

# **IGB REAL ESTATE INVESTMENT TRUST**

## **Interim Financial Report for the 3-month ended 31 December 2014**

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**IGB Real Estate Investment Trust**

**Condensed Statement of Comprehensive Income**

*(The figures have not been audited)*

	Quarter		Period-To-Date	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Gross rental income	91,743	88,050	354,637	329,885
Other income	27,856	26,265	107,131	100,841
<b>Gross revenue</b>	<b>119,599</b>	<b>114,315</b>	<b>461,768</b>	<b>430,726</b>
Utilities expenses	(13,314)	(12,066)	(54,993)	(47,498)
Maintenance expenses	(4,987)	(5,310)	(19,025)	(20,310)
Quit rent and assessment	(3,288)	(2,640)	(13,096)	(10,560)
Reimbursement costs	(10,627)	(17,207)	(44,921)	(52,269)
Other operating expenses	(11,002)	(4,708)	(17,092)	(14,362)
<b>Property operating expenses</b>	<b>(43,218)</b>	<b>(41,931)</b>	<b>(149,127)</b>	<b>(144,999)</b>
<b>Net property income</b>	<b>76,381</b>	<b>72,384</b>	<b>312,641</b>	<b>285,727</b>
Interest income	1,626	1,934	6,380	5,700
Changes in fair value on investment properties	-	105,000	85,000	105,000
<b>Net investment income</b>	<b>78,007</b>	<b>179,318</b>	<b>404,021</b>	<b>396,427</b>
Manager fee	(7,678)	(7,237)	(30,736)	(28,847)
Trustees' fee	(71)	(71)	(280)	(280)
Other trust expenses	(235)	(149)	(694)	(506)
Borrowings costs	(13,784)	(13,779)	(54,694)	(54,849)
<b>Profit before taxation</b>	<b>56,239</b>	<b>158,082</b>	<b>317,617</b>	<b>311,945</b>
Taxation	-	-	-	-
<b>Profit after taxation</b>	<b>56,239</b>	<b>158,082</b>	<b>317,617</b>	<b>311,945</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period/year</b>	<b>56,239</b>	<b>158,082</b>	<b>317,617</b>	<b>311,945</b>
Distribution adjustments <sup>*1</sup>	9,063	(96,470)	(48,822)	(70,835)
<b>Distributable income</b>	<b>65,302</b>	<b>61,612</b>	<b>268,795</b>	<b>241,110</b>
<b>Profit for the period/year comprise the following:</b>				
- Realised	56,239	53,082	232,617	206,945
- Unrealised	-	105,000	85,000	105,000
	<b>56,239</b>	<b>158,082</b>	<b>317,617</b>	<b>311,945</b>
<b>Basic earnings per unit (sen)</b>				
- before Manager fee	1.86	4.85	10.14	9.99
- after Manager fee	1.64	4.63	9.24	9.14

**IGB Real Estate Investment Trust**

**Condensed Statement of Comprehensive Income (continued)**

*(The figures have not been audited)*

**Note:**

\*1 *The composition of distribution adjustments is as follows:*

	<b>Quarter</b>		<b>Period-To-Date</b>	
	<b>31.12.2014</b>	31.12.2013	<b>31.12.2014</b>	31.12.2013
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Changes in fair value on investment properties	-	(105,000)	<b>(85,000)</b>	(105,000)
Manager fee payable in units	<b>7,678</b>	7,237	<b>30,736</b>	28,847
Amortisation of fit-out incentives	<b>496</b>	496	<b>1,983</b>	2,000
Amortisation of capitalised borrowing costs	<b>340</b>	339	<b>1,358</b>	1,527
Depreciation of plant & machinery	<b>549</b>	458	<b>2,101</b>	1,791
<b>Distribution Adjustments</b>	<b>9,063</b>	(96,470)	<b>(48,822)</b>	(70,835)

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 (“AFS FY2013”) and the accompanying notes attached to this Interim Financial Report.

**IGB Real Estate Investment Trust**

**Condensed Statement of Financial Position**

*(The figures have not been audited)*

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
<b>Non-current assets</b>		
Investment properties	4,890,000	4,805,000
Plant and equipment	11,872	11,202
	<b>4,901,872</b>	4,816,202
<b>Current assets</b>		
Receivables	23,010	26,139
Cash and bank balances	231,898	217,148
	<b>254,908</b>	243,287
<b>TOTAL ASSETS VALUE ("TAV")</b>	<b>5,156,780</b>	5,059,489
<b>FINANCED BY:</b>		
<b>Unitholders' fund</b>		
Unitholders' capital	4,302,842	4,272,546
Accumulated losses	(688,206)	(759,041)
Current year profit	317,617	311,945
Income distribution	(268,795)	(241,110)
<b>Total unitholders' fund</b>	<b>3,663,458</b>	3,584,340
<b>Non-current liabilities</b>		
Borrowings	1,196,267	1,194,909
Payables and accruals	54,590	48,469
	<b>1,250,857</b>	1,243,378
<b>Current liabilities</b>		
Borrowings	27,319	27,606
Payables and accruals	215,146	204,165
	<b>242,465</b>	231,771
<b>Total liabilities</b>	<b>1,493,322</b>	1,475,149
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>	<b>5,156,780</b>	5,059,489
Number of units in circulation ('000 units)	<b>3,447,328</b>	3,422,620
<b>NET ASSET VALUE ("NAV") (RM)</b>		
- Before income distribution	<b>3,932,253</b>	3,825,450
- After income distribution	<b>3,663,458</b>	3,584,340
<b>NAV per unit (RM)</b>		
- Before income distribution	<b>1.1407</b>	1.1177
- After income distribution	<b>1.0627</b>	1.0473

The unaudited condensed statement of financial position should be read in conjunction with the AFS FY2013 and the accompanying notes attached to this Interim Financial Report.

**IGB Real Estate Investment Trust**

**Condensed Statement of Changes in Net Asset Value**

*(The figures have not been audited)*

	<b>Unitholders' Capital RM'000</b>	<b>Accumulated Losses RM'000</b>	<b>Total Unitholders' Fund RM'000</b>
<b>As at 1 January 2014</b>	4,272,546	(688,206)	3,584,340
Total comprehensive income for the year	-	317,617	317,617
Income distribution	-	(268,795)	(268,795)
Net total comprehensive income for the year	-	48,822	48,822
<b>Unitholders' transactions</b>			
- Issue of new units			
Manager fee paid in units	30,296*	-	30,296
Increase in net assets resulting from unitholders' transactions	30,296	-	30,296
<b>As at 31 December 2014</b>	<u>4,302,842</u>	<u>(639,384)</u>	<u>3,663,458</u>
<b>As at 1 January 2013</b>	4,243,085	(759,041)	3,484,044
Total comprehensive income for the year	-	311,945	311,945
Income distribution	-	(241,110)	(241,110)
Net total comprehensive income for the year	-	70,835	70,835
<b>Unitholders' transactions</b>			
- Issue of new units			
Manager fee paid in units	29,461	-	29,461
Increase in net assets resulting from unitholders' transactions	29,461	-	29,461
<b>As at 31 December 2013</b>	<u>4,272,546</u>	<u>(688,206)</u>	<u>3,584,340</u>

**Note:**

Issue of new units involves:

	<b>Units '000</b>	<b>Amount RM'000</b>
Manager fee paid in units:		
- for the financial quarter ended 31 December 2013	6,133	7,237
- for the financial quarter ended 31 March 2014	6,465	7,564
- for the financial quarter ended 30 June 2014	6,150	7,688
- for the financial quarter ended 30 September 2014	5,960	7,807
	<u>24,708</u>	<u>30,296*</u>

The unaudited condensed statement of changes in net asset value should be read in conjunction with the AFS FY2013 and the accompanying notes attached to this Interim Financial Report.

**IGB Real Estate Investment Trust**

**Condensed Statement of Cash Flows**

*(The figures have not been audited)*

	<b>Period-To-Date 31.12.2014 RM'000</b>	<b>Period-To-Date 31.12.2013 RM'000</b>
<b>Operating activities</b>		
Profit before tax	317,617	311,945
Adjustment for:		
Non-cash items	(49,576)	(71,421)
Non-operating items	48,314	49,149
Operating profit before changes in working capital	316,355	289,673
Net change in current assets	152	13,409
Net change in current liabilities	6,073	4,558
<b>Net cash generated from operating activities</b>	<b>322,580</b>	<b>307,640</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(2,811)	(749)
Proceeds from disposal of plant and equipment	1	10
Interest received	6,250	5,340
<b>Net cash generated from investing activities</b>	<b>3,440</b>	<b>4,601</b>
<b>Financing activities</b>		
Interest paid	(53,623)	(53,322)
Distribution paid to unitholders	(257,647)	(179,523)
Cash held under trustee	(661)	(995)
<b>Net cash used in financing activities</b>	<b>(311,931)</b>	<b>(233,840)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,089</b>	<b>78,401</b>
Cash and cash equivalents at beginning of year	189,712	111,311
<b>Cash and cash equivalents at end of year</b>	<b>203,801</b>	<b>189,712</b>
<i>Note:</i>		
<i>Cash and bank balances</i>	<i>231,898</i>	<i>217,148</i>
<i>Less: Restricted cash</i>	<i>(28,097)</i>	<i>(27,436)</i>
<i>Cash and cash equivalents</i>	<i>203,801</i>	<i>189,712</i>

The unaudited condensed statement of cash flows should be read in conjunction with the AFS FY2013 and the accompanying notes attached to this Interim Financial Report.

**Part A – Disclosure Requirements Pursuant to Malaysian Financial Reporting Standards (MFRS) 134**

**A1 Basis of preparation**

This Interim Financial Report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board, paragraph 9.44 of the MMLR and the Securities Commission’s Guidelines on Real Estate Investment Trusts (“REIT Guidelines”). This Interim Financial Report should be read in conjunction with the AFS FY2013 and the accompanying notes attached to this Interim Financial Report. The accounting policies and methods of computation adopted in this Interim Financial Report are consistent with those disclosed in the AFS FY2013.

The new accounting standards, amendments and improvements to published standards and interpretations that are applicable and are effective from 1 January 2014 are as follows:

MFRS 132 Financial instruments: Presentation

Save as disclosed in this Interim Financial Report, the adoption of the revised MFRSs and Amendments to MFRS that are applicable to IGB REIT which took effect since 1 January 2014 has no material effect to IGB REIT’s financial statements of the current financial year.

**A2 Auditors’ report of preceding financial statements**

The auditors’ report for FY2013 was not subject to any audit qualification.

**A3 Seasonal or cyclical factors**

IGB REIT’s operations were not significantly affected by seasonal or cyclical factors.

**A4 Significant unusual items**

There were no significant unusual items that affect the assets, liabilities, equity, net property income or cash flow during the period-to-date under review.

**A5 Material changes in estimates**

Not applicable.

## IGB Real Estate Investment Trust

### A6 Debt and equity securities

Issue of new units:

	Units '000	Amount RM'000
Manager fee paid:		
- for the financial quarter ended 31 December 2013	6,133	7,237
- for the financial quarter ended 31 March 2014	6,465	7,564
- for the financial quarter ended 30 June 2014	6,150	7,688
- for the financial quarter ended 30 September 2014	5,960	7,807
	24,708	30,296

Save for the issuance of new units of IGB REIT as payment for Manager fee, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period-to-date.

### A7 Income distribution

Pursuant to the distribution policy in clause 17.1 of the deed of trust between IGB REIT Management Sdn Bhd (“Manager”) and AmTrustee Berhad (“Trustee”) dated 18 July 2012 (“Deed”), the Manager intends to distribute at least 90% of IGB REIT’s distributable income on a half-yearly basis for each consecutive 6-month period on and ending 30 June and 31 December of each financial year (or such other intervals as the Manager may determine at its absolute discretion).

As disclosed in the Prospectus dated 27 August 2012, the Manager intends to distribute up to 100% of IGB REIT’s distributable income for the period from the date of establishment of IGB REIT i.e. 25 July 2012 to 31 December 2014 on a half-yearly basis.

For the first half ended 30 June 2014, the Manager paid distributable income amounting to RM133.9 million or 3.89 sen per unit (@ 3.81 sen taxable and 0.08 sen non-taxable) on 29 August 2014.

For the second half ended 31 December 2014, the Manager declared an income distribution of 100% of distributable income amounting to RM134.9 million or 3.90 sen per unit (@ 3.82 sen taxable and 0.08 sen non-taxable), payable on 27 February 2015 to every unitholder who is entitled to receive such distribution at 4.00 p.m. on 12 February 2015.

### A8 Segmental reporting

The segmental financial information by operating segments is not presented as IGB REIT is the owner of Mid Valley Megamall and The Gardens Mall both located in Kuala Lumpur, Malaysia, which is considered as one operating segment.



## **IGB Real Estate Investment Trust**

### **A9 Valuation of investment properties**

A revaluation on Mid Valley Megamall and The Gardens Mall had been conducted by Henry Butcher Malaysia Sdn Bhd and based on the valuation reports dated 8 January 2015, the market value of Mid Valley Megamall and The Gardens Mall as at 31 December 2014 remained at RM3.61 billion and RM1.28 billion respectively from previous quarter.

### **A10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the current period-to-date under review up to the date of this Interim Financial Report.

### **A11 Changes in the composition of IGB REIT**

IGB REIT's fund size increased from 3,422.620 million units to 3,447.328 million units arising from the issuance of new units as disclosed in Note A6.

### **A12 Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at 31 December 2014.

### **A13 Capital commitment**

There were no major capital commitments as at 31 December 2014.

**Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR**

**B1 Review of performance**

**Current quarter results**

For the current quarter, IGB REIT's gross revenue was RM119.6 million, up 4.6% against the corresponding quarter in 2013 of RM114.3 million. Net property income was RM76.4 million or up 5.5% compared with the corresponding quarter in 2013 of RM72.4 million. This was mainly due to higher total rental income in the current quarter.

The distributable income for the current quarter amounted to RM65.3 million or 1.89 sen per unit, consisting of realised profit of RM56.2 million and the non-cash adjustment arising mainly from Manager fee payable in units of RM7.7 million.

**Current period-to-date results**

For the current period-to-date, IGB REIT's gross revenue was RM461.7 million, up 7.2% against the corresponding period-to-date in 2013 of RM430.7 million. Net property income was RM312.6 million or up 9.4% compared with the corresponding period-to-date in 2013 of RM285.7 million. This was mainly due to higher total rental income in the current period-to-date.

The distributable income for the current period-to-date amounted to RM268.8 million or 7.79 sen per unit, consisting of realised profit of RM232.6 million and the non-cash adjustment arising mainly from Manager fee payable in units of RM30.7 million.

**B2 Material changes in quarterly results**

For the current quarter, IGB REIT's gross revenue was RM119.6 million or 6.2% higher compared with the immediate preceding quarter of RM112.6 million, mainly due to higher rental income in current quarter.

Net property income was RM76.4 million, approximately 4.6% lower when compared with net property income of RM80.1 million in the preceding quarter, mainly due to higher property costs in the current quarter.

**B3 Prospects**

The 2015 Budget, which was tabled in Parliament on 10 October 2014, allocates RM273.9 billion, which is 3.5% higher than the allocation for 2014, for development expenditure (RM50.5 billion) and operating expenditure (RM223.4 billion). The Government revenue collection in 2015 is estimated at RM235.2 billion which is an increase of RM10.2 billion from 2014. Revenue from implementation of Goods and Services Tax (“GST”) is expected to be RM23.2 billion in 2015. The Government is committed to reduce the fiscal deficit to 3.5% of Gross Domestic Product (“GDP”) (from 3.9% last year).

Whilst continuing to focus on its fiscal transformation agenda, the Government has taken further steps to relieve the burden on the Rakyat in view of the implementation of GST on 1 April 2015. As such, the proposed list of zero rated or exempted items has been widened to further control the post-GST cost on basic necessities.

The Government has also restated its commitment to reduce income tax by 1% for companies (effective year of assessment 2016), and by 1% to 3% for individuals (effective year of assessment 2015). This is in line with making Malaysia more competitive in the region and the trend of gradually shifting from income tax to consumption tax.

The increasing BR1M payout could be done after taking into consideration the increased revenue collection from GST. BR1M will be increased from RM650 to RM950. The assistance is for households with a monthly income of RM3,000 and below. It will be disbursed in three instalments of RM300 each to be paid in January and May with the balance of RM350 from September 2015. For household with a monthly income between RM3,000 and RM4,000, BR1M will be increased from RM450 to RM750. This assistance will be disbursed in three instalments, RM200 to be paid in January and May while the balance of RM350 from September 2015. For single individuals aged 21 and above and with a monthly income not exceeding RM2,000, BR1M will be increased from RM300 to RM350 a year. This assistance will be disbursed early 2015.

*(Source: Budget 2015 Highlights)*

Prime Minister Datuk Seri Najib Razak (“PM”) announced a number of measures to ensure Malaysia growth, development and deficit ambitions remain on track in response to changes in the global economic landscape. The PM said that the government remained confident that the country's GDP would grow by between 4.5% to 5.5% in 2015. However, the PM said that the falling oil price necessitated a review of fiscal assumptions underpinning the 2015 Budget, with the revised forecast predicting a revenue shortfall of RM13.8bil. Without any fiscal measures, this would lead to a deficit increase to 3.9% of GDP. Meanwhile, in light of falling oil prices, volatile capital flows and a worsening global economic outlook, the PM also announced that Malaysia fiscal deficit target would be revised to 3.2% of GDP in 2015. The development expenditure of RM48.5 billion provided in the 2015 Budget would be maintained, but operating expenditure is expected to be reduced by RM5.5bil, the PM said.

*(Source: The Star Online, 20 January 2015)*

Taking into consideration the actual financial performance to-date and in view of the Government revised 2015 Budget, the Manager expects 2015 to be a challenging year, and hence, is cautiously optimistic that its financial performance for the year ending 31 December 2015 would be satisfactory.

## **IGB Real Estate Investment Trust**

### **B4 Investment objectives and strategies**

The Manager's key objective for IGB REIT is to provide the unitholders with regular and stable distributions and achieve long term growth in net asset value per unit, while maintaining an appropriate capital structure. The Manager intends to increase the income and the value of the investment properties through active asset management, asset enhancement initiatives, acquisition growth as well as capital and risk management strategies.

### **B5 Portfolio composition**

During the financial period under review, the portfolio of IGB REIT consists of two (2) investment properties, Mid Valley Megamall and The Gardens Mall.

### **B6 Utilisation of proceeds raised from issuance of new units**

A total of 24.708 million new units were issued by IGB REIT as payment for Manager fee in the current period-to-date.

## IGB Real Estate Investment Trust

### B7 Taxation

#### (i) Taxation of IGB REIT

IGB REIT is regarded as Malaysian resident for Malaysian income tax purpose since the Trustee of IGB REIT is resident in Malaysia.

The income of IGB REIT, will be taxable at the normal corporate tax rate, currently at 25%.

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967 ('Act') however, exempts IGB REIT from such taxes in a year of assessment ("YA") if IGB REIT distributes at least 90% of its total taxable income in the same YA.

If less than 90% of its total taxable income is distributed in a YA, then the tax transparency system under Section 61A of the Act would not apply and total taxable income of IGB REIT would continue to be taxed, currently at the prevailing rate of 25%. Income which has been taxed at IGB REIT level will have tax credits attached when subsequently distributed to unitholders.

As the Manager intends to declare 100% of the distributable income of IGB REIT to unitholders for the financial year ended 31 December 2014, no provision for taxation has been made for the current financial year ended 31 December 2014.

Generally, gains on disposal of investments by IGB REIT are regarded as capital gains and hence, will not be subject to income tax. However, where the investments represent real properties and shares in real property companies, such gains will be subject to real property gains tax ("RPGT").

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies would be subject to RPGT at the following rates:

<b>Disposal time frame</b>	<b>Rates</b>
Disposal within 3 years of acquisition	30%
Disposal in the 4th year of acquisition	20%
Disposal in the 5th year of acquisition	15%
Disposal after 5 years of acquisition	5%

## IGB Real Estate Investment Trust

### B7 Taxation (continued)

#### (ii) Taxation of Unitholders

The tax treatment is dependent on whether IGB REIT has distributed 90% or more of its total taxable income.

##### (a) REIT distributes 90% or more of taxable income

Where 90% or more of the REIT's total taxable income is distributed by IGB REIT, distributions to unitholders will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Withholding tax rate
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	25%
Resident corporate investors	0%

##### (b) REIT distributes less than 90% of taxable income

Where less than 90% of the total taxable income is distributed by IGB REIT, then IGB REIT is not entitled to Section 61A of the Act exemption. IGB REIT would have paid taxes on the taxable income for the year. The distributions made by IGB REIT of such taxed income will have tax credits attached. The tax treatment for unitholders would be as follows:

- Resident individuals will be subject to tax at their own marginal rates on the distributions and be entitled to tax credits representing tax already paid by IGB REIT.
- Resident corporate investors are required to report the distributions from REITs in their normal corporate tax return and bring such income to tax at the normal corporate tax rate, currently 25%. Where tax has been levied at IGB REIT level, the resident corporate investors are entitled to tax credits.
- No further taxes or withholding tax would be applicable to foreign unitholders. Foreign unitholders may be subject to tax in their respective jurisdictions depending on the provisions of their country's tax legislation and the entitlement to any tax credits would be dependent on their home country's tax legislation.

Distributions representing specific exempt income or gains on disposal of investments at IGB REIT level will not be subject to further income tax when distributed to all unitholders.

## IGB Real Estate Investment Trust

### B8 Status of corporate proposal

There were no corporate proposals announced but not completed as at the date of this Interim Financial Report.

For Mid Valley Megamall, the amalgamation of Lot 80 and Lot 25 was submitted to Pejabat Pengarah Tanah dan Galian, Wilayah Persekutuan Kuala Lumpur (“PTG”) via Pusat Setempat, Dewan Bandaraya Kuala Lumpur on 23 April 2013. The strata title application would be finalised pending the approval and completion of the amalgamation.

For The Gardens Mall, the strata title application was submitted on 29 January 2013 to PTG for processing and we are awaiting for PTG to issue the strata title.

Mid Valley City Sdn Bhd obtained an extension of consent from state authority for the transfer of Mid Valley Megamall in favour of AmTrustee Berhad as trustee for IGB REIT to be completed within a period of 12 months from 31 March 2014. Mid Valley City Developments Sdn Bhd and Mid Valley City Gardens Sdn Bhd obtained an extension of consent from state authority for the transfer of The Gardens Mall in favour of AmTrustee Berhad as trustee for IGB REIT for a period of 12 months from 31 March 2014.

### B9 Borrowings and debt securities

IGB REIT’s borrowings and debts securities as at 31 December 2014 were as follows:

	<b>As at 31.12.2014 RM’000</b>	As at 31.12.2013 RM’000
Non-current borrowings		
- secured term loans	<b>1,196,267</b>	1,194,909
Current borrowings		
- secured revolving credit	<b>27,319</b>	27,606
	<b><u>1,223,586</u></b>	<u>1,222,515</u>

All borrowings are denominated in Ringgit Malaysia.

### B10 Material litigation

The Board of Directors of the Manager is not aware of any pending material litigation as at the date of this Interim Financial Report.

### B11 Soft commission received

There was no soft commission received by the Manager and/or its delegates during the current period-to-date.

## IGB Real Estate Investment Trust

### B12 Summary of NAV, EPU, DPU and market price

	Unit of measurement	Current quarter ended 31.12.2014 RM' 000	Immediate preceding quarter ended 30.09.2014 RM' 000
Number of units in issue	units	3,447,328	3,441,368
NAV (after income distribution)	RM'000	3,663,458	3,734,338
NAV per unit (after income distribution)	RM	1.0627	1.0851
Total comprehensive income	RM'000	56,239	145,132
Weighted average number of units in issue	units	3,435,670	3,432,527
Earnings per unit ("EPU") after Manager fee	sen	1.64	4.23
Distributable income per unit ("DPU")	sen	1.89	2.01
Closing market price per unit	RM	1.31	1.32

### B13 Manager fee

Based on the Deed, the Manager is entitled to receive the following fees from IGB REIT:

- (i) Base fee of up to 1.0% per annum on the total assets value;
- (ii) Performance fee of 5.0% per annum of net property income;
- (iii) Acquisition fee of 1.0% of the transaction value of any real estate and real estate related assets directly or indirectly acquired from time to time by the Trustee; and
- (iv) Divestment fee of 0.5% of the transaction value of any real estate and real estate related assets directly or indirectly sold or divested from time to time by the Trustee.

Total Manager fee for the current period-to-date was RM30,736,000, as follows:

Type	Quarter 31.12.2014 RM'000	Quarter 31.12.2013 RM'000	Period-to- date 31.12.2014 RM'000	Period-to- date 31.12.2013 RM'000
Base fee	3,859	3,735	15,111	14,675
Performance fee	3,819	3,502	15,625	14,172
Total	<u>7,678</u>	<u>7,237</u>	<u>30,736</u>	<u>28,847</u>

For the current period-to-date, 100% of the total Manager fee had been paid and would be payable in units.



## IGB Real Estate Investment Trust

### B14 Trustee fee

Based on the Deed, an annual trustee fee of up to 0.03% per annum of the net asset value of IGB REIT would be paid to the Trustee.

### B15 Unitholdings of the Manager and parties related to the Manager

Based on the Register of Unitholders of IGB REIT as at 31 December 2014, the unitholdings of the Manager and parties related to the Manager were as follows:

Unitholders of IGB REIT	Direct		Indirect	
	No. of units	%	No. of units	%
IGB REIT Management Sdn Bhd	47,327,655	1.37	-	-
IGB Corporation Berhad	1,733,617,754	50.29	47,327,655	1.37
Goldis Berhad	-	-	1,780,945,409	51.66
Dato' Seri Robert Tan Chung Meng	7,289,081	0.21	1,812,657,511	52.58
Pauline Tan Suat Ming	1,080,898	0.03	1,812,657,511	52.58
Tony Tan (@) Choon Keat	1,000,000	0.03	1,812,657,511	52.58
Tan Chin Nam Sdn Bhd	14,282,888	0.41	1,809,879,044	52.50
Tan Kim Yeow Sdn Bhd	2,879,665	0.08	1,809,777,846	52.50
Wah Seong (Malaya) Trading Co. Sdn Bhd	26,079,992	0.76	1,783,372,509	51.73

### B16 Responsibility statement

In the opinion of the Directors of the Manager, this Interim Financial Report has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.44 of the MMLR and the REIT Guidelines so as to give a true and fair view of the financial position of IGB REIT as at 31 December 2014 and of its financial performance and cash flows for the financial year ended on that date and duly authorised for release by the Board of Directors of the Manager on 27 January 2015.