

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Interim Financial Report for the three months ended 30 September 2023

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IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Statement of Comprehensive Income
(The figures have not been audited)

	Current Year Quarter 30.9.2023 RM' 000	Preceding Year Quarter 30.9.2022 RM' 000	Current Year-To-Date 30.9.2023 RM' 000	Preceding Year-To-Date 30.9.2022 RM' 000
Lease revenue	32,348	28,202	97,518	91,217
Revenue from contracts with customers	<u>20,561</u>	<u>17,280</u>	<u>60,706</u>	<u>49,773</u>
Gross revenue	52,909	45,482	158,224	140,990
Utilities expenses	<u>(6,914)</u>	<u>(5,272)</u>	<u>(19,838)</u>	<u>(14,370)</u>
Maintenance expenses	<u>(4,175)</u>	<u>(4,118)</u>	<u>(12,488)</u>	<u>(11,767)</u>
Quit rent and assessment	<u>(3,522)</u>	<u>(3,536)</u>	<u>(10,568)</u>	<u>(10,863)</u>
Reimbursement costs and operating expenses	<u>(6,858)</u>	<u>(6,714)</u>	<u>(20,393)</u>	<u>(17,639)</u>
Property operating expenses	(21,469)	(19,640)	(63,287)	(54,639)
Net property income	31,440	25,842	94,937	86,351
Interest income	871	594	2,397	1,466
Changes in fair value of investment properties	-	-	-	-
Net investment income	32,311	26,436	97,334	87,817
Manager's management fees	<u>(4,050)</u>	<u>(3,764)</u>	<u>(12,096)</u>	<u>(11,647)</u>
Trustee's fees	<u>(117)</u>	<u>(116)</u>	<u>(347)</u>	<u>(347)</u>
Other trust expenses	<u>(68)</u>	<u>(56)</u>	<u>(259)</u>	<u>(433)</u>
Finance costs	<u>(11,406)</u>	<u>(9,141)</u>	<u>(34,462)</u>	<u>(25,643)</u>
Profit before taxation	16,670	13,359	50,170	49,747
Taxation	-	-	-	-
Profit after taxation	16,670	13,359	50,170	49,747
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	16,670	13,359	50,170	49,747
Distribution adjustments ^{note 1}	<u>4,198</u>	<u>4,008</u>	<u>12,542</u>	<u>12,411</u>
Distributable income	20,868	17,367	62,712	62,158
Profit for the period comprise the following:				
- Realised	16,670	13,359	50,170	49,747
- Unrealised	-	-	-	-
	<u>16,670</u>	<u>13,359</u>	<u>50,170</u>	<u>49,747</u>
Basic earnings per Unit (sen)				
- before Manager fee	<u>0.88</u>	<u>0.74</u>	<u>2.65</u>	<u>2.65</u>
- after Manager fee	<u>0.71</u>	<u>0.57</u>	<u>2.14</u>	<u>2.14</u>

IGB COMMERCIAL 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:

	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Year-To-Date	Year-To-Date
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM' 000	RM' 000	RM' 000	RM' 000
Managers' management fees payable in units	4,050	3,764	12,096	11,647
Amortisation of capitalised borrowing costs	148	244	446	764
Changes in fair value of investment properties	-	-	-	-
Distribution adjustments	4,198	4,008	12,542	12,411
Statement of Income Distribution				
Lease revenue	32,348	28,202	97,518	91,217
Revenue from contract with customers	20,561	17,280	60,706	49,773
Interest income	871	594	2,397	1,466
	53,780	46,076	160,621	142,456
Changes in fair value of investment properties	-	-	-	-
Less: expenses	(37,110)	(32,717)	(110,451)	(92,709)
Total comprehensive income for the period	16,670	13,359	50,170	49,747
Distribution adjustment	4,198	4,008	12,542	12,411
Distribution income	20,868	17,367	62,712	62,158
Previous period undistributed realised income	826	-	826	-
Total realised income available for distribution	21,694	17,367	63,538	62,158
Less: proposed/declared income distribution	-	-	(41,018)	(44,791)
Balance undistributed realised income	21,694	17,367	22,520	17,367
Distribution per unit (sen)	0.89	0.74	2.66	2.67

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 year ended 31 December 2022 (“AFS FY2022”) and the accompanying notes attached to this Interim Financial Report.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Statement of Financial Position
(The figures have not been audited)

	As at 30.9.2023 RM' 000	As at 31.12.2022 <i>(Audited)</i> RM' 000
Non-current assets		
Investment properties	<u>3,161,000</u>	<u>3,161,000</u>
Current assets		
Trade and other receivables	9,630	3,910
Cash and bank balances	<u>106,900</u>	<u>118,963</u>
	<u>116,530</u>	<u>122,873</u>
TOTAL ASSET	<u>3,277,530</u>	<u>3,283,873</u>
Financed by:		
Unitholders' fund		
Unitholders' capital	2,330,623	2,318,740
Accumulated losses	<u>(12,136)</u>	<u>(21,077)</u>
Total Unitholders' fund	<u>2,318,487</u>	<u>2,297,663</u>
Non-current liabilities		
Borrowings	<u>848,238</u>	<u>847,791</u>
Current liabilities		
Borrowings	4,811	4,868
Trade and other payables	<u>105,994</u>	<u>133,551</u>
	<u>110,805</u>	<u>138,419</u>
Total liabilities	<u>959,043</u>	<u>986,210</u>
Total Unitholders' fund and liabilities	<u>3,277,530</u>	<u>3,283,873</u>
Net Asset Value ("NAV") (RM '000)		
- before income distribution	<u>2,359,716</u>	<u>2,377,337</u>
- after income distribution	<u>2,318,487</u>	<u>2,297,663</u>
Number of units in circulation ('000 units)	<u>2,357,274</u>	<u>2,334,867</u>
NAV per Unit (RM)		
- before income distribution	<u>1.0010</u>	<u>1.0182</u>
- after income distribution	<u>0.9835</u>	<u>0.9841</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the AFS FY2022 and the accompanying notes attached to this Interim Financial Report.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Statement of Changes in Net Asset Value
(The figures have not been audited)

	Unitholders' Capital RM '000	Accumulated Losses RM '000	Total Unitholders' Fund RM '000
As at 1 January 2023	2,318,740	(21,077)	2,297,663
Total comprehensive income for the period	-	50,170	50,170
Income distribution	-	(41,229)	(41,229)
Net total comprehensive income for the period	-	8,941	8,941
Unitholders' transactions			
Manager's management fees paid in Units	11,883	-	11,883
Increase in net assets resulting from Unitholders' transactions	11,883	-	11,883
As at 30 September 2023	2,330,623	(12,136)	2,318,487
As at 1 January 2022	2,303,017	(4,472)	2,298,545
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			
Manager's management fees paid in Units	11,959	-	11,959
Increase in net assets resulting from Unitholders' transactions	11,959	-	11,959
As at 30 September 2022	2,314,976	276	2,315,252

Note: Issuance of new Units were as follows:

	Units '000	Amount RM '000
Manager's management fees paid in Units were as follows:		
- for the financial quarter ended		
31 December 2022	6,661	3,837
31 March 2023	7,918	4,038
30 June 2023	7,828	4,008
Total	22,407	11,883

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the AFS FY2022 and the accompanying notes attached to this Interim Financial Report.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Statement of Cash Flows
(The figures have not been audited)

	Current Year-To-Date 30.9.2023 RM '000	Preceding Year-To-Date 30.9.2022 RM '000
Operating Activities		
Profit before tax	50,170	49,747
Adjustment for:		
Non-cash items	12,096	13,164
Non-operating items	32,065	24,177
Operating profit before changes in working capital	<u>94,331</u>	<u>87,088</u>
Net change in current assets	(5,705)	(2,476)
Net change in current liabilities	5,378	(1,787)
Net cash generated from operating activities	<u>94,004</u>	<u>82,825</u>
Investing Activities		
Interest received	2,893	1,832
Movement in pledged deposits	-	15,887
Net cash generated from investing activities	<u>2,893</u>	<u>17,719</u>
Financing Activities		
Interest paid	(34,072)	(24,918)
Income distribution paid to Unitholders	(74,888)	(71,482)
Net cash used in financing activities	<u>(108,960)</u>	<u>(96,400)</u>
Net (decrease)/increase in cash and cash equivalents	(12,063)	4,144
Cash and cash equivalents at beginning of the period	<u>118,963</u>	<u>93,454</u>
Cash and cash equivalents at end of the period	<u>106,900</u>	<u>97,598</u>

Non-cash transactions:

The principal non-cash transaction was the issuance of 22,406,926 Units to the Manager as payment for management fee amounting to RM11,882,846.

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the AFS FY2022 and the accompanying notes attached to this Interim Financial Report.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
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 Main Market Listing Requirements 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 FY2022 and the accompanying notes attached.

A2 Auditors’ report of preceding financial statements

The Auditor’s Report for FY2022 was not subject to any audit qualification.

A3 Seasonal or cyclical factors

IGB Commercial Real Estate Investment Trust (“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:-	Units	Amount
	'000	RM '000
As at 1 January 2023	2,334,867	2,318,740
Manager fee paid in unit		
- for the financial quarter ended 31 December 2022	6,661	3,837
- for the financial quarter ended 31 March 2023	7,918	4,038
- for the financial quarter ended 30 June 2023	7,828	4,008
As at 30 September 2023	2,357,274	2,330,623

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.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
**Part A – Disclosure Requirements Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134
(continued)**
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 at its absolute discretion.

The Manager has decided to distribute the distribution income on a half yearly basis for the financial year 2023 and as such there will be no distribution for the current quarter ended 30 September 2023.

For the period 1 January 2023 to 30 June 2023, the approved distribution of 97.5% of IGB Commercial REIT’s half-yearly distributable income amounting to RM41.0 million or 1.74 sen per Unit (1.70 sen taxable and 0.04 sen non-taxable) was paid on 29 August 2023.

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 Offices and Retail and Southpoint Offices and Retail) and The KL Properties (comprising of three properties ie. Menara Tan & Tan, GTower and Hampshire Place Office), all of which are 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 30 September 2023, the market valuation of the investment properties as at 30 September 2023 were as follows:

Investment Property	Market Valuation 30.9.2023 RM '000	Market Valuation 30.6.2023 RM '000	Fair value gain/(losses) RM '000
1 Menara IGB & IGB Annexe	189,000	189,000	-
2 Centrepoint South	193,000	193,000	-
3 Centrepoint North	196,000	196,000	-
4 The Gardens South Tower	396,000	396,000	-
5 The Gardens North Tower	386,000	386,000	-
6 Southpoint Offices & Retail	572,000	572,000	-
7 Boulevard Offices & Retail, Blocks 25 & 27	80,000	80,000	-
8 Menara Tan & Tan	248,000	248,000	-
9 GTower	723,000	723,000	-
10 Hampshire Place Office	178,000	178,000	-
TOTAL	<u>3,161,000</u>	<u>3,161,000</u>	<u>-</u>

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST**Part A – Disclosure Requirements Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 (continued)****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 2,357,274,177 Units as at 30 September 2023 from 2,334,867,251 Units as at 30 September 2022 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 2023.

A13 Capital commitment

There were no major capital commitments as at 30 September 2023.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR
B1 Review of performance

	Current Year Quarter 30.9.2023 RM' 000	Preceding Year Quarter 30.9.2022 RM' 000	Current Year-To-Date 30.9.2023 RM' 000	Preceding Year-To-Date 30.9.2022 RM' 000
Gross revenue	52,909	45,482	158,224	140,990
Net Property Income	31,440	25,842	94,937	86,351
Profit before taxation	16,670	13,359	50,170	49,747
Profit after taxation	16,670	13,359	50,170	49,747
Total comprehensive income for the period	16,670	13,359	50,170	49,747

Current year quarter results

In the current quarter, the gross revenue reached RM52.9 million, marking a 16% increase from RM45.5 million in the corresponding quarter in 2022. Net property income also show growth, rising to RM31.4 million, representing a 22% increase from the corresponding quarter in 2022 when it was RM 25.8 million. Profit after taxation for the quarter stood at RM16.7 million, an increase of 25% as compared with the corresponding quarter in 2022 of RM13.4 million.

Despite a higher finance cost of RM11.4 million (3Q2022: RM9.1 million), the profit after tax has improved, primarily driven by the increase in gross revenue. The rise in revenue can be attributed to a higher average occupancy rate across the properties.

The distributable income for the current quarter amounted to RM20.9 million, consisting of realised profit of RM16.7 million and non-cash expense adjustments of RM4.2 million.

Current year-to-date results

For the nine months to 30 September 2023, gross revenue amounted to RM158.2 million, an increased of 12% when compared with the corresponding year-to-date in 2022 of RM141.0 million. Net property income has also improved by 10%, from RM94.9 million as compared to RM86.4 million in the corresponding year-to-date in 2022. Profit after taxation was RM50.2 million, a slight increase from RM49.7 million in the corresponding year-to-date in 2022.

The increase in revenue was mainly contributed by higher average occupancy rate across the properties. However, the increase was partially offset by a higher finance cost of RM34.5 million (3Q2022: RM25.6 million), resulting in only a marginal increase in profit before taxation.

The distributable income for the nine months to 30 September 2023 amounted to RM62.7 million, consisting of realised profit of RM50.2 million and non-cash expense adjustments of RM12.5 million.

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

Investment Property	Occupancy Rate		Average Rental Rate	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	%	%	RM per sq.ft.	RM per sq.ft.
MVC Properties	89.3%	82.1%	6.63	6.42
KL Properties	67.4%	63.1%	5.60	5.75
TOTAL	80.9%	74.9%	6.24	6.17

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

B2 Material changes in quarterly results

	Current Quarter	Preceding Quarter	
	30.9.2023	30.6.2023	Variance
	RM' 000	RM' 000	%
Gross revenue	52,909	52,953	0%
Net Property Income	31,440	31,106	1%
Profit before taxation	16,670	16,093	4%
Profit after taxation	16,670	16,093	4%
Total comprehensive income for the period	16,670	16,093	4%

Gross revenue for the current quarter was RM52.9 million, a slight decrease when compared against the immediate preceding quarter of RM53.0 million.

Profit before taxation for the current quarter was RM16.7 million, an increase of 1% when compared with the immediate preceding quarter of RM16.1 million. The increase was due to lower property operating expenses for the current quarter.

B3 Prospects

The Department of Statistics Malaysia (DOSM) projected that the Malaysian economy will remain moderate in the near future based on statistics from July and August. With domestic and export orders showing improvement, along with rising employment, the Business Conditions Index (BCI) rebounded to 95.4 points as of 1Q2023 (compared to 85.9 points in 4Q2022). This reflects a positive trend in business confidence and sentiment with office occupancy in the Klang Valley increased in the first half of 2023. However, rental rates in Kuala Lumpur (“KL”) City continue to face pressure due to competition from newly constructed premier office buildings, while rental rates for KL Fringe are on the rise as demand for high-quality decentralized space grows.

In response to market pressures affecting rental rates and occupancy levels, IGB Commercial REIT is committed to actively enhancing tenant retention and maintaining a leading position in the market. To achieve this, we have implemented a multifaceted approach, including substantial asset upgrades to ensure our properties remain contemporary and relevant for our tenants.

Furthermore, alongside amenities and connectivity, Corporate Social Responsibility (“CSR”) initiatives have gained importance among occupiers, serving to strengthen communities in tangible ways. IGB Commercial REIT is actively engaged in elevating the tenant experience while giving back to the communities where we operate. These initiatives aim to enhance the tenant experience, boost productivity, and foster engagement among our occupants.

Seizing opportunities in this competitive market has led to an overall improvement in the average occupancy rate for IGB Commercial REIT's buildings in both Mid Valley City and KL City Centre, rising from 78.9% as at 30 June 2023 to 80.9% as at 30 September 2023. Along with this positive trajectory, we anticipate that rental reversions will remain relatively stable, and rental aid for eligible tenants is expected to be minimal.

As we navigate the evolving landscape of the Malaysian economy and the competitive real estate market, IGB Commercial REIT remains committed to delivering value to our tenants and stakeholders. Our dedication to enhancing tenant retention, embracing CSR initiatives, and continuously upgrading our properties has yielded positive results, as evidenced by the improved occupancy rates in both Mid Valley City and KL City. While we are optimistic about the future, we shall not neglect our focus on adaptability and seizing opportunities as we move forward. With tenant satisfaction and community engagement at the forefront of our efforts, we are not only building a more promising future for IGB Commercial REIT but also making a meaningful impact on the communities we serve.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

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.

B6 Utilisation of proceeds raised from the 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

IGB Commercial REIT is regarded as a Malaysian resident for Malaysian income tax purposes since the Trustee is resident in Malaysia. The income of IGB Commercial 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 Commercial REIT from such taxes in a year of assessment (“YA”) if IGB Commercial 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 the total taxable income of IGB Commercial REIT would continue to be taxed. Income which has been taxed at IGB Commercial 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 Commercial REIT to unitholders for the year ending 31 December 2023, no provision for taxation has been made for the current year-to-date.

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

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies 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%

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

B7 Taxation (continued)

(ii) Taxation of Unitholders

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

(a) IGB Commercial REIT distributes 90% or more of total taxable income

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

	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) IGB Commercial REIT distributes less than 90% of total taxable income

Where less than 90% of the total taxable income is distributed by IGB Commercial REIT, then exemption under Section 61A of the Act will not apply and IGB Commercial REIT would have to pay taxes on the taxable income for the year. The distributions made by IGB Commercial 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 Commercial 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 Commercial 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 Commercial REIT 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.

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

B9 Borrowings and debt securities

IGB Commercial REIT's debt securities were as follows:

	As at 30.9.2023 RM '000	As at 31.12.2022 RM '000
Non-current borrowings		
- secured un-rated Medium Term Notes	848,238	847,791
Current borrowings		
- secured un-rated Medium Term Notes	1,605	1,629
- revolving credit	3,206	3,239
	<u>853,049</u>	<u>852,659</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, Distributable Income per Unit and market price

	Unit of measurement	Current quarter ended 30.9.2023	Immediate preceding quarter ended 30.6.2023
Number of Units in issue	'000 units	2,357,274	2,349,446
Weighted average number of Units in issue	'000 units	2,346,965	2,343,065
NAV after income distribution	RM '000	2,318,487	2,297,807
Total comprehensive income	RM '000	16,670	16,093
Distributable Income	RM '000	20,868	20,250
Distributable Income per Unit	sen	0.89	0.84
Earnings per Unit after Manager fee	sen	0.71	0.69
NAV per Unit (after income distribution)	RM	0.984	0.978
Closing market price per Unit	RM	<u>0.495</u>	<u>0.505</u>

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

B13 Manager fees

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 were as follows:

	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Year-To-Date	Year-To-Date
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM' 000	RM' 000	RM' 000	RM' 000
Base fee	2,478	2,472	7,349	7,329
Performance fee	1,572	1,292	4,747	4,318
Total	4,050	3,764	12,096	11,647

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 2023, the Unit holdings of the Manager and parties related to the Manager were as follows:

	Direct		Indirect	
	No. of Units	%	No. of Units	%
IGB Berhad	1,199,890,022	50.902%	49,974,177	2.120%
IGB REIT Management Sdn Bhd	49,974,177	2.120%	-	-
Dato' Seri Robert Tan Chung Meng	5,330,424	0.226%	1,519,678,405	64.468%
Tan Chin Nam Sendirian Berhad	129,956,146	5.513%	1,520,721,518	64.512%
Tan Kim Yeow Sendirian Berhad	67,735,407	2.873%	1,451,942,998	61.594%
Wah Seong (Malaya) Trading Co. Sdn Bhd	174,080,712	7.385%	1,277,862,286	54.209%
Pauline Tan Suat Ming	4,227,385	0.179%	1,519,678,405	64.468%
Tony Tan Choon Keat	-	-	1,519,678,405	64.468%

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST
Part B – Additional Disclosures Pursuant to Paragraph 9.44 of the MMLR (continued)

B16 Notes to the Statement of Comprehensive Income

	Current Year	Preceding Year	Current	Preceding
	Quarter	Quarter	Year-To-Date	Period-To-Date
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM' 000	RM' 000	RM' 000	RM' 000
Allowance for impairment on receivables	-	-	34	-

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 2023 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 13 October 2023.