



IOI PROPERTIES
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IOI PROPERTIES GROUP BERHAD 201301005964 (1035807-A)
(Incorporated in Malaysia)

Quarterly Financial Report For The Financial Period Ended 31 December 2022

(The figures have not been audited)

Condensed Consolidated Statement of Profit or Loss

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/22	31/12/21	31/12/22	31/12/21
	RM'000	RM'000	RM'000	RM'000
Revenue	670,441	704,826	1,361,960	1,136,599
Cost of sales	(338,220)	(358,147)	(728,944)	(605,242)
Gross profit	332,221	346,679	633,016	531,357
Other operating income	25,232	26,142	54,085	129,329
Marketing and selling expenses	(20,728)	(20,071)	(35,875)	(30,710)
Administrative expenses	(57,821)	(47,913)	(116,299)	(82,738)
Other operating expenses	(44,619)	(44,390)	(82,187)	(74,784)
Operating profit	234,285	260,447	452,740	472,454
Share of result of an associate	318	378	673	983
Share of results of joint ventures	225,815	58,933	251,979	95,157
Profit before interest and taxation	460,418	319,758	705,392	568,594
Interest income	13,537	11,864	23,351	24,009
Interest expenses	(693)	(318)	(1,300)	(580)
Fair value (loss)/gain on investment properties	-	(98,412)	470,411	(98,412)
Impairment loss on property, plant and equipment	-	-	(34,859)	-
Profit before taxation	473,262	232,892	1,162,995	493,611
Taxation	(68,405)	(107,620)	(117,408)	(159,798)
Profit for the period	404,857	125,272	1,045,587	333,813
Attributable to:				
Owners of the Company	401,979	125,724	1,042,266	334,537
Non-controlling interests	2,878	(452)	3,321	(724)
	404,857	125,272	1,045,587	333,813
Earnings per share for profit attributable to owners of the Company (sen)				
Basic	7.30	2.29	18.93	6.08
Diluted	7.30	2.29	18.93	6.08

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this quarterly financial report.)



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Condensed Consolidated Statement of Other Comprehensive Income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/22	31/12/21	31/12/22	31/12/21
	RM'000	RM'000	RM'000	RM'000
Profit for the period	404,857	125,272	1,045,587	333,813
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	77,948	36,885	247,244	18,477
Net change in cash flow hedge reserve	(5,148)	35,180	16,820	51,617
Other comprehensive income for the period	72,800	72,065	264,064	70,094
Total comprehensive income for the period	477,657	197,337	1,309,651	403,907
Total comprehensive income attributable to:				
Owners of the Company	474,761	197,736	1,306,176	404,586
Non-controlling interests	2,896	(399)	3,475	(679)
	477,657	197,337	1,309,651	403,907

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this quarterly financial report.)



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Condensed Consolidated Statement of Financial Position

	As at 31/12/22 RM'000	As at 30/06/22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,155,406	3,054,120
Land held for property development	5,406,311	9,076,819
Investment properties	17,051,573	15,778,422
Goodwill on consolidation	11,472	11,472
Interest in an associate	51,306	53,673
Interests in joint ventures	4,803,500	4,390,152
Deferred tax assets	174,862	197,614
	30,654,430	32,562,272
Current assets		
Property development costs	4,703,876	568,462
Inventories	2,579,471	3,051,666
Derivative financial assets	28,137	7,785
Trade and other receivables	349,426	723,214
Contract assets	194,290	177,756
Current tax assets	68,314	59,130
Short term funds	920,204	735,444
Deposits with financial institutions	390,956	510,576
Cash and bank balances	962,536	1,105,064
	10,197,210	6,939,097
TOTAL ASSETS	40,851,640	39,501,369



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Condensed Consolidated Statement of Financial Position (Continued)

	As at 31/12/22 RM'000	As at 30/06/22 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	18,514,233	18,514,233
Reserves	409,795	145,885
Retained earnings	11,054,666	10,232,646
Reorganisation debit balance	(8,440,152)	(8,440,152)
Equity attributable to equity owners of the Company	21,538,542	20,452,612
Non-controlling interests	158,095	157,958
Total equity	21,696,637	20,610,570
Non-current liabilities		
Borrowings	10,515,022	3,330,735
Lease liabilities	1,400	1,882
Trade and other payables	59,640	55,936
Deferred tax liabilities	722,566	668,428
	11,298,628	4,056,981
Current liabilities		
Borrowings	6,515,579	13,485,923
Lease liabilities	1,487	1,257
Trade and other payables	1,251,895	1,116,533
Contract liabilities	30,700	101,999
Current tax liabilities	56,714	128,106
	7,856,375	14,833,818
Total liabilities	19,155,003	18,890,799
TOTAL EQUITY AND LIABILITIES	40,851,640	39,501,369
Net assets per share attributable to owners of the Company (RM)	3.91	3.71

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this quarterly financial report.)



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Quarterly Financial Report For The Financial Period Ended 31 December 2022

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Condensed Consolidated Statement of Cash Flows

	6 Months Ended 31/12/22 RM'000	6 Months Ended 31/12/21 RM'000
Operating Activities		
Profit before taxation	1,162,995	493,611
Adjustments for:		
Impairment loss on property, plant and equipment	34,859	-
Depreciation and amortisation	31,201	20,801
Impairment losses on receivables	2,206	2,465
Interest expenses	1,300	580
Share of result of an associate	(673)	(983)
Foreign currency translation gain	(3,899)	(658)
Interest income	(23,351)	(24,009)
Share of results of joint ventures	(251,979)	(95,157)
Fair value (gain)/loss on investment properties	(470,411)	98,412
Gain on disposal of a subsidiary	-	(85,982)
Other non-cash items	(787)	(1,453)
Operating profit before working capital changes	481,461	407,627
Inventories	456,024	418,779
Receivables and other assets	233,383	(180,379)
Payables and other liabilities	23,071	(20,674)
Cash generated from operations	1,193,939	625,353
Tax paid	(119,773)	(74,560)
Tax refunded	76	23,599
Net cash inflow from operating activities	1,074,242	574,392
Investing Activities		
Interest received	16,622	18,801
Repayment from joint ventures	11,433	87,945
Dividend received from a joint venture	5,750	-
Redemption of redeemable preference shares of an associate	3,040	-
Proceeds from disposal of property, plant and equipment	200	-
Additions to property, plant and equipment	(93,058)	(1,281,938)
Additions to land held for property development	(95,276)	(3,835,159)
Additions to investment properties	(303,951)	(181,353)
Redemption of redeemable preference shares of a joint venture	-	184,850
Proceeds from disposal of a subsidiary	-	101,592
Net cash outflow from investing activities	(455,240)	(4,905,262)
Financing Activities		
Drawdown of borrowings	1,187,815	5,640,173
Payment of lease liabilities	(967)	(662)
Dividend paid to non-controlling interests	(3,338)	(3,000)
Banking facilities paid	(18,466)	(16,436)
Dividend paid	(220,246)	(110,123)
Interest paid	(240,400)	(172,023)
Repayment of borrowings	(1,400,706)	(310,574)
Proceeds from issuance of redeemable preference shares to non-controlling interests in subsidiaries	-	1,746
Net cash (outflow)/inflow from financing activities	(696,308)	5,029,101
Net (decrease)/increase in cash and cash equivalents	(77,306)	698,231
Cash and cash equivalents at beginning of financial period	2,351,084	1,848,208
Effect of exchange rate changes	(82)	17,080
Cash and cash equivalents at end of financial period	2,273,696	2,563,519

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this quarterly financial report.)



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Condensed Consolidated Statement of Changes in Equity
(RM'000)

	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Reorganisation debit balance	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As at 1 July 2022	18,514,233	135,391	10,494	(8,440,152)	10,232,646	20,452,612	157,958	20,610,570
Profit for the financial period	-	-	-	-	1,042,266	1,042,266	3,321	1,045,587
Exchange differences on translation of foreign operations	-	247,090	-	-	-	247,090	154	247,244
Net change in cash flow hedge reserve	-	-	16,820	-	-	16,820	-	16,820
Total comprehensive income	-	247,090	16,820	-	1,042,266	1,306,176	3,475	1,309,651
Transactions with owners								
Dividend paid	-	-	-	-	(220,246)	(220,246)	(3,338)	(223,584)
As at 31 December 2022	18,514,233	382,481	27,314	(8,440,152)	11,054,666	21,538,542	158,095	21,696,637
As at 1 July 2021	18,514,233	(51,088)	(120,658)	(8,440,152)	9,656,034	19,558,369	160,339	19,718,708
Profit for the financial period	-	-	-	-	334,537	334,537	(724)	333,813
Exchange differences on translation of foreign operations	-	18,435	-	-	-	18,435	42	18,477
Net change in cash flow hedge reserve	-	-	51,614	-	-	51,614	3	51,617
Total comprehensive income	-	18,435	51,614	-	334,537	404,586	(679)	403,907
Transactions with owners								
Changes in equity interests in subsidiaries	-	-	-	-	-	-	(411)	(411)
Dividend paid	-	-	-	-	(110,123)	(110,123)	(3,000)	(113,123)
As at 31 December 2021	18,514,233	(32,653)	(69,044)	(8,440,152)	9,880,448	19,852,832	156,249	20,009,081

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying notes attached to this quarterly financial report.)



Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Explanatory Notes

a) Basis of Preparation

The quarterly financial report of the IOIPG Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022. Those explanatory notes attached to this quarterly financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

b) Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 30 June 2022, except for the adoption of the following new MFRSs, Amendments to MFRS and IC Interpretations that are effective for the Group.

Title

Amendments to MFRS 3 'Reference to Conceptual Framework'
Amendments to MFRS 116 'Proceeds before Intended Use'
Amendments to MFRS 137 'Onerous Contracts – Costs of Fulfilling a Contract'
Amendments to Annual Improvements to MFRS Standards 2018 – 2020

The adoption of these amendments to MFRSs do not have any significant financial impact on the financial statements of the Group for the current financial period.

c) Seasonal or Cyclical Factors

There were no significant seasonal or cyclical factors that affect the business of the Group for the quarter under review.

d) Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

e) Material Changes in Estimates of Amounts Reported

There were no material changes in estimates of amounts reported in prior financial year that have a material effect in the current financial quarter.

f) Details of Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities, share buy-back, share cancellation, shares held as treasury shares and/or resale of treasury shares for the current financial period ended 31 December 2022.

g) Dividend Paid

	CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING PERIOD RM'000
Final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2022, paid on 2 December 2022	220,246	-
Interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 June 2021, paid on 24 September 2021	-	110,123
	220,246	110,123



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Quarterly Financial Report For The Financial Period Ended 31 December 2022
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Explanatory Notes

h) Segment Revenue & Results

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
<u>3 Months Ended 31/12/22</u>						
REVENUE						
External	480,920	126,102	59,606	3,813	-	670,441
Inter-segment	-	1,355	-	52,471	(53,826)	-
Total revenue	<u>480,920</u>	<u>127,457</u>	<u>59,606</u>	<u>56,284</u>	<u>(53,826)</u>	<u>670,441</u>
RESULT						
Segment operating profit	165,365	55,550	3,920	9,450	-	234,285
Share of result of an associate	318	-	-	-	-	318
Share of results of joint ventures	219,703	7,881	(1,769)	-	-	225,815
Segment PBIT	<u>385,386</u>	<u>63,431</u>	<u>2,151</u>	<u>9,450</u>	<u>-</u>	<u>460,418</u>
Interest income						13,537
Interest expenses						(693)
Profit before taxation						<u>473,262</u>
Taxation						(68,405)
Profit for the period						<u>404,857</u>
<u>3 Months Ended 31/12/21</u>						
REVENUE						
External	571,628	96,652	33,115	3,431	-	704,826
Inter-segment	-	1,630	-	37,061	(38,691)	-
Total revenue	<u>571,628</u>	<u>98,282</u>	<u>33,115</u>	<u>40,492</u>	<u>(38,691)</u>	<u>704,826</u>
RESULT						
Segment operating profit/(loss)	211,692	49,048	(1,164)	871	-	260,447
Fair value loss on an investment property	-	(98,412)	-	-	-	(98,412)
Share of result of an associate	378	-	-	-	-	378
Share of results of joint ventures	50,971	12,351	(4,389)	-	-	58,933
Segment PBIT	<u>263,041</u>	<u>(37,013)</u>	<u>(5,553)</u>	<u>871</u>	<u>-</u>	<u>221,346</u>
Interest income						11,864
Interest expenses						(318)
Profit before taxation						<u>232,892</u>
Taxation						(107,620)
Profit for the period						<u>125,272</u>

Other operations consist mainly of project and building services management and other activities unrelated to any of the abovementioned major operation segments.



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Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Explanatory Notes

h) Segment Revenue & Results

(RM'000)	Property Development	Property Investment	Hospitality & Leisure	Other Operations	Elimination	Consolidated
<u>6 Months Ended 31/12/22</u>						
REVENUE						
External	1,010,808	236,247	108,325	6,580	-	1,361,960
Inter-segment	-	2,947	-	98,028	(100,975)	-
Total revenue	<u>1,010,808</u>	<u>239,194</u>	<u>108,325</u>	<u>104,608</u>	<u>(100,975)</u>	<u>1,361,960</u>
RESULT						
Segment operating profit	331,067	104,200	3,906	13,567	-	452,740
Fair value gain on an investment property	-	470,411	-	-	-	470,411
Impairment loss on property, plant and equipment	-	(34,859)	-	-	-	(34,859)
Share of result of an associate	673	-	-	-	-	673
Share of results of joint ventures	238,229	16,991	(3,241)	-	-	251,979
Segment PBIT	<u>569,969</u>	<u>556,743</u>	<u>665</u>	<u>13,567</u>	<u>-</u>	<u>1,140,944</u>
Interest income						23,351
Interest expenses						(1,300)
Profit before taxation						<u>1,162,995</u>
Taxation						(117,408)
Profit for the period						<u>1,045,587</u>
<u>6 Months Ended 31/12/21</u>						
REVENUE						
External	934,863	155,809	40,665	5,262	-	1,136,599
Inter-segment	-	2,796	-	61,681	(64,477)	-
Total revenue	<u>934,863</u>	<u>158,605</u>	<u>40,665</u>	<u>66,943</u>	<u>(64,477)</u>	<u>1,136,599</u>
RESULT						
Segment operating profit/(loss)	413,023	74,060	(16,442)	1,813	-	472,454
Fair value loss on an investment property	-	(98,412)	-	-	-	(98,412)
Share of result of an associate	983	-	-	-	-	983
Share of results of joint ventures	80,528	25,979	(11,350)	-	-	95,157
Segment PBIT	<u>494,534</u>	<u>1,627</u>	<u>(27,792)</u>	<u>1,813</u>	<u>-</u>	<u>470,182</u>
Interest income						24,009
Interest expenses						(580)
Profit before taxation						<u>493,611</u>
Taxation						(159,798)
Profit for the period						<u>333,813</u>

Other operations consist mainly of project and building services management and other activities unrelated to any of the abovementioned major operation segments.



Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Explanatory Notes

h) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the financial period.

i) Changes in the Composition of the Group

During the current quarter under review, there were no new changes in the composition of the Group.

j) Contingent Liabilities

There were no material contingent liabilities for the Group as at 31 December 2022.

k) Capital Commitments

Capital commitments not provided for in the quarterly financial report as at the end of the financial period are as follows:

Contracted	RM'000
Additions of land held for property development	93,859
Additions of property, plant and equipment	221,867
Additions of investment properties	1,004,786
	<hr/>
	1,320,512
	<hr/>



Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

1) Review of Group's Performance

(a) Performance of 2Q FY2023 vs 2Q FY2022

The Group recorded revenue of RM670.4 million for the current year quarter, which is RM34.4 million or 5% lower than the preceding year corresponding quarter of RM704.8 million. Meanwhile, the Group recorded underlying profit before taxation ("PBT") of RM280.6 million (excluding reversal of inventories previously written down of RM192.7 million included in share of results of joint ventures) for the current year quarter, which is RM50.7 million or 15% lower than preceding year corresponding quarter of RM331.3 million (excluding fair value loss on an investment property). The decrease in revenue and underlying PBT are mainly attributable to lower performance from property development segment.

The financial performance is analysed as follows:-

	Revenue				Underlying PBT			
	Q2 FY2023	Q2 FY2022	+ / (-)		Q2 FY2023	Q2 FY2022	+ / (-)	
	RM'mil	RM'mil	RM'mil	%	RM'mil	RM'mil	RM'mil	%
Property development segment	480.9	571.6	(90.7)	-16%	165.4	211.7	(46.3)	-22%
Property investment segment	126.1	96.7	29.4	+30%	55.6	49.0	6.6	+13%
Hospitality & leisure segment	59.6	33.1	26.5	+80%	3.9	(1.2)	5.1	+425%
Other operations	3.8	3.4	0.4	+12%	9.5	0.9	8.6	+956%
Share of results of joint ventures and associate	-	-	-	-	33.4	59.3	(25.9)	-44%
Net interest income	-	-	-	-	12.8	11.6	1.2	+10%
	670.4	704.8	(34.4)	-5%	280.6	331.3	(50.7)	-15%

Property Development Segment

The property development segment recorded revenue and operating profit of RM480.9 million and RM165.4 million respectively in the current year quarter, which is RM90.7 million or 16% and RM46.3 million or 22% lower than the preceding year corresponding quarter. Lower financial performance in the current year quarter is mainly due to lower revenue contribution from PRC operations as a result of stiff competition in property market within the vicinity. However, contribution from Malaysia operations remained resilient despite interest rate hike and rising inflationary pressure.

Property Investment Segment

The property investment segment recorded revenue and operating profit of RM126.1 million and RM55.6 million respectively for the current year quarter. It is RM29.4 million or 30% and RM6.6 million or 13% respectively higher than the preceding year corresponding quarter. The improved financial performance in the current year quarter is mainly due to commencement of recurring lease income from IOI City Mall Phase 2, Putrajaya following its business commencement on 25 August 2022. The surge in revenue has not translated into a corresponding increase in operating profit, which can be attributed to the initial costs incurred for the commencement of IOI City Mall Phase 2.

Hospitality and Leisure Segment

The hospitality and leisure segment revenue increased from RM33.1 million to RM59.6 million and operating profit has turnaround from operating loss of RM1.2 million to operating profit of RM3.9 million. The better financial performance was held up by resilient domestic tourism which has significantly boosted the hospitality industry.

(b) Performance of the current year to date against the preceding year corresponding period

The Group recorded revenue of RM1.4 billion, which is RM225.4 million or 20% higher than the preceding year corresponding period. The increase in revenue is mainly contributed by all business segment. The Group's underlying PBT of RM534.7 million (excluding impairment loss on property, plant and equipment, fair value gain on an investment property and reversal of inventories previously written down) in the current year to date, is RM57.3 million or 10% lower than the preceding year corresponding period. The decrease in underlying PBT is mainly attributable to lower contribution from property development segment.



Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

2) Material Change in Profit Before Taxation ("PBT") for 2Q FY2023 vs 1Q FY2023

The Group recorded underlying PBT of RM280.6 million (excluding reversal of inventories previously written down) for the current quarter, which is RM26.4 million or 10% higher than immediate preceding quarter of RM254.2 million (excluding impairment loss on property, plant and equipment and fair value gain on an investment property). Higher financial performance in the current quarter is mainly due to higher performance from property investment and hospitality and leisure segment.



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Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

3) Prospects

In 2022, Malaysia's Gross Domestic Product ("GDP") registered a stronger than expected growth of 8.7%, surpassing the earlier forecast of 6.5% to 7.0%. The strong recovery was underpinned by continued expansion in domestic demand, sustained labour market recovery, resilient performance in exports of electrical and electronic products and higher tourism activities. For 2023, the Malaysian economy is expected to moderate between 4.0% to 5.0% amid a challenging external environment mainly from weaker global growth, elevated inflation levels, tighter financial conditions, re-escalation of geopolitical conflicts and worsening supply chain disruptions.

The property development segment achieved commendable sales of RM926.6 million during the first half of FY2023. Local projects contributed RM796.6 million, which is 86.0% of the total sales while overseas projects from China and Singapore contributed RM130.0 million, or 14.0% of the total sales. On the Malaysian front, the sales secured were largely from Klang Valley area at RM473.4 million, led by our integrated development at IOI Resort City in Putrajaya and our matured township at Bandar Puteri Puchong in Selangor, whereas the sentiment in Johor continues to surge with sales of RM305.5 million, led by the established township at Bandar Putra Kulai and the vibrant township at Taman Kempas Utama.

Despite the hike of overnight policy rate ("OPR") by a cumulative 100 basis points to 2.75% by Bank Negara in 2022, the property development segment continues to witness encouraging demand for our product offerings, especially the mid-priced range residential units. The Group's strategy is two-pronged: to launch new products with sustained margin as well as a concerted effort to clear completed inventories by leveraging on our "Trusted." brand and our proven promotion campaigns to drive sales.

IOI City Mall Phase 2 has successfully capitalised on higher retail activities in tandem with a general resurgence throughout the economy. In the short few months since its opening in August 2022, the mall has not only attracted footfall from Klang Valley but also from the towns of Nilai and Seremban. As the occupancy rate progressively improves, this will augur well for the property investment segment.

Our hotels in Malaysia as well as our JV-owned JW Marriott Hotel in Singapore have registered vast improvement in the occupancy rates. Other than that, average room rates were boosted by the increase in tourist arrivals. With the lifting of travel restrictions after China relaxed its Covid-zero policy and more incentives to boost the tourism industry in place, along with Malaysia targeting 15.6 million tourist arrivals in 2023 compared to the 9.2 million of 2022, our hospitality and leisure segment is poised for a better year ahead.

The reopening of China following a dramatic pivot from a Covid-zero policy bodes well for the global economy. While the contraction in real estate remains a major headwind, since the opening of China's border on 8 January 2023, we registered marked improvement in footfall and enquiries. After close to 3 years of restricted movement, there is a renewed interest for property purchase. Our marketing campaign in conjunction with the new financial policies rolled out by the Chinese government are anticipated to drive sales of our completed developments in Xiamen. Separately, at IOI Palm City Mall in Xiamen, we continue to adopt a pragmatic tenant retention strategy to maintain occupancy rates and to support our tenants as business partners.

Over in Singapore, the construction of IOI Central Boulevard Towers is progressing well and the "Grade A" commercial development is slated for completion in 2023. In addition to the internationally renowned anchor tenant secured earlier, there is a growing requirement for "Grade A" office space from multi-national companies and we are well positioned to capture this growing demand. As for our site at Marina Bay, we are in the midst of preparing for the development and sale plan for the mixed residential and hotel development.

The Board acknowledges that moving into 2023, the operating environment both within and outside Malaysia will continue to face some headwinds. Nevertheless, our planned new launches, wide product offerings and recurring earnings from various matured property investment portfolios, as well as improving prospects for the tourism sector will provide us with a strong foundation to assure sustained earnings for the Group.

4) Achievability of Forecast Results

Not applicable.

5) Variance of Actual Profit from Forecast Results or Profit Guarantee

Not applicable.



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(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

6) Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the following:				
Current taxation	39,962	117,220	40,027	165,613
Deferred taxation	28,443	(9,600)	77,381	(5,815)
	68,405	107,620	117,408	159,798

The effective tax rate of the Group for the current year quarter is 15% lower than the prevailing statutory rate of 24%. The lower effective tax rate is attributable to higher share of results of joint venture arising from reversal of inventories previously written down recognised in the current year quarter.

7) Corporate Proposal

There was no outstanding corporate proposal for the current quarter under review.

8) Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31 December 2022 are as follows:

	As at 31/12/22	As at 30/06/22
	RM'000	RM'000
a) Short term borrowings		
Unsecured		
Denominated in RM	799,793	369,745
Denominated in SGD (SGD1,631 million) (2022: SGD3,765 million)	5,353,162	12,043,204
Denominated in RMB (RMB573 million) (2022: RMB1,639 million)	362,624	1,072,974
	6,515,579	13,485,923
b) Long term borrowings		
Unsecured		
Denominated in RM	1,628,091	2,152,372
Denominated in SGD (SGD2,351 million) (2022: SGD200 million)	7,715,979	631,920
Denominated in RMB (RMB1,850 million) (2022: RMB835 million)	1,170,952	546,443
	10,515,022	3,330,735
Total borrowings	17,030,601	16,816,658



Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

9) Derivative Financial Instrument

(i) Details of derivative financial instrument outstanding as at 31 December 2022 are as follows:

Type of derivative	Fair value assets RM'000
Cash flow hedge derivative	
Interest rate swap	
<i>SGD denominated borrowing (RM5,323 million)*:</i>	
- less than one year	<u>28,137</u>
Total derivative financial assets	<u>28,137</u>

* represents notional amounts throughout the facility periods.

The above derivative was entered to hedge its long term floating rate borrowing that are denominated in foreign currency to fixed interest rate in order to minimise the exposure to the volatility of the interest rate.

The Group's derivative financial instrument is subject to market and credit risk as follows:

i. Market risk

Market risk on derivative is the potential fluctuation in the value of this contract arising from the change in price of the underlying items such as interest rates or other indices. The market risk to the Group is mitigated as the Group's SGD floating interest rate borrowing was swapped to fixed interest rate borrowing to serve as a cash flow hedge for the Group's interest settlement for the foreign currency borrowing obtained.

ii. Credit risk

Credit risk exposure arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and or the Bank has entered into. There is minimal credit risk to the Group as the swap was entered into with reputable financial institution which is governed by appropriate policies and procedures.

(i) Cash requirement of the derivative

There is no cash requirement for this derivative other than the repayment obligation for the underlying bank borrowing.

(ii) Related accounting policies

There have been no changes to the accounting policies since the end of the previous financial year ended 30 June 2022.



Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

10) Fair Value Changes of Financial Assets

As at 31 December 2022, the Group has recognised derivative financial asset of RM28.1 million in respect of interest rate swap, with the corresponding fair value gain of RM16.8 million in the cash flow hedge reserve for the current financial period under review.

The fair value gain is mainly due to the floating interest rate has moved favourably from the last measurement date.

The fair value of the abovementioned derivative is calculated based on the present value of estimated cash flow using an appropriate market-based yield curve.

11) Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit for the period has been arrived after (crediting)/charging:

	CURRENT YEAR QUARTER RM'000	CURRENT YEAR TO DATE RM'000
Depreciation and amortisation	15,992	31,201
Fair value gain on an investment property	-	(470,411)
Impairment loss on property, plant and equipment	-	34,859
Impairment losses on receivables	2,067	2,206
Impairment losses on receivables written back	(324)	(824)
Interest expenses	693	1,300
Interest income	(13,537)	(23,351)
Net gain on foreign currency translation differences	17	(3,899)
Property, plant and equipment written off	33	37

Other than as per disclosed above, the Group does not have other material items that recognised as profit/loss in the consolidated statement of profit or loss and statement of other comprehensive income.

12) Material Litigation

There is no pending material litigation as at the date of this announcement.



IOI PROPERTIES
Trusted.

Quarterly Financial Report For The Financial Period Ended 31 December 2022
(The figures have not been audited)

Additional Information As Required By Appendix 9b Of Bursa Malaysia Listing Requirements

13) Dividends

No dividend has been declared by the Board for the financial quarter ended 31 December 2022.

14) Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit for the period	401,979	125,724	1,042,266	334,537
Weighted average number of ordinary shares in issue ('000)	5,506,145	5,506,145	5,506,145	5,506,145
Basic earnings per share (sen)	7.30	2.29	18.93	6.08

b) Diluted earnings per share

The Group has no dilution in its EPS for the financial period under review as there are no dilutive potential ordinary shares.

15) Audit Qualification

The audit report on the Group's preceding year's financial statements is not qualified.

By Order of the Board

Chee Ban Tuck
Company Secretary

Putrajaya
24 February 2023