

PRESS RELEASE

For Immediate Release

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IOIPG Records Strong Growth Across All Business Segments For Q3 FY2022

IOI Properties Group Berhad (“IOIPG”) achieved a revenue of RM737.8 million for Q3 FY2022, which is an increase of 27% compared to preceding year corresponding quarter. The increase in revenue is mainly attributed to better performance by all business segments.

In the property development segment, the Group registered an increase of 25% in revenue to RM605.9 million and an increase of 45% in operating profit to RM265.0 million compared to preceding year corresponding quarter. The hike in revenue and operating profit in the current year quarter is mainly attributable to further progress made in construction activities for ongoing developments and the higher number of vacant possession of completed projects that had been disrupted by the lockdown in Malaysia in the previous quarters.

The Group’s property investment segment recorded a 38% rise in revenue to RM99.7 million and a 48% increase of operating profit to RM48.7 million for Q3 FY2022 compared to the preceding year corresponding quarter. This is attributed to the commencement of recurring leasing income from IOI Mall Xiamen, China which started operations on 28 October 2021. This was also due to lower rent rebate provided to tenants by mall operations in Malaysia as a result of improvements in footfall.

For the Hospitality and Leisure segment, the Group reported a 57% increase in revenue to RM30.0 million compared to the preceding year corresponding quarter pursuant to rising domestic demand in view of the relaxation of travel restrictions. However, the Group also recorded a decrease in operating loss of 1% to RM7.4 million, mainly due to low operating costs arising from wage subsidy and rebates in electricity charges in the preceding year corresponding quarter.

IOIPG remains vigilant of the economic challenges faced within the borders and beyond. On the domestic front, Bank Negara Malaysia’s Monetary Policy Committee has announced the increase in overnight policy rate by 25 basis points to 2% as global inflationary pressures have increased. Globally, recovery of the economy has been facing persistent supply-chain disruptions and labour market challenges caused by the pandemic and further exacerbated by the current military conflict between Russia and Ukraine.

Amidst the challenges in Malaysia, proactive measures have been taken to drive sales of its mid-priced range of products by leveraging on the Group’s digital marketing capabilities and aggressive campaigns.

Meanwhile, for the office segment, the Group is experiencing a marginal erosion of overall occupancy and rental rates despite the competitive environment in Malaysia.

For the hospitality and retail segments, IOIPG anticipates a recovery to pre-pandemic levels. In the meantime, digital marketing efforts and innovative solutions continues to serve as key drivers of value propositions for mall tenants and hotel guests. The Group will also continue to provide a safe environment for its hotel guests and staff at all times.

In response to the current challenges arising from the strict operating procedures and movement controls implemented by the China government which has affected our mall operations in Xiamen, the Group will adopt an active and pragmatic tenant retention strategy to maintain occupancy rates. Meanwhile, the completed residential developments of IOI Palm City and IOI Palm International Parkhouse in Xiamen, China will continue to contribute towards the Group's financial performance.

Across the border, the Group's new acquisition of a mixed-use development site in Singapore, comprising residential and hotel components in the Marina Bay area, complements its existing developments in the Lion City. Since the acquisition, the Group is in the midst of planning the development of the land. At IOI Central Boulevard Towers, leasing activities have received strong response from reputable multinational companies. This is in anticipation of its expected completion in 2023.

"We foresee robust recovery of all sectors of the economy as we reopen our borders and transition into the endemic phase," said IOIPG Chief Executive Officer Dato' Voon Tin Yow.

"Therefore, we expect an increase in consumer confidence nationwide that will generate a steady rise of demand within the property market," he added.

IOIPG remains steadfast in navigating through domestic and global challenges with a prudent and professional management approach to ensure delivery of satisfactory performance in the coming quarters whilst improving our market position and strengthening our competitive edge to seize any opportunities that may emerge. This reflects the Group's commitment to be a **Trusted** brand.

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About IOI Properties Group Berhad

Spanning close to four decades in the property development industry, IOI Properties Group Berhad (“IOIPG”) is one of the leading public-listed property developers in Malaysia. Over the years, it has successfully developed sustainable townships and commercial enclaves in sought-after regions of Klang Valley such as IOI Resort City, Bandar Puteri Puchong, 16 Sierra, Bandar Puteri Bangi and Warisan Puteri Sepang; and established a strong presence in Penang (northern region) as well as Johor in the southern region of Malaysia. On the international scene, IOIPG has achieved notable success in Singapore and the People’s Republic of China. The Group has a total development landbank of approximately 9,000 acres.

Apart from being an award-winning top property developer, IOIPG is also known for being one of the few integrated property developers that builds and manages its investment properties such as hotels, golf courses, shopping malls and office buildings.

Under its investment property portfolio, it manages a total of approximately 7.2 million sq. ft. of net lettable area, comprising retail, purpose-built office and others. These properties are mostly located in high-growth areas, which are well-connected, accessible and are centred within high population concentration. The Group owns five hotels with 4- to 5-star rating offering a total of more than 1,800 keys namely Le Meridien Putrajaya, Putrajaya Marriott Hotel, Palm Garden Hotel, Four Points by Sheraton Puchong, and JW Marriott Hotel Singapore South Beach. The Group’s golf courses include Palm Garden Golf Club in IOI Resort City and Palm Villa Golf and Country Resort in Johor.

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