1%	27.9%	28.1%	28.2%	27.8%	29.1%	31.2%	30.4%	29.4%	N.A.
Agriculture		1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%	1.1%	N.A.
Others		9.4%	9.0%	8.9%	8.4%	8.7%	8.2%	7.6%	7.7%	8.4%	N.A.
Population ('m person)	1.90%	6.18	6.29	6.38	6.48	6.51	6.99	7.01	7.05	7.21	7.40
Population density (per km^	0	779	793	803	814	818	880	883	888	908	N.A.
Employment											
Labour force ('m person)	2.7%	3.21	3.33	3.46	3.55	3.59	3.60	3.68	3.73	3.97	N.A.
Employed ('m person)	2.6%	3.14	3.22	3.36	3.45	3.29	3.45	3.52	3.60	3.86	N.A.
Unemployment rate (%)		2.4%	3.2%	2.8%	2.8%	2.9%	4.3%	4.3%	3.6%	2.7%	1.7%
Monthly household income	4.4%	-	9,463	-	-	10,827	-	-	12,233	-	-

Source: DOSM, Selangor Journal & Statista, Apex Securities
**2024P reflects preliminary and consensus data available in the market.*

Johor's Economic Overview. Johor is Malaysia's third-largest economy, with a GDP of RM148.2bn in 2023 (increased 4.1% from RM142.4bn in 2022). The state's economy is driven by trade, manufacturing, and increasingly services, with services being the fastest-growing segment in recent years. Johor is also the second-largest contributor to national trade, accounting for 9.5% of Malaysia's GDP. In 2023, Johor contributed RM753.0bn (29.0%) to the nation's total trade. Johor further benefits from strong port infrastructure, (Port of Tanjung Pelepas and Johor Port), which indirectly support local employment and income levels.

Figure 20: Johor's Economic Overview, 2015-2024

Johor

Key indicators	CAGR	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P*
Real GDP at constant 2015 prices (RM'm)	3.8%	110,002	116,682	123,561	130,586	134,226	128,074	131,243	142,734	148,554	158.017
Real GDP growth (%)	-	N.A.	6.1%	5.9%	5.7%	2.8%	-4.6%	2.5%	8.5%	4.1%	6.4
GDP per capita at current prices (RM)	4.1%	30,469	32,894	35,315	36,388	37,377	33,861	36,465	41,046	41,902	N.A.
Real GDP by economic activity (%)											
Services		48.2%	48.2%	48.6%	49.3%	51.1%	51.9%	52.1%	53.3%	54.0%	N.A.
Manufacturing		29.4%	29.2%	29.5%	29.4%	29.9%	30.2%	31.0%	30.2%	29.8%	N.A.
Agriculture		14.2%	12.9%	13.1%	12.4%	12.2%	13.2%	12.9%	12.2%	11.6%	N.A.
Others		8.2%	9.7%	8.8%	8.9%	6.8%	4.8%	4.0%	4.3%	4.6%	N.A.
Population ('m person)	1.6%	3.61	3.65	3.70	3.75	3.76	4.01	4.02	4.03	4.11	4.20
Population density (per km^	0	189	191	193	196	196	209	210	210	214	N.A.
Employment											
Labour force ('m person)	3.0%	1.63	3.33	3.46	3.55	3.59	3.60	3.68	3.73	3.97	N.A.
Employed ('m person)	3.1%	1.58	3.22	3.36	3.45	3.29	3.45	3.52	3.60	3.86	N.A.
Unemployment rate (%)		3.1%	3.6%	3.4%	3.0%	2.7%	3.5%	3.8%	3.3%	2.6%	2.2%
Monthly household income	3.5%	-	6,928	-	-	8,013	-	-	8,517	-	-

Source: DOSM, Apex Securities

**2024P reflects preliminary and consensus data available in the market.*

Retail fundamentals in Johor are further supported by a growing middle class and rising consumer expenditure. Initiatives such as the Johor-Singapore Special Economic Zone (JS-SEZ) and the development of data centres are expected to drive economic growth and employment. The unemployment rate dropped to 2.2% in 2024 (from 2.6% in 2023), based on CEIC data. The rate is notably lower than the national average of 3.4% in 2023. This indicates a healthy labour market, which bodes well for tenant performance and occupancy across KIPREIT's Johor assets.

Our View. KIPREIT's strategic presence in Selangor and Johor provides:
(i) stable and growing rental income underpinned by strong economic fundamentals and low unemployment;
(ii) high and resilient occupancy rates supported by population growth and robust consumer demand; and
(iii) opportunities for asset enhancement and portfolio expansion, supported by its focus on community-centric malls catering to daily needs.

Key Investment Highlights

Lucrative distribution yield along with defensive shield. KIPREIT presents a compelling investment opportunity, offering a robust distribution yield of exceeding 8% for FY26F-FY28F, well above the peer average of 5.6% and the EPF's 6.3% in 2025. Its resilience is underpinned by a diversified asset base, its position as a one-stop community-centric mall curator serving the mass market, a high 90% distribution policy, and a strong balance sheet. Malaysian REITs (M-REITs) generally offer attractive yields (5-7%) outperforming instruments such as government bonds (3-4%), fixed deposits (2-3%), and equities (3-5%).

Backed by two strong sponsors on acquisition of new assets. KIPREIT primarily focuses on acquiring existing income-producing properties with established tenancies (typically secured under 12 to 15-year leases yielding c.6.5-7.5%). Growth is also supported by potential acquisitions from its main sponsors (two main private shareholders who own assets such as KIPMall Kota Warisan and KIPMall Kuantan). Notably, its latest acquisition, DPULZE, the only shopping mall in Cyberjaya, serves as the key retail hub for a population of approximately 144.0k.

Healthy occupancy and rental reversion rate. KIPREIT maintains a strong 98.7% occupancy rate, supported by resilient tenant relationships and a stable base of anchor tenants such as Econsave, Jaya Grocer, Giant, Hwa Thai, and Mr DIY, along with a master lease with AEON Mall Kinta City. These established brands boost footfall and offer flexibility in tenant mix management. In FY25, KIPREIT recorded a solid 7% rental reversion, driven by improving leasing demand, with management guiding for continued positive reversions of 7-10% in FY26.

Defensive shield from SST expansion. Effective 1 Jul 2025, an 8% service tax on rental and leasing services will be applied to commercial rentals with annual turnover exceeding RM1.0m. The tax is billed to tenants and remitted to Customs, so it will not directly impact KIPREIT's earnings. Although rising costs may pressure tenants, KIPREITS's necessity-driven, community-focused malls are expected to maintain steady demand and resilient tenant performance, with cost increases likely passed on to end consumers.

Strong Institutional Endorsement. KIPREIT is backed by reputable institutional investors including EPF, AIA, and Allianz, with EPF being a substantial shareholder. This level of institutional support reflects strong confidence in KIPREIT's fundamentals and long-term growth potential. Such backing not only adds credibility but also enhances its attractiveness to both retail and institutional investors.

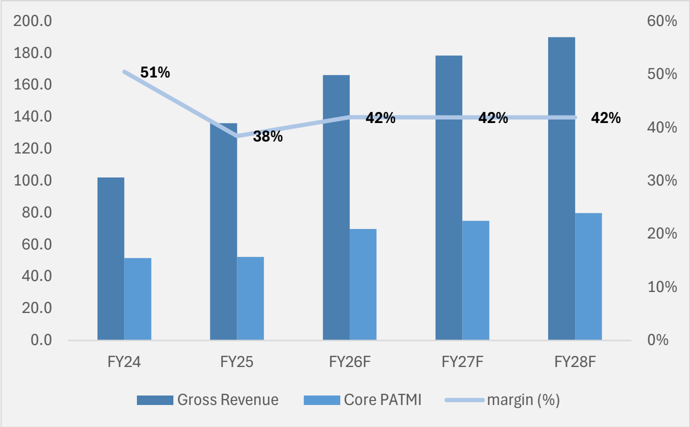
Financial Highlights

YoY. In FY25, KIPREIT reported a modest 1.3% increase in CNP to RM52.3m (FY24: RM51.6m), despite a strong 33.3% revenue growth to RM136.1m. This is due to higher property operating expenses, borrowing costs, and the manager's management fee. Meanwhile, NPI rose 24.4% in FY25 to RM120.4m (FY24: RM96.8m), while distributable income improved by 2.0% to 6.8 sen/unit (FY24: 6.7 sen).

Earnings outlook. Moving forward, we project KIPREIT's CNP to come in at RM69.8m/76.7m/82.1m in FY26F/FY27F/FY28F, respectively. Growth will be driven by contributions from newly acquired retail and industrial assets, as well as cost savings from its energy efficiency partnership with KJTS. However, we remain cautiously optimistic, factoring in modest rental growth due to the higher proportion of industrial assets expected to be added to the portfolio, which typically yield lower rental rates compared to retail assets.

On the balance sheet front, KIPREIT maintains a solid financial position with a current gearing ratio of 0.4x. While we expect gearing to rise in the future to fund acquisitions aimed at achieving AUM of RM2.0bn by FY27, this may be partially offset by potential private placements, which could help keep gearing in check, although they may lead to shareholder dilution.

Figure 21: Revenue, earnings and margin from FY24 to FY28F



Source: Company, Apex Securities

Sensitivity Analysis

Given that rental income is occupancy-driven while financing costs are sensitive to interest rates, we conducted a sensitivity analysis to evaluate their combined impact on our base case FY26F earnings of RM69.8m, which assumes a 97% occupancy rate and 4% interest rate.

As illustrated in **Figure 22 & 23**, based on our analysis, at 97% occupancy rate, every 0.5% increase in interest rate reduces earnings by c.3.1%. Meanwhile, at 4% interest rate, every 5% reduction in occupancy rate lowers earnings by c.11.1%.

Figure 22: Earnings Sensitivity to Occupancy and Interest Rates (RM m)

		Interest Rate (%)				
		3.0%	**3.5%**	**4.0%**	**4.5%**	**5.0%**
Occupancy Rate (%)	**82%**	50.9	48.7	46.6	44.4	42.3
	87%	58.6	56.5	54.3	52.2	50.0
	92%	66.3	64.2	62.0	59.9	57.8
	97%	74.1	71.9	69.8	67.6	65.5
	100%	78.7	76.5	74.4	72.3	70.1

Source: Apex Securities

Figure 23: Percentage Change in Earnings Under Varying Occupancy and Interest Rates

		Interest Rate (%)				
		3.0%	**3.5%**	**4.0%**	**4.5%**	**5.0%**
Occupancy Rate (%)	**82%**	-27.1%	-30.1%	-33.2%	-36.3%	-39.4%
	87%	-16.0%	-19.1%	-22.1%	-25.2%	-28.3%
	92%	-4.9%	-8.0%	-11.1%	-14.1%	-17.2%
	97%	6.1%	3.1%	0.0%	-3.1%	-6.1%
	100%	12.8%	9.7%	6.6%	3.6%	0.5%

Source: Apex Securities

Valuation & Recommendation

Initiation Coverage. We initiate coverage of KIPREIT with a **BUY** recommendation and a target price of **RM1.07**, based on a 7% target distribution yield applied to the FY26F distribution payout of RM59.3m, and a three-star ESG rating. The target yield represents a 1.7%-pts premium over the peer average of 5.3%, which we view as reasonable. The premium reflects compensation for KIPREIT's lower asset quality and exposure to non-prime retail segments, which carry higher risk but offer more attractive returns.

Peers Comparison

Company	FYE	Price (RM) as at 4 Aug 25	P/E (x) FY26F	P/E (x) FY27F	Target Dividend Yield (%)	Target Price (RM)	Potential Upside	ESG Rating
KIP Real Estate Investment Trust	Jun	0.86	9.8	9.7	7.0	1.07	24.4%	★★★
Pavilion Real Estate Investment Trust *	Dec	1.77	18.1	17.4	5.1	N/A	N/A	N/A
Sunway Real Estate Investment Trust *	Dec	2.27	19.0	18.2	5.5	N/A	N/A	N/A

** Based on Bloomberg consensus*
Source: Bloomberg, Apex Securities

Investment Risk

Governance issues with shareholders. One of the sponsors expected to assist with the capital injection is also a major shareholder of KIPREIT. As such, it is important to assess the quality and potential conflicts of interest surrounding the assets involved in capital injection process.

Consumer Sentiment & Retail Risk. As a retail-focused REIT, KIPREIT's performance is tied to consumer spending patterns. Any economic downturn, inflationary pressure, or shift to e-commerce may lead to reduced footfall, lower occupancy, and rental reversion pressure.

Private Placement Dilution Risk. Private placements to fund acquisitions of KIPREIT will result in the issuance of new units, which may dilute existing unitholders' ownership and potentially reduce distribution per unit (DPU), negatively affecting investor returns.

Financial Highlights

Income Statement

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**102.2**	**136.1**	**166.3**	**178.5**	**186.8**
Net Property Income	**77.8**	**96.8**	**123.0**	**133.9**	**141.9**
EBITDA	**64.2**	**140.2**	**97.9**	**107.9**	**115.6**
Depreciation & Amortisation	-1.0	-1.2	-0.8	-0.7	-0.7
EBIT	**63.1**	**138.9**	**97.2**	**107.2**	**115.0**
Changes in Investment income	-3.4	62.9	1.2	1.2	1.3
General & Administration	-27.1	-44.6	-54.5	-58.5	-61.2
Profit Before Tax	**47.3**	**115.1**	**69.8**	**76.7**	**82.1**
Tax	0.0	0.0	0.0	0.0	0.0
Profit After Tax	**47.3**	**115.1**	**69.8**	**76.7**	**82.1**
Other Comprehensive income	0.0	0.0	0.0	0.0	0.0
PATMI	**47.3**	**115.1**	**69.8**	**76.7**	**82.1**
(-) Exceptionals	-4.3	62.8	0.0	0.0	0.0
Core Net Profit	**51.6**	**52.3**	**69.8**	**76.7**	**82.1**

Key Ratios

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
P/E (x)	11.1	5.4	9.8	9.7	9.0
EPU	7.7	15.9	8.7	8.9	9.5
P/B (x)	0.8	0.8	0.7	0.7	0.7
EV/EBITDA (x)	16.8	8.9	13.5	12.8	12.5
DPU (sen)	6.7	6.8	6.9	7.1	7.6
Distribution Yield (%)	7.8%	7.9%	8.0%	8.3%	8.9%
EBITDA margin	62.8%	103.0%	58.9%	60.5%	61.9%
EBIT margin	61.8%	102.1%	58.4%	60.1%	61.6%
PBT margin	46.3%	84.6%	42.0%	42.9%	44.0%
PAT margin	46.3%	84.6%	42.0%	42.9%	44.0%
Net Profit margin	46.3%	84.6%	42.0%	42.9%	44.0%
Core NP margin	50.5%	38.4%	42.0%	42.9%	44.0%
ROE	7.0%	12.9%	6.7%	7.3%	7.7%
ROA	4.2%	7.3%	3.9%	4.0%	4.1%
Net gearing	57.3%	63.3%	61.3%	66.1%	70.9%

Valuations

Valuations	FY26F
Dividend Distribution paid	59.3
Distribution yield target (%)	7.0%
Market Capitalisation	847.2
Share Base	798.6
Fair Value (RM)	**1.07**

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash & bank balances	34.9	57.1	79.3	99.3	119.7
Receivables	36.8	7.6	8.8	10.1	11.6
Other investment	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Total Current Assets	**71.7**	**64.7**	**88.0**	**109.3**	**131.2**
PPE	1.4	1.4	1.3	1.3	1.3
Investment properties	1054.5	1484.8	1685.2	1769.5	1857.9
ROU	1.3	1.0	0.8	0.6	0.5
Receivables	7.1	9.2	9.2	9.2	9.2
Other non-current assets	0.0	16.0	16.0	16.0	16.0
Total Non-current assets	**1064.3**	**1512.4**	**1712.5**	**1796.5**	**1884.8**
Short-term debt	313.9	16.4	21.0	25.0	29.1
Short-term lease	0.2	0.3	0.4	0.5	0.6
Payables	21.5	36.6	32.5	39.0	46.8
Other Current Liabilities	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	**335.6**	**53.3**	**53.9**	**64.5**	**76.5**
Long-term debt	109.5	606.4	693.5	769.8	847.8
Long-term lease	1.1	0.8	0.5	0.4	0.3
Other non-current liabilities	12.2	22.5	16.0	19.2	23.1
Total Non-current Liabilities	**122.7**	**629.6**	**710.0**	**789.4**	**871.2**
Unitholder's equity	583.6	730.5	862.5	862.5	862.5
Retained earnings	94.0	163.7	174.1	189.5	205.9
Minority Interest	0.0	0.0	0.0	0.0	0.0
Equity	**677.6**	**894.2**	**1036.6**	**1051.9**	**1068.4**

Cash Flow

FYE Jun (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**47.3**	**115.1**	**69.8**	**76.7**	**82.1**
Depreciation & amortisation	1.0	1.2	0.8	0.7	0.7
Changes in working capital	-24.3	54.5	-11.7	8.4	10.1
Others	12.7	-40.3	27.4	30.5	32.9
Operating cash flow	**36.8**	**130.5**	**86.2**	**116.3**	**125.8**
Capex	-0.4	-0.5	-0.5	-0.5	-0.5
Acquisition of investment properties	-80.0	-362.4	-148.5	-84.3	-88.5
Others	-14.2	-21.0	-50.7	1.2	1.3
Investing cash flow	**-94.7**	**-384.0**	**-199.7**	**-83.5**	**-87.6**
Distribution paid	-39.5	-45.5	-59.3	-61.3	-65.7
Others	82.9	321.1	195.0	48.5	48.0
Financing cash flow	**43.4**	**275.6**	**135.6**	**-12.8**	**-17.7**
Net cash flow	**-14.4**	**22.2**	**22.2**	**20.0**	**20.4**
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash & cash equivalents	48.8	34.3	56.5	78.7	98.7
Ending cash & cash equivalents	34.3	56.5	78.7	98.7	119.1
Deposit with maturity period >3 month	0.6	0.6	0.6	0.6	0.6
Cash & bank balances	**34.9**	**57.1**	**79.3**	**99.3**	**119.7**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★★	Scope 1 and Scope 2 GHG emissions totalled 396.6m tCO2 e in 2023, marking a 46% YoY decreased from 2023.
Waste & Effluent	★★★	3R (Reduce, Reuse, Recycle) initiative was implemented, with 3R bins placed in each office.
Energy	★★	Energy consumption increased by 66% in FY24.
Water	★★★	Reduced water consumption by 7%, from 0.48m^3 in the previous year to 0.45m^3.
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★★	Female representation at 22% in the workforce and 57% at the management level, higher than the MCCG's recommended 30% female directors on the Board.
Human Rights	★★★	Enforces strict policies against human trafficking, forced labour, and child labour.
Occupational Safety and Health	★★★	3 employees trained in 2024 to enhance workforce competence. No fatalities.
Labour Practices	★★★	Adheres to all relevant labour laws.

Governance

CSR Strategy	★★★	Actively engaged with communities, contributing RM66.4k (+72% YoY) to various initiatives.
Management	★★★	Among the board members, 57% (4 out of 6) were female, while 36% (4 out of 11) were independent directors.
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors.

Overall ESG Scoring: ★★★

Recommendation Framework:
BUY: Total returns* are expected to exceed 10% within the next 12 months.
HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.
SELL: Total returns* are expected to be below -10% within the next 12 months.
TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.
TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.
*Capital gain + dividend yield

Sector Recommendations:
OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.
NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.
UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:
★★★★★ : Appraised with 3% premium to fundamental fair value
★★★★ : Appraised with 1% premium to fundamental fair value
★★★ : Appraised with 0% premium/discount to fundamental fair value
★★ : Appraised with -1% discount to fundamental fair value
★ : Appraised with -5% discount to fundamental fair value

As of **Thursday, 07 Aug, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.