

## Interim Financial Report for the three months ended 30 September 2022

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## Condensed Consolidated Statement of Comprehensive Income

(The figures have not been audited)

	<b>Current Year Quarter 01.07.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year Quarter 17.09.2021 to 30.09.2021 RM' 000</b>	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000</b>
Gross rental income	28,202	4,760	91,217	4,760
Revenue from contracts with customers	<u>17,280</u>	<u>2,347</u>	<u>49,773</u>	<u>2,347</u>
<b>Gross revenue</b>	<b>45,482</b>	<b>7,107</b>	<b>140,990</b>	<b>7,107</b>
Utilities expenses	(5,272)	(558)	(14,370)	(558)
Maintenance expenses	(4,118)	(588)	(11,767)	(588)
Quit rent and assessment	(3,536)	(540)	(10,863)	(540)
Reimbursement costs and operating expenses	(6,714)	(589)	(17,639)	(589)
<b>Property operating expenses</b>	<b>(19,640)</b>	<b>(2,275)</b>	<b>(54,639)</b>	<b>(2,275)</b>
<b>Net Property Income</b>	<b>25,842</b>	<b>4,832</b>	<b>86,351</b>	<b>4,832</b>
Interest income	594	-	1,466	-
Changes in fair value of properties	-	-	-	-
<b>Net investment income</b>	<b>26,436</b>	<b>4,832</b>	<b>87,817</b>	<b>4,832</b>
Manager fee	(3,764)	(592)	(11,647)	(592)
Trustee's fee	(116)	(18)	(347)	(18)
Other trust expenses	(56)	(89)	(433)	(89)
Finance costs	(9,141)	(1,299)	(25,643)	(1,299)
<b>Profit before taxation</b>	<b>13,359</b>	<b>2,834</b>	<b>49,747</b>	<b>2,834</b>
Taxation	-	-	-	-
<b>Profit after taxation</b>	<b>13,359</b>	<b>2,834</b>	<b>49,747</b>	<b>2,834</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>13,359</b>	<b>2,834</b>	<b>49,747</b>	<b>2,834</b>
Distribution adjustments <sup>note 1</sup>	4,008	676	12,411	676
<b>Distributable income</b>	<b>17,367</b>	<b>3,510</b>	<b>62,158</b>	<b>3,510</b>
<b>Profit for the period comprise the following:</b>				
- realised	13,359	3,510	49,747	3,510
- unrealised	-	-	-	-
	<u>13,359</u>	<u>3,510</u>	<u>49,747</u>	<u>3,510</u>
<b>Basic earnings per Unit (sen)</b>				
- before Manager fee	<u>0.74</u>	<u>0.15</u>	<u>2.65</u>	<u>0.15</u>
- after Manager fee	<u>0.57</u>	<u>0.12</u>	<u>2.14</u>	<u>0.12</u>

## Condensed Consolidated Statement of Comprehensive Income (continued)

(The figures have not been audited)

### Note 1:

The composition of distribution adjustments is as follows:

	<b>Current Year Quarter 01.07.2022 to 30.09.2022 RM' 000</b>	Preceding Year Quarter 17.09.2021 to 30.09.2021 RM' 000	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000
Manager fee payable in units	3,764	592	11,647	592
Amortisation of capitalised borrowing costs	244	84	764	84
Changes in fair value of investment properties	-	-	-	-
<b>Distribution adjustments</b>	<b>4,008</b>	676	<b>12,411</b>	676
<b>Statement of Income Distribution</b>				
Gross rental income	28,202	4,760	91,217	4,760
Revenue from contract with customers	17,280	2,347	49,773	2,347
Interest income	594	-	1,466	-
	<b>46,076</b>	7,107	<b>142,456</b>	7,107
Changes in fair value of investment properties	-	-	-	-
Less: expenses	<b>(32,717)</b>	(4,273)	<b>(92,709)</b>	(4,273)
Total comprehensive income for the period	<b>13,359</b>	2,834	<b>49,747</b>	2,834
Distribution adjustment	<b>4,008</b>	676	<b>12,411</b>	676
Total realised income available for distribution	<b>17,367</b>	3,510	<b>62,158</b>	3,510
Less: proposed/declared income distribution	-	-	<b>(44,791)</b>	-
Balance undistributed realised income	<b>17,367</b>	3,510	<b>17,367</b>	3,510
<b>Distributable Income Per Unit ("DPU") (sen)</b>				
	<b>0.74</b>	-	<b>2.67</b>	-

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 period ended 31 December 2021 ("AFS FY2021") and the accompanying notes attached to this Interim Financial Report.

## Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	As at 30.09.2022 RM' 000	<i>Audited</i> As at 31.12.2021 RM' 000
<b>Non-current assets</b>		
Investment properties	3,161,000	3,161,000
Other receivables	-	16
Cash and bank balances	<u>20,251</u>	<u>15,887</u>
	<u><b>3,181,251</b></u>	<u><b>3,176,903</b></u>
<b>Current assets</b>		
Trade and other receivables	7,209	4,847
Cash and bank balances	<u>77,347</u>	<u>93,454</u>
	<u><b>84,556</b></u>	<u><b>98,301</b></u>
<b>TOTAL ASSET</b>	<u><b>3,265,807</b></u>	<u><b>3,275,204</b></u>
<b>Financed by:</b>		
<b>Unitholders' fund</b>		
Unitholders' capital	2,314,976	2,303,017
Retained earning/(Accumulated losses)	<u>276</u>	<u>(4,472)</u>
<b>Total Unitholders' fund</b>	<u><b>2,315,252</b></u>	<u><b>2,298,545</b></u>
<b>Non-current liabilities</b>		
Borrowings	<u>847,643</u>	<u>847,196</u>
<b>Current liabilities</b>		
Borrowings	4,538	4,235
Trade and other payables	<u>98,374</u>	<u>125,228</u>
	<u><b>102,912</b></u>	<u><b>129,463</b></u>
<b>Total liabilities</b>	<u><b>950,555</b></u>	<u><b>976,659</b></u>
<b>Total Unitholders' fund and liabilities</b>	<u><u><b>3,265,807</b></u></u>	<u><u><b>3,275,204</b></u></u>
Number of units in circulation ('000 units)	<u><b>2,328,085</b></u>	<u><b>2,308,198</b></u>
Net Asset Value ("NAV") (RM '000)		
- before income distribution	<u>2,360,251</u>	<u>2,325,028</u>
- after income distribution	<u><b>2,315,252</b></u>	<u><b>2,298,545</b></u>
NAV per Unit (RM)		
- before income distribution	<u><b>1.0138</b></u>	<u>1.0073</u>
- after income distribution	<u><b>0.9945</b></u>	<u>0.9958</u>

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.

## Condensed Consolidated Statement of Changes in Net Asset Value

(The figures have not been audited)

	Unitholders' Capital RM '000	Retained Earnings/ (Accumulated Losses) RM '000	Total Unitholders' Fund RM '000
<b>As at 01 January 2022</b>	<b>2,303,017</b>	<b>(4,472)</b>	<b>2,298,545</b>
Total comprehensive income for the period	-	49,747	49,747
Income distribution	-	(44,999)	(44,999)
Net total comprehensive income for the period	-	4,748	4,748
Unitholders' transactions			
Issue of new Units	-	-	-
Manager's fee paid in Units	11,959	-	11,959
Increase in net assets resulting from Unitholders' transactions	11,959	-	11,959
<b>As at 30 September 2022</b>	<b>2,314,976</b>	<b>276</b>	<b>2,315,252</b>
As at 31 March 2021	-	-	-
Total comprehensive income for the period	-	2,834	2,834
Income distribution	-	-	-
Net total comprehensive profit for the period	-	2,834	2,834
Unitholders' transactions			
Issue of new Units	2,307,300	-	2,307,300
Listing expenses	(4,875)	-	(4,875)
Manager's fee paid in Units	-	-	-
Increase in net assets resulting from Unitholders' transactions	2,302,425	-	2,302,425
As at 30 September 2021	2,302,425	2,834	2,305,259

Note: Issuance of new Units were as follows:

	Units '000	Amount RM '000
Manager fee paid in Units were as follows.		
- for the financial quarter ended		
31 December 2021	6,574	4,076
31 March 2022	6,390	3,930
30 June 2022	6,923	3,953
Total	<b>19,887</b>	<b>11,959</b>

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.

## Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000</b>
<b>Operating activities</b>		
Profit before tax	49,747	2,834
Adjustments for:		
Non-cash items	13,164	-
Non-operating items	24,177	1,299
Operating profit before changes in working capital	<u>87,088</u>	4,133
Net change in current assets	(2,476)	(12,022)
Net change in current liabilities	(1,787)	81,987
<b>Net cash generated from operating activities</b>	<u>82,825</u>	<u>74,098</u>
<b>Investing activities</b>		
Acquisition of investment properties	-	(853,200)
Interest received	1,832	-
Movement in pledged deposits	(4,364)	(15,683)
<b>Net cash used in investing activities</b>	<u>(2,532)</u>	<u>(868,883)</u>
<b>Financing activities</b>		
Financing expenses	(24,918)	(3,363)
Proceeds from borrowings	-	853,200
Listing expenses	-	(4,875)
Advance from ultimate holding company	-	4,856
Distribution paid to Unitholders	(71,482)	-
<b>Net cash (used in)/generated from financing activities</b>	<u>(96,400)</u>	<u>849,818</u>
Net (decrease)/increase in cash and cash equivalents	(16,107)	55,033
Cash and cash equivalents at beginning of period	93,454	-
<b>Cash and cash equivalents at 30 September</b>	<u>77,347</u>	<u>55,033</u>
Note:		
Cash and bank balances	97,598	70,716
Less: pledged deposits	(20,251)	(15,683)
Cash and cash equivalents	<u>77,347</u>	<u>55,033</u>

### Non-cash transactions:

The principal non-cash transaction was the issuance of 19,887,758 Units to the Manager as payment for management fee amounting to RM11,959,194.

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.

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

The Auditor’s Report for FY2021 was not subject to any audit qualification.

### **A3 Seasonal or cyclical factors**

IGB Commercial 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	<b>Units '000</b>	<b>Amount RM '000</b>
As at 31 December 2021	<b>2,308,198</b>	<b>2,303,017</b>
Manager fee paid for the financial quarter ended 31 December 2021	<b>6,574</b>	<b>4,076</b>
Manager fee paid for the financial quarter ended 31 March 2022	<b>6,390</b>	<b>3,930</b>
Manager fee paid for the financial quarter ended 30 June 2022	<b>6,923</b>	<b>3,953</b>
As at 30 September 2022	<b><u>2,328,085</u></b>	<b><u>2,314,976</u></b>

Save for the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period-to-date.

### **A7 Income distribution**

It is the intention of the Manager to distribute at least 90% of IGB Commercial REIT’s distributable income on a half-yearly basis or such other intervals as the Manager may determine as its absolute discretion.

For the period 1 January 2022 to 30 June 2022, the Manager approved a distribution of 100.0% of IGB Commercial REIT’s half-yearly distributable income amounting to RM44.79 million or 1.93 sen per Unit (1.89 sen taxable and 0.04 sen non-taxable) which was paid on 29 August 2022.

## A8 Segmental reporting

The segmental financial information by operating segments is not presented as IGB Commercial REIT is the owner of The Mid Valley City Properties (comprising of seven properties ie. Menara IGB & IGB Annexe, Centrepoint South, Centrepoint North, The Gardens South Tower, The Gardens North Tower, Boulevard Properties and Southpoint Properties) and The KL Properties (comprising of three properties ie. Menara Tan & Tan, GTower and Hampshire Place Office), all located in Kuala Lumpur, Malaysia, which is considered as one operating segment.

## A9 Valuation of investment properties

A valuation has been conducted by Henry Butcher Malaysia Sdn Bhd (as the independent professional registered valuer) and based on the valuation reports dated 3 October 2022, the market valuation of the investment properties as at 30 September 2022 were as follows:

Investment Property	Market Valuation	Market Valuation	Fair value
	30.09.2022 RM '000	31.12.2021 RM '000	gain RM '000
1 Menara IGB & IGB Annexe	189,000	189,000	-
2 Centrepoint South	192,000	192,000	-
3 Centrepoint North	196,000	196,000	-
4 The Gardens South Tower	394,000	394,000	-
5 The Gardens North Tower	386,000	386,000	-
6 Southpoint Properties	572,000	572,000	-
7 Boulevard Offices, Blocks 25 & 27	80,000	80,000	-
8 Menara Tan & Tan	240,000	240,000	-
9 GTower	733,000	733,000	-
10 Hampshire Place Office	179,000	179,000	-
<b>TOTAL</b>	<b>3,161,000</b>	<b>3,161,000</b>	<b>-</b>

## A10 Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the current financial period up to the date of this Interim Financial Report.

## A11 Changes in the composition of IGB Commercial REIT

IGB Commercial REIT's fund size increased to 2,328,085,323 Units as at 30 September 2022 from 2,308,197,565 Units as at 31 December 2021 arising from the issue 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 30 September 2022.

## A13 Capital commitment

There were no major capital commitments as at 30 September 2022.



**Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR**
**B1 Review of performance**

	<b>Current Year Quarter 01.07.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year Quarter 17.09.2021 to 30.09.2021 RM' 000</b>	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000</b>
Gross revenue	45,482	7,101	140,990	7,101
Net Property Income	25,842	4,832	86,351	4,832
Profit before taxation	13,359	2,834	49,747	2,834
Profit after taxation	13,359	2,834	49,747	2,834
Total comprehensive income for the period	13,359	2,834	49,747	2,834
Distributable Income	<u>17,367</u>	<u>3,510</u>	<u>62,158</u>	<u>3,510</u>

**Current year quarter results**

For the three months to 30 September 2022, gross revenue and net property income was RM45.5 million and RM25.8 million respectively. Profit after taxation was RM13.4 million.

The distributable income for the three months to 30 September 2022 amounted to RM17.4million, consisting of realised profit of RM13.4 million and non-cash adjustments of RM4.0 million.

Current year quarter results are not comparable with preceding year quarter results as the preceding year quarter results were for fourteen days from 17 September 2021 (date of completion of acquisition of properties) to 30 September 2021.

**Current year-to-date results**

For the nine months to 30 September 2022, gross revenue and net property income was RM141.0 million and RM86.4 million respectively. Profit after taxation was RM49.7 million.

The distributable income for the nine months to 30 September 2022 amounted to RM62.2 million, consisting of realised profit of RM49.8 million and non-cash adjustments of RM12.4 million.

Current year-to-date results are not comparable with preceding year-to-date results as the preceding year-to-date results were for fourteen days from 17 September 2021 (date of completion of acquisition of properties) to 30 September 2021.

Occupancy Rate and Average Rental Rate of the investment properties were as follows:

<b>Investment Property</b>	<b>Occupancy Rate</b>		<b>Average Rental Rate</b>	
	<b>30.09.2022</b>	<b>31.12.2021</b>	<b>30.09.2022</b>	<b>31.12.2021</b>
	%	%	RM per sq.ft.	RM per sq.ft.
MVC Properties	82.1%	76.3%	6.42	6.48
KL Properties	63.1%	64.1%	5.75	5.95
<b>TOTAL</b>	<u>74.9%</u>	<u>71.6%</u>	<u>6.17</u>	<u>6.27</u>

## B2 Material changes in quarterly results

	<b>Current Quarter</b> <b>3Q2022</b> <b>RM' 000</b>	Preceding Quarter 2Q2022 RM' 000	Variance %
Gross revenue	<b>45,482</b>	48,342	-6%
Net Property Income	<b>25,842</b>	30,084	-14%
Profit before taxation	<b>13,359</b>	18,091	-26%
Profit after taxation	<b>13,359</b>	18,091	-26%
Total comprehensive income for the period	<b>13,359</b>	18,091	-26%
Distributable Income	<b>17,367</b>	22,305	-22%

Gross revenue for the current quarter was RM45.5 million, 6% lower when compared with the immediate preceding quarter of RM48.3 million due to lower average rental rate of RM6.17 per sq ft as at 30.09.2022 compared with RM6.30 per sq.ft. as at 30.06.2022 but was mitigated by an increase in average occupancy rate of 74.9% as at 30.09.2022 compared with 71.4% as at 30.06.2022.

Profit before taxation for the current quarter was RM13.4 million, 26% lower when compared with the immediate preceding quarter of RM18.1 million due to the decrease in gross revenue, higher property operating expenses of RM19.6 million (2Q2022: RM18.3 million) and higher finance cost of RM9.1 million (2Q2022: RM8.3 million).

## B3 Prospects

According to The Knight Frank Real Estate Highlights (1st Half 2022), in the near term, rental rates and occupancy levels of office buildings in the Klang Valley, in particular Kuala Lumpur (KL) City, are expected to experience further pressure – amid growing mismatch in supply and demand and as more organisations especially MNCs, embrace the hybrid work model. By the second half of 2022, another 10 office buildings are scheduled for completion - six located in KL City and two each in KL Fringe and Selangor. Collectively, these completions will add circa 6.1 million sq ft of space to Klang Valley's existing cumulative office stock.

The resumption of economic and social activities has helped drive the recovery of the labour market. This, in turn, has improved the country's unemployment rate in July 2022 to 3.7% (June 2022: 3.8%). With economic recovery, commercial real estate is also taking a turn for the better as the demand for office space is expected to increase. In the first quarter of 2022, the average occupancy rates in KL City improved to 67.2% (2H2021: 66.0%). Similarly, the occupational demand in KL Fringe was also slightly higher at 86.8% (2H2021:86.1%). With the heightened competition in KL's office market, it is pivotal to further drive or retain occupancies. It will be necessary for landlords to upgrade their buildings, with priority on health and safety.

IGB Commercial REIT has continued to embark on asset enhancement initiatives (AEIs) and programs that address the health and wellness of its tenants. At the same time, it has also integrated sustainability activities with these initiatives. Following the heightened business sentiments from across various industries, there has been an upward trend of tenants gradually returning to the physical office. IGB Commercial REIT will continue to implement these initiatives to encourage tenants to return with assurance. These initiatives have resulted in positive outcomes. As at 30 September 2022, the average occupancy rate of IGB Commercial REIT's ten buildings has risen from 71.4% in June 2022 to 74.9%. However, rental reversions are predicted to remain relatively flat, and rental assistance for eligible tenants will remain low in the near term.

While positive signs in the commercial office market are evident as Malaysia's economy recovers, the headwinds presented by the continued supply of office space, increasing interest rates and political uncertainties, cannot be neglected. IGB Commercial REIT will strive to deliver long-term sustainable value to Unitholders, riding on the successful strategies that have been implemented, while remaining vigilant and agile in facing the future competitive business environment.

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

The Manager’s key objective for IGB Commercial REIT is to provide Unitholders with regular and stable distributions, sustainable long-term Unit price and Distributable Income and capital growth, while maintaining an appropriate capital structure.

The Manager intends to achieve the investment objectives by having a pro-active asset management and asset enhancement strategy, seeking potential yield accretive investments, seeking acquisitions that may enhance the diversification of the portfolio by location and tenant profile and adopting an appropriate mix of debt and equity to finance acquisitions.

#### **B5 Portfolio composition**

During the financial period under review, the portfolio of IGB Commercial REIT consists of ten (10) investment properties as listed in Note A9 above.

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

There were no issuance of new Units other than as disclosed in Note A6.

#### **B7 Taxation**

##### (i) Taxation of IGB Commercial REIT (“IGBCR”)

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

The tax transparency system under Section 61A of the Malaysian Income Tax Act 1967 (‘Act’) however, exempts IGBCR from such taxes in a year of assessment (“YA”) if IGBCR 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 IGBCR would continue to be taxed. Income which has been taxed at IGBCR level will have tax credits attached when subsequently distributed to unitholders.

As the Manager has decided to declare 100% of the total distributable income of IGBCR to unitholders for the period ended 31 December 2021, no provision for taxation has been made for the current financial period ended 31 December 2021.

Generally, gains on disposal of investments by IGBCR 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 2019, 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	10%

**B7 Taxation (continued)**

(ii) Taxation of Unitholders

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

(a) IGBCR distributes 90% or more of total taxable income

Where 90% or more of the total taxable income is distributed by IGBCR, 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%

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

Where less than 90% of the total taxable income is distributed by IGBCR, then exemption under Section 61A of the Act will not apply and IGBCR would have to pay taxes on the taxable income for the year. The distributions made by IGBCR 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 IGBCR.
- 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 IGBCR 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 IGBCR level will not be subjected to further income tax when distributed to all unitholders.

**B8 Status of corporate proposal**

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

## B9 Borrowings and debt securities

IGB Commercial REIT's debt securities as at 30 September 2022 were as follows:

	As at 30.09.2022 RM '000	As at 31.12.2021 RM '000
Non-current borrowings		
- secured un-rated Medium Term Notes	847,643	847,196
Current borrowings		
- secured un-rated Medium Term Notes	1,333	1,324
- revolving credit	3,205	2,911
	<u>852,181</u>	<u>851,431</u>

All debt securities 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.

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

	Unit of measurement	Current year quarter ended 30.09.2022	Immediate preceding quarter ended 30.06.2022
Number of Units in issue	'000	2,328,085	2,321,162
Weighted average number of Units in issue	'000	2,319,267	2,315,827
NAV after income distribution <sup>Note</sup>	RM '000	2,315,252	2,298,082
Total comprehensive income	RM '000	13,359	18,091
Distributable Income	RM '000	17,367	22,305
Earnings per Unit after Manager fee	sen	0.57	0.78
DPU	sen	0.74	0.96
NAV per Unit (after income distribution) <sup>Note</sup>	RM	0.994	0.990
Closing market price per Unit	RM	<u>0.555</u>	<u>0.595</u>

*Note: No income distribution in the current quarter as Distributable Income is payable on a half-yearly basis.*

### B13 Manager fee

Based on the Deed, the Manager is entitled to receive the following fees from IGB Commercial 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 was RM3,764,000:

	<b>Current Year Quarter 01.07.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year Quarter 17.09.2021 to 30.09.2021 RM' 000</b>	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000</b>
Base fee	2,472	351	7,329	351
Performance fee	1,292	241	4,318	241
<b>TOTAL</b>	<b>3,764</b>	<b>592</b>	<b>11,647</b>	<b>592</b>

For the current period, 100% of the total Manager fee will be 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 Commercial REIT would be paid to the Trustee.

### B15 Unit holdings of the Manager and parties related to the Manager

Based on the Register of Unitholders of IGB Commercial REIT as at 30 September 2022, the Unit holdings of the Manager and parties related to the Manager were as follows:

	<b>Direct No. of Units</b>	<b>%</b>	<b>Indirect No. of Units</b>	<b>%</b>
IGB Berhad	1,199,890,022	51.540%	20,785,323	0.893%
IGB REIT Management Sdn Bhd	20,785,323	0.893%	-	-
Dato' Seri Robert Tan Chung Meng	5,330,424	0.229%	1,490,489,551	64.022%
Tan Chin Nam Sendirian Berhad	147,990,532	6.357%	1,491,532,664	64.067%
Tan Kim Yeow Sendirian Berhad	67,735,407	2.909%	1,422,754,144	61.113%
Wah Seong (Malaya) Trading Co. Sdn Bhd	174,080,712	7.477%	1,248,673,432	53.635%
Pauline Tan Suat Ming	4,227,385	0.182%	1,490,489,551	64.022%
Tony Tan Choon Keat	-	-	1,490,489,551	64.022%

**B16 Notes to the Statement of Comprehensive Income**

	<b>Current Year Quarter 01.07.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year Period-to-date 17.09.2021 to 30.09.2021 RM' 000</b>	<b>Current Year-To-Date 01.01.2022 to 30.09.2022 RM' 000</b>	<b>Preceding Year-To-Date 17.09.2021 to 30.09.2021 RM' 000</b>
Depreciation	-	-	-	-
Allowance for impairment on receivables	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**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 Commercial REIT as at 30 September 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 3 November 2022.