

IGB REAL ESTATE INVESTMENT TRUST

Interim Financial Report for the year ended 31 December 2022

Contents

	Page
Condensed Consolidated Statement of Comprehensive Income	1-2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Net Asset Value	4
Condensed Consolidated Statement of Cash Flows	5
Part A - Disclosure requirements pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134	6-8
Part B - Additional disclosures pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”)	9-16

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Comprehensive Income

(The figures have not been audited)

	Quarter		Period-To-Date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Lease revenue	111,325	85,330	415,902	283,173
Revenue from contracts with customers	37,390	34,037	140,507	116,354
Total revenue	148,715	119,367	556,409	399,527
Utilities expenses	(11,174)	(8,713)	(43,444)	(27,254)
Maintenance expenses	(7,079)	(6,811)	(25,004)	(21,359)
Quit rent and assessment	(3,332)	(3,520)	(14,937)	(14,078)
Reimbursement costs	(14,032)	(4,068)	(40,619)	(54,532)
Upgrading costs	(7,457)	(2,596)	(12,156)	(7,203)
Property operating expenses	(43,074)	(25,708)	(136,160)	(124,426)
Net property income	105,641	93,659	420,249	275,101
Changes in fair value on investment properties	60,000	-	60,000	-
Interest income	1,773	2,456	7,585	8,655
Net investment income	167,414	96,115	487,834	283,756
Manager fee	(9,467)	(8,609)	(37,162)	(29,155)
Trustees' fee	(81)	(81)	(320)	(320)
Other trust expenses	(314)	(467)	(850)	(1,073)
Finance costs	(13,619)	(13,373)	(53,338)	(53,060)
Profit before taxation	143,933	73,585	396,164	200,148
Taxation	-	-	-	-
Profit after taxation	143,933	73,585	396,164	200,148
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	143,933	73,585	396,164	200,148
Distribution adjustments ^{*1}	(53,320)	5,965	(34,219)	20,435
Distributable income	90,613	79,550	361,945	220,583
Profit for the period comprise the following:				
- Realised	83,933	73,585	336,164	200,148
- Unrealised	60,000	-	60,000	-
	143,933	73,585	396,164	200,148
Basic earnings per Unit (sen)				
- before Manager fee	4.29	2.30	12.10	6.43
- after Manager fee	4.02	2.06	11.07	5.61

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Comprehensive Income (continued)

(The figures have not been audited)

Note:

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

	Quarter		Period-To-Date	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Changes in fair value on investment properties	(60,000)	-	(60,000)	-
Manager fee payable in Units	6,153	5,596	24,155	18,951
Amortisation of fit-out incentives	219	-	219	-
Amortisation of capitalised borrowing costs	39	65	234	260
Depreciation of plant & machinery	269	304	1,173	1,224
Distribution Adjustments	(53,320)	5,965	(34,219)	20,435

Statement of Income Distribution:-

	Quarter		Period-To-Date	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Lease revenue	111,325	85,330	415,902	283,173
Revenue from contracts with customers	37,390	34,037	140,507	116,354
Changes in fair value on investment properties	60,000	-	60,000	-
Interest income	1,773	2,456	7,585	8,655
	210,488	121,823	623,994	408,182
Less: Expenses	(66,555)	(48,238)	(227,830)	(208,034)
Total comprehensive income for the period	143,933	73,585	396,164	200,148
Distribution adjustment	(53,320)	5,965	(34,219)	20,435
Distributable income	90,613	79,550	361,945	220,583
Previous period undistributed realised income	6,326	3,385	-	-
Total realised income available for distribution	96,939	82,935	361,945	220,583
Less: Proposed/declared income distribution	(88,520)	(77,652)	(353,526)	(215,300)
Balance undistributed realised income	8,419	5,283	8,419	5,283
Distribution per Unit ("DPU") (sen)	2.46	2.17	9.86	6.03

The unaudited condensed consolidated statement of comprehensive income and statement of income distribution should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 ("AFS FY2021") and the accompanying notes attached to this Interim Financial Report.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Non-current assets		
Investment properties	5,020,000	4,960,000
Plant and equipment	1,690	2,600
	5,021,690	4,962,600
Current assets		
Trade and other receivables	37,440	47,475
Cash and bank balances	258,382	222,996
	295,822	270,471
TOTAL ASSET VALUE	5,317,512	5,233,071
FINANCED BY:		
Unitholders' fund		
Unitholders' capital	4,525,538	4,501,941
Accumulated losses	(697,394)	(682,242)
Current year profit	396,164	200,148
Income distribution	(353,526)	(215,300)
Total unitholders' fund	3,870,782	3,804,547
Non-current liabilities		
Borrowings	1,199,269	-
	1,199,269	-
Current liabilities		
Borrowings	15,204	1,214,705
Trade and other payables	232,257	213,819
	247,461	1,428,524
Total liabilities	1,446,730	1,428,524
TOTAL UNITHOLDERS' FUND AND LIABILITIES	5,317,512	5,233,071
Number of Units in circulation (RM'000 units)	3,586,907	3,571,851
NET ASSET VALUE ("NAV") (RM'000)		
- Before income distribution	4,224,308	4,019,847
- After income distribution	3,870,782	3,804,547
NAV per Unit (RM)		
- Before income distribution	1.1777	1.1254
- After income distribution	1.0791	1.0651

The unaudited condensed consolidated statement of financial position should be read in conjunction with the AFS FY2021 and the accompanying notes attached to this Interim Financial Report.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Changes in Net Asset Value

(The figures have not been audited)

	Unitholders' Capital <u>RM'000</u>	Accumulated Losses <u>RM'000</u>	Total Unitholders' Fund <u>RM'000</u>
As at 1 January 2022	4,501,941	(697,394)	3,804,547
Total comprehensive income for the year	-	396,164	396,164
Income distribution	-	(353,526)	(353,526)
Net total comprehensive income for the year	-	42,638	42,638
Unitholders' transactions			
- Issue of new Units			
Manager fee paid in Units	23,597 *	-	23,597
Increase in net assets resulting from unitholders' transactions	23,597	-	23,597
As at 31 December 2022	4,525,538	(654,756)	3,870,782
As at 1 January 2021	4,483,011	(682,242)	3,800,769
Total comprehensive income for the year	-	200,148	200,148
Income distribution	-	(215,300)	(215,300)
Net total comprehensive loss for the year	-	(15,152)	(15,152)
Unitholders' transactions			
- Issue of new Units			
Manager fee paid in Units	18,930	-	18,930
Increase in net assets resulting from unitholders' transactions	18,930	-	18,930
As at 31 December 2021	4,501,941	(697,394)	3,804,547

Note:

Issue of new Units involves:

	<u>Units '000</u>	<u>Amount RM'000</u>
<i>Manager fee paid in Units:</i>		
- for the financial quarter ended 31 December 2021	3,587	5,596
- for the financial quarter ended 31 March 2022	3,990	6,183
- for the financial quarter ended 30 June 2022	3,756	5,972
- for the financial quarter ended 30 September 2022	3,723	5,846
	15,056	23,597 *

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the AFS FY2021 and the accompanying notes attached to this Interim Financial Report.

IGB Real Estate Investment Trust

Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Period-To-Date 31.12.2022 RM'000	Period-To-Date 31.12.2021 RM'000
Operating activities		
Profit before tax	396,164	200,148
Adjustment for:		
Non-cash items	(51,791)	21,254
Non-operating items	45,753	44,405
Operating profit before changes in working capital	390,126	265,807
Net change in current assets	27,470	(13,150)
Net change in current liabilities	7,863	4,541
Net cash generated from operating activities	425,459	257,198
Investing activities		
Purchase of plant and equipment	(316)	(237)
Interest received	7,322	8,710
Movement in pledged deposit	(552)	(499)
Net cash generated from investing activities	6,454	7,974
Financing activities		
Interest paid	(53,570)	(52,655)
Distribution paid to unitholders	(342,739)	(211,900)
Payment of financing expenses	(770)	-
Net cash used in financing activities	(397,079)	(264,555)
Net increase in cash and cash equivalents	34,834	617
Cash and cash equivalents at beginning of period	193,381	192,764
Cash and cash equivalents at end of period	228,215	193,381
<i>Note:</i>		
<i>Cash and bank balances</i>	<i>258,382</i>	<i>222,996</i>
<i>Less:-</i>		
<i>Pledged deposit</i>	<i>(30,167)</i>	<i>(29,615)</i>
<i>Cash and cash equivalents</i>	<i>228,215</i>	<i>193,381</i>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the AFS FY2021 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, the MMLR and the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts (“REIT Guidelines”). This Interim Financial Report should be read in conjunction with the AFS FY2021 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 FY2021.

A2 Auditors’ report of preceding financial statements

The auditors’ report for FY2021 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.

A6 Debt and equity securities

Issue of new Units:-

	<u>Units</u>	<u>Amount</u>
	<u>'000</u>	<u>RM'000</u>
Manager fee paid in Units:		
- for the financial quarter ended 31 December 2021	3,587	5,596
- for the financial quarter ended 31 March 2022	3,990	6,183
- for the financial quarter ended 30 June 2022	3,756	5,972
- for the financial quarter ended 30 September 2022	3,723	5,846
	<u>15,056</u>	<u>23,597</u>

Save for the issuance of new Units of IGB REIT as payment for Manager fee and redemption of borrowings as disclosed in Note B9, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period-to-date.

IGB Real Estate Investment Trust

A7 Income distribution

For the first quarter ended 31 March 2022, the Manager paid a distribution amounting to RM89.7 million or 2.51 sen per Unit (@ 2.50 sen taxable and 0.01 sen non-taxable) on 30 May 2022, representing approximately 97.5% of total distributable income.

For the second quarter ended 30 June 2022, the Manager paid a distribution amounting to RM87.7 million or 2.45 sen per Unit (@ 2.43 sen taxable and 0.02 sen non-taxable) on 29 August 2022, representing approximately 97.5% of total distributable income.

For the third quarter ended 30 September 2022, the Manager paid a distribution amounting to RM87.6 million or 2.44 sen per Unit (@ 2.41 sen taxable and 0.03 sen non-taxable) on 30 November 2022, representing approximately 97.5% of total distributable income.

For the fourth quarter ended 31 December 2022, the Manager had approved a distribution of 97.5% of IGB REIT's quarterly distributable income amounting to RM88.5 million or 2.46 sen per Unit (@ 2.43 sen taxable and 0.03 sen non-taxable), to be payable on 27 February 2023 to every unitholder who is entitled to receive such distribution as at 5.00 p.m. on 8 February 2023.

Subject to IGB REIT's financial position, earnings, funding, capital management requirements and in keeping with the Manager's key objective of providing investors with regular and stable income distribution, the Board of Directors of the Manager has decided to make a distribution of at least 90% of IGB REIT's distributable income on a quarterly basis for the year ending 31 December 2023 (or such other intervals as the Manager may determine at its absolute discretion).

A8 Segmental reporting

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

A9 Valuation of investment properties

A valuation on Mid Valley Megamall and The Gardens Mall had been conducted by Henry Butcher Malaysia Sdn Bhd (as an independent registered valuer) and based on the valuation reports dated 3 January 2023, the market value of Mid Valley Megamall and The Gardens Mall as at 31 December 2022 were RM3.70 billion and RM1.32 billion respectively, from RM3.665 billion and RM1.295 billion as at 30 September 2022, indicating revaluation surplus of RM35 million and RM25 million respectively. The Board of Directors of the Manager had approved such valuation reports and the announcement on the revaluation of investment properties was made on 3 January 2023.

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 that required disclosure.

IGB Real Estate Investment Trust

A11 Changes in the composition of IGB REIT

IGB REIT's fund size increased from 3,571.851 million Units as at 31 December 2021 to 3,586.907 million Units as at 31 December 2022 arising from the issuance of new Units as disclosed in Note A6.

A12 Contingent liabilities and contingent assets

There were no material contingent liabilities or contingent assets as at 31 December 2022.

A13 Capital commitment

There were no major capital commitments as at 31 December 2022.

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

B1 Review of performance

	Quarter			Period-To-Date		
	31.12.2022	31.12.2021	Variance	31.12.2022	31.12.2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Total revenue	148,715	119,367	24.6%	556,409	399,527	39.3%
Net property income	105,641	93,659	12.8%	420,249	275,101	52.8%
Profit before taxation	143,933	73,585	95.6%	396,164	200,148	97.9%
Profit after taxation	143,933	73,585	95.6%	396,164	200,148	97.9%
Total comprehensive income for the period	143,933	73,585	95.6%	396,164	200,148	97.9%

Current quarter results

For the current quarter, IGB REIT's total revenue was RM148.7 million, increased 24.6% against the corresponding quarter in 2021 of RM119.4 million. Net property income was RM105.6 million, increased 12.8% compared with the corresponding quarter in 2021 of RM93.7 million. Profit after taxation was RM143.9 million, increased 95.6% compared with the corresponding quarter in 2021 of RM73.6 million.

The higher total revenue and net property income were mainly due to the lower rental support provided to tenants in the current quarter arising from the economic reopening and improving retail sales of tenants. The higher profit after taxation was mainly due to the lower rental support provided to tenants and the fair value gain of RM60 million in relation to the investment properties in the current quarter.

The distributable income for the current quarter amounted to RM90.6 million, consisting of realised profit of RM83.9 million and the non-cash adjustments arising mainly from fair value gain of RM60 million and Manager fee payable in Units of RM6.2 million.

Current period-to-date results

For the current period-to-date, IGB REIT's total revenue was RM556.4 million, increased 39.3% against the corresponding period-to-date in 2021 of RM399.5 million. Net property income was RM420.2 million, increased 52.8% compared with the corresponding period-to-date in 2021 of RM275.1 million. Profit after taxation was RM396.2 million, increased 97.9% compared with the corresponding quarter in 2021 of RM200.1 million.

The higher total revenue and net property income were mainly due to the lower rental support provided to tenants in the current period-to-date arising from the economic reopening and improving retail sales of tenants. The higher profit after taxation was mainly due to the lower rental support provided to tenants and the fair value gain of RM60 million in relation to the investment properties in the current period-to-date.

The distributable income for the current period-to-date amounted to RM361.9 million, consisting of realised profit of RM336.2 million and the non-cash adjustments arising mainly from fair value gain of RM60 million and Manager fee payable in Units of RM24.2 million.

B2 Material changes in quarterly results

	Quarter		
	31.12.2022 RM'000	30.09.2022 RM'000	Variance %
Total revenue	148,715	140,123	6.1%
Net property income	105,641	101,185	4.4%
Profit before taxation	143,933	83,378	72.6%
Profit after taxation	143,933	83,378	72.6%
Total comprehensive income for the period	143,933	83,378	72.6%

For the current quarter, IGB REIT’s total revenue was RM148.7 million, 6.1% higher compared with the immediate preceding quarter of RM140.1 million. Net property income was RM105.6 million, 4.4% higher compared with RM101.2 million in the immediate preceding quarter. Profit after taxation was RM143.9 million, increased 72.6% compared with the immediate preceding quarter of RM83.4 million.

The higher total revenue and net property income were mainly due to the higher rental income in the current quarter. The higher profit after taxation was mainly due to the higher rental income together with the fair value gain of RM60 million in the current quarter.

B3 Prospects

After a record growth in retail sales in 2022, Retail Group Malaysia (RGM) forecasts growth of 3.5% in 2023. The biggest challenges for the industry in 2023 could be the rising cost of living and the increasing costs of doing retail business.

Raising price of the retail goods has affected the purchasing power of the majority of consumers. Several monetary incentives in National Budget 2023 were intended to help subsidise the higher prices of basic necessities, particularly for the B40 and M40 households. A reduction in personal income tax contribution by 2 percentage points may encourage consumers to channel the extra money to retail spending. In addition, the RM55 billion allocation for subsidies, aid and incentives to alleviate the rising cost of living may assist in curbing inflation and sustaining the retail spending in 2023.

Higher retail sales may not translate to better profit margins for the tenants in shopping malls, as overall costs of doing business are expected to increase in 2023 due to the impact of the revision of Employment Act, tight labour market, supply chain disruption, as well as the drastic increase of electricity tariff (due to targeted removal of subsidy) and financial cost (higher interest rates). Some retailers may be able to pass on the higher operating cost to consumers in the form of further price escalations.

The Manager remains cautious on the challenges for the growth of the retail sales in 2023, which would affect the tenants’ performance in the shopping malls and also the financial performance of IGB REIT. Nonetheless, IGB REIT remains committed to bringing about long-term value to its stakeholders.

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 NAV 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 15.06 million new Units were issued by IGB REIT as payment for 65% of Manager fee in the current period-to-date.

B7 Taxation

(i) Taxation of IGB REIT

IGB REIT is regarded as Malaysian resident for Malaysian income tax purpose since the Trustee is resident in Malaysia. The income of IGB REIT will be taxable at corporate tax rate.

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. Income which has been taxed at IGB REIT level will have tax credits attached when subsequently distributed to unitholders.

As the Manager has decided to declare more than 90% of the total taxable income of IGB REIT to unitholders for the year ended 31 December 2022, no provision for taxation has been made for the current period-to-date.

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").

IGB Real Estate Investment Trust

B7 Taxation (continued)

(i) Taxation of IGB REIT (continued)

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies, for which the disposer is a company incorporated in Malaysia or a trustee of a trust or a society registered under the Societies Act 1966, would be subject to RPGT at the following rates:-

Disposal time frame	Rates
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	10%

(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 total taxable income

Where 90% or more of the total taxable income is distributed by IGB REIT, distributions to unitholders will be subject to tax based on a withholding tax mechanism. The current withholding tax rates are as follows:-

Unitholders	Withholding tax rate
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

IGB Real Estate Investment Trust

B7 Taxation (continued)

(ii) Taxation of Unitholders (continued)

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

Where less than 90% of the total taxable income is distributed by IGB REIT, then exemption under Section 61A of the Act will not apply and IGB REIT would have to pay 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. 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 subjected to further income tax when distributed to all unitholders.

B8 Status of corporate proposal

Save and except for the following, there were no corporate proposals announced but not completed as at the date of this Interim Financial Report.

For Mid Valley Megamall, Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan (PTGWP) had issued the final title for the amalgamated lot known as Lot 20013. An application for subdivision into strata titles will be made to PTGWP. Upon issuance of the strata titles, the transfer of title for Mid Valley Megamall in favour of MTrustee Berhad (acting in its capacity as trustee for IGB REIT) (Transfer) will be presented to PTGWP for registration. The extended validity period of PTGWP's consent for the Transfer expires on 10 January 2024.

IGB Real Estate Investment Trust

B9 Borrowings and debt securities

IGB REIT's debts securities were as follows:-

	As at 31.12.2022 <u>RM'000</u>	As at 31.12.2021 <u>RM'000</u>
Non-current borrowings		
- secured medium term notes	1,199,269	-
Current borrowings		
- secured medium term notes	15,204	1,214,705
	<u>1,214,473</u>	<u>1,214,705</u>

All debt securities are denominated in Ringgit Malaysia.

Medium term notes ("MTN") programme of up to RM5.0 billion in nominal value ("MTN Programme")

On 20 September 2022, IGB REIT Capital Sdn Bhd, a special purpose vehicle wholly-owned by IGB REIT via MTrustee Berhad (in its capacity as the trustee of IGB REIT), issued the second tranche AAA-rated MTN ("Tranche 2, MTN") of RM1.2 billion to fully redeem the Tranche 1, MTN. The Tranche 2, MTN has a tenure of 7.5 years ("Legal Maturity") effective 20 September 2022. For the first 5 years ("Expected Maturity"), the Tranche 2, MTN bears a fixed coupon rate of 4.49% per annum. The RM1.2 billion has to be fully repaid on Expected Maturity, otherwise it will constitute a trigger event that will result in a coupon step-up to 5.49% per annum for the subsequent 2.5 years. The Tranche 2, MTN is secured against Mid Valley Megamall.

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 31.12.2022	Immediate preceding quarter ended 30.09.2022
Number of Units in issue	'000 units	3,586,907	3,583,184
NAV (after income distribution)	RM'000	3,870,782	3,809,523
NAV per Unit (after income distribution)	RM	1.0791	1.0632
Total comprehensive income	RM'000	143,933	83,378
Weighted average number of Units in issue	'000 units	3,579,799	3,577,949
Basic earnings per Unit after Manager fee	sen	4.02	2.33
Distributable income	RM'000	90,613	89,589
DPU	sen	2.46	2.44
Closing market price per Unit	RM	1.65	1.60

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 of total asset 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 RM37,162,000, as follows:-

Type	Quarter 31.12.2022 RM'000	Quarter 31.12.2021 RM'000	Period-To-Date 31.12.2022 RM'000	Period-To-Date 31.12.2021 RM'000
Base fee	4,186	3,926	15,949	15,601
Performance fee	5,281	4,683	21,213	13,554
Total	9,467	8,609	37,162	29,155

For the current period-to-date, 65% of the total Manager fee has been paid in Units.

B14 Trustee fee

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

IGB Real Estate Investment Trust

B15 Unitholdings of the Manager and parties related to the Manager

Based on the Register of Unitholders of IGB REIT as at 31 December 2022, 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	186,907,185	5.211	-	-
IGB Berhad	1,733,617,754	48.332	187,452,671	5.226
Dato' Seri Robert Tan Chung Meng	16,272,721	0.454	1,936,160,542	53.979
Pauline Tan Suat Ming	-	-	1,936,160,542	53.979
Tony Tan Choon Keat	1,000,000	0.028	1,936,160,542	53.979
Tan Chin Nam Sendirian Berhad	-	-	1,932,392,356	53.873
Tan Kim Yeow Sendirian Berhad	14,764,772	0.412	1,921,395,770	53.567
Wah Seong (Malaya) Trading Co. Sdn Bhd	-	-	1,921,070,425	53.558

B16 Notes to the Statement of Comprehensive Income

	Quarter 31.12.2022 <u>RM'000</u>	Quarter 31.12.2021 <u>RM'000</u>	Period-To-Date 31.12.2022 <u>RM'000</u>	Period-To-Date 31.12.2021 <u>RM'000</u>
Depreciation	269	304	1,173	1,224
Allowance/(Reversal) for impairment of trade receivables	897	(6,993)	(6,955)	11,866

B17 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, 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 2022 and of its financial performance and cash flows for the financial period ended on that date and duly authorised for release by the Board of Directors of the Manager on 19 January 2023.