



## Interim Financial Report for the three months ended 31 March 2020

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### Note:

A1 to A11 are explanatory notes in accordance with MFRS134.

B1 to B13 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

**Condensed Consolidated Income Statements**

*(The figures have not been audited)*

	<b>Current Year Quarter 31.3.2020 RM' 000</b>	Preceding Year Quarter 31.3.2019 RM' 000	<b>Current Year- To-Date 31.3.2020 RM' 000</b>	Preceding Year- To-Date 31.3.2019 RM' 000
Revenue	<b>291,422</b>	333,763	<b>291,422</b>	333,763
Cost of sales	<b>(148,013)</b>	(157,104)	<b>(148,013)</b>	(157,104)
Gross profit	<b>143,409</b>	176,659	<b>143,409</b>	176,659
Other operating income	<b>9,015</b>	8,234	<b>9,015</b>	8,234
Administrative expenses	<b>(48,732)</b>	(44,930)	<b>(48,732)</b>	(44,930)
Other operating expenses	<b>(6,527)</b>	(1,214)	<b>(6,527)</b>	(1,214)
Profit from operations	<b>97,165</b>	138,749	<b>97,165</b>	138,749
Finance income	<b>6,162</b>	8,381	<b>6,162</b>	8,381
Finance costs	<b>(45,273)</b>	(35,815)	<b>(45,273)</b>	(35,815)
Share of after-tax results of associates and joint venture	<b>3,758</b>	(1,501)	<b>3,758</b>	(1,501)
Profit before tax	<b>61,812</b>	109,814	<b>61,812</b>	109,814
Less tax:				
Company and subsidiaries	<b>(14,277)</b>	(30,467)	<b>(14,277)</b>	(30,467)
Profit for the period	<b>47,535</b>	79,347	<b>47,535</b>	79,347
Attributable to:				
Equity holders of the Company	<b>17,678</b>	49,447	<b>17,678</b>	49,447
Non-controlling interests	<b>29,857</b>	29,990	<b>29,857</b>	29,990
	<b>47,535</b>	79,437	<b>47,535</b>	79,437
Earnings per share (sen)				
- basic	<b>2.33</b>	7.25	<b>2.33</b>	7.25
- diluted	<b>2.21</b>	5.34	<b>2.21</b>	5.34

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statements of Comprehensive Income**  
*(The figures have not been audited)*

	<b>Current Year Quarter 31.3.2020 RM' 000</b>	Preceding Year Quarter 31.3.2019 RM' 000	<b>Current Year- To-Date 31.3.2020 RM' 000</b>	Preceding Year- To-Date 31.3.2019 RM' 000
Profit for the financial period	<b>47,535</b>	79,347	<b>47,535</b>	79,347
Other comprehensive (loss)/income:				
Currency translation differences				
- equity holders	<b>(22,136)</b>	6,246	<b>(22,136)</b>	6,246
- non-controlling interests	<b>29</b>	(2)	<b>29</b>	(2)
Items that may subsequently be reclassified to profit or loss	<b>(22,107)</b>	6,244	<b>(22,107)</b>	6,244
Net change in financial assets at fair value through other comprehensive income	<b>(1,579)</b>	(771)	<b>(1,579)</b>	(771)
Total comprehensive income for the financial period	<b>23,849</b>	84,820	<b>23,849</b>	84,820
Total comprehensive (loss)/income for the financial period attributable to:				
Equity holders of the Company	<b>(6,037)</b>	54,922	<b>(6,037)</b>	54,922
Non-controlling interests	<b>29,886</b>	29,898	<b>29,886</b>	29,898
Total comprehensive income for the financial period	<b>23,849</b>	84,820	<b>23,849</b>	84,820

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statements of Financial Position**  
(The figures have not been audited)

	<b>31.3.2020</b>	<i>Audited</i> 31.12.2019
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,519,050</b>	1,506,475
Inventories	<b>442,307</b>	442,200
Investment properties	<b>3,920,753</b>	3,921,642
Intangible assets	<b>6,260</b>	6,335
Associates and joint ventures	<b>837,481</b>	852,328
Financial assets at fair value through other comprehensive income	<b>91,054</b>	92,634
Concession receivables	<b>132,532</b>	129,468
Deferred tax assets	<b>35,140</b>	28,806
Prepayment	<b>671</b>	765
	<b>6,985,248</b>	6,980,653
<b>CURRENT ASSETS</b>		
Inventories	<b>490,919</b>	500,829
Concession receivables	<b>5,384</b>	5,206
Amounts owing by associates and joint ventures	<b>97,905</b>	97,416
Receivables and contract assets	<b>232,691</b>	274,326
Tax recoverable	<b>9,334</b>	7,271
Cash held under Housing Development Accounts	<b>58,098</b>	48,305
Deposits, cash and bank balances	<b>769,471</b>	693,808
	<b>1,663,802</b>	1,627,161
<b>TOTAL ASSETS</b>	<b>8,649,050</b>	8,607,814
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	<b>1,338,594</b>	886,344
Treasury shares	<b>(26,074)</b>	(21,777)
Redeemable Convertible Cumulative Preference Shares	<b>137,688</b>	502,531
Other reserves	<b>(1,547)</b>	22,168
Retained earnings	<b>2,152,619</b>	2,225,106
	<b>3,601,280</b>	3,614,372
Non-controlling interests	<b>107,309</b>	97,309
<b>TOTAL EQUITY</b>	<b>3,708,589</b>	3,711,681
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>41,441</b>	18,693
Deferred tax liabilities	<b>150,665</b>	150,107
Redeemable Convertible Cumulative Preference Shares	<b>27,788</b>	31,646
Interest bearing bank borrowings	<b>2,208,541</b>	2,533,501
	<b>2,428,435</b>	2,733,947
<b>CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>712,239</b>	809,627
Amounts owing to associates	<b>24</b>	19
Current tax liabilities	<b>23,050</b>	25,337
Redeemable Convertible Cumulative Preference Shares	<b>6,331</b>	17,225
Interest bearing bank borrowings	<b>1,770,382</b>	1,309,978
	<b>2,512,026</b>	2,162,186
<b>TOTAL LIABILITIES</b>	<b>4,940,461</b>	4,896,133
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,649,050</b>	8,607,814

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2020**  
(The figures have not been audited)

	Attributable to equity holders					Non-controlling Interests		Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Redeemable Convertible Preference Shares RM '000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	RM '000	
<b>At 1 January 2020</b>	<b>886,344</b>	<b>(21,777)</b>	<b>502,531</b>	<b>22,168</b>	<b>2,225,106</b>	<b>3,614,372</b>	<b>97,309</b>	<b>3,711,681</b>
Total comprehensive income for the period	-	-	-	(23,715)	17,678	(6,037)	29,886	23,849
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	452,250	-	(364,843)	-	(87,385)	22	-	22
Issuance of ordinary shares	-	-	-	-	-	-	11,568	11,568
Share buy back	-	(4,297)	-	-	-	(4,297)	-	(4,297)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(34,234)	(34,234)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(2,780)	(2,780)	2,780	-
Total transactions with equity holders	452,250	(4,297)	(364,843)	-	(90,165)	(7,055)	(19,886)	(26,941)
<b>At 31 March 2020</b>	<b>1,338,594</b>	<b>(26,074)</b>	<b>137,688</b>	<b>(1,547)</b>	<b>2,152,619</b>	<b>3,601,280</b>	<b>107,309</b>	<b>3,708,589</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2019**

	Attributable to equity holders						Non-controlling	Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Redeemable Convertible Cumulative Preference Shares RM '000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	Interests RM '000	
At 1 January 2019	884,327	(11,925)	504,038	10,105	2,048,461	3,435,006	107,271	3,542,277
Total comprehensive income for the year	-	-	-	5,475	49,447	54,922	29,898	84,820
Share buy-back	-	(10,096)	-	-	-	(10,096)	-	(10,096)
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	119	-	(96)	-	(14)	9	-	9
Dividend paid to non-controlling interests	-	-	-	-	-	-	(37,993)	(37,993)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(4,283)	(4,283)	4,283	-
Total transactions with equity holders	119	(10,096)	(96)	-	(4,297)	(14,370)	(33,710)	(48,080)
At 31 March 2019	884,446	(22,021)	503,942	15,580	2,093,611	3,475,558	103,459	3,579,017

**Condensed Consolidated Cash Flow Statements**  
(The figures have not been audited)

	<b>31.3.2020</b> <b>RM '000</b>	31.3.2019 RM '000
<b>Operating activities</b>		
Receipts from customers	<b>305,100</b>	358,696
Payments to contractors, suppliers and employees	<b>(198,375)</b>	(240,018)
Cash flow generated from operations	<b>106,725</b>	118,678
Interests paid	<b>(33,168)</b>	(35,046)
Income taxes paid	<b>(24,403)</b>	(20,400)
<b>Net cash generated from operating activities</b>	<b>49,154</b>	63,232
<b>Investing activities</b>		
Additions to property, plant and equipment, investment properties and land held for property development	<b>(50,522)</b>	(94,524)
Additions to intangible assets	-	(242)
Proceeds from redemption of preferences shares in associates	<b>2,000</b>	-
Deposit held with trustee	<b>(395)</b>	-
Net repayments/(advance) from associates and joint ventures	<b>(2,335)</b>	(3,894)
Dividend received from associates	<b>4,270</b>	-
Movements in Fixed Deposits with maturity more than 3 months	<b>4,020</b>	-
Interest received	<b>6,162</b>	8,370
<b>Net cash used in from investing activities</b>	<b>(36,800)</b>	(90,290)
<b>Financing activities</b>		
Dividend paid to ordinary shareholders	-	-
Dividend paid to holders of RCPS & RCCPS	<b>(15,277)</b>	(14,203)
Dividend paid to non-controlling interests	<b>(38,270)</b>	(37,993)
Purchase of treasury shares	<b>(4,297)</b>	(10,096)
Issuance of new shares to non-controlling interest	<b>11,568</b>	-
Receipt of bank borrowings net of repayments	<b>123,886</b>	(78,218)
<b>Net cash generated from/(used in) financing activities</b>	<b>77,610</b>	(140,510)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>89,964</b>	(167,568)
Currency translation differences	<b>(883)</b>	(2,465)
Cash and cash equivalents at 1 January	<b>678,284</b>	1,001,634
<b>Cash and cash equivalents at 31 December</b>	<b>767,365</b>	831,601
Add: Restricted cash and deposits pledged with licensed bank	<b>60,204</b>	61,630
<b>As per statement of financial position</b>	<b>827,569</b>	893,231

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

## **PART A - Explanatory notes pursuant to MFRS 134**

### **A1 Accounting Policies and Methods of Computation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 – "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019.

These condensed consolidated interim financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2019 except for the adoption of the following amendments to MFRSs that are applicable for the current financial year:

*(Effective for annual periods beginning on or after 1 January 2020)*

•	The Conceptual Framework for Financial Reporting (Revised 2018)	
•	Amendments to MFRS 101 and 108	Definition of Material
•	Amendments to MFRS 3	Definition of a Business

The adoption of the above amendments to MFRSs did not have any material impact on the financial statements of the Group.

### **A2 Seasonality or cyclicity**

The Group's operations were not materially affected by seasonal or cyclical factors other than as disclosed elsewhere in this Report.

### **A3 Significant unusual items**

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than as disclosed elsewhere in these Notes.

### **A4 Material changes in estimates**

Not applicable.



**A5 Capital Management, Issuances, Repurchases and Repayment of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial year, except as follows:

<b>Date</b>	<b>No. of Ordinary Shares</b>	<b>Remarks</b>
<b>As at 31 December 2019</b>	<b>690,152,033</b>	Including 8,666,554 treasury shares
Issued in January 2020	59,385	Conversion of RCPS & RCCPS into ordinary shares
Issued in February 2020	198,290,140	Conversion of RCPS & RCCPS into ordinary shares
<b>As at 31 March 2020</b>	<b>888,501,558</b>	

The number of ordinary shares as at the date of this report is 888,501,558.

<b>Date</b>	<b>No. of RCPS</b>	<b>Remarks</b>
<b>As at 31 December 2019</b>	<b>452,209,150</b>	
January 2020	(124,000)	Conversion of RCPS into ordinary shares
February 2020	(4,085,563)	Conversion of RCPS into ordinary shares
<b>As at 17 February 2020 *</b>	<b>447,999,587</b>	

The RCPS had matured on 14 February 2020 and subsequently delisted on 17 February 2020. The outstanding 447,999,587 RCPS was automatically converted into 196,490,540 new IGB Shares at the conversion ratio of 2.28 RCPS into 1 new IGB Share and credited into the CDS accounts of the RCPS Holders on 25 February 2020.

<b>Date</b>	<b>No. of RCCPS</b>	<b>Remarks</b>
<b>As at 31 December 2019</b>	<b>56,511,275</b>	
January 2020	(5,000)	Conversion of RCCPS into ordinary shares
March 2020	(7,700)	Conversion of RCCPS into ordinary shares
<b>As at 31 March 2020</b>	<b>56,498,575</b>	

The number of RCCPS as at the date of this report is 56,498,575.

**A5 Capital Management, Issuances, Repurchases and Repayment of debt and equity securities (continued)**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial year, except as follows:  
(continued)

<b>Date</b>	<b>No. of treasury shares</b>	<b>Lowest Price RM</b>	<b>Highest Price RM</b>	<b>Cost RM</b>
<b>As at 31 December 2019</b>	<b>8,666,554</b>			<b>21,777,316</b>
Purchased in February 2020	31,000	3.14	3.18	98,489
Purchased in March 2020	1,561,900	2.40	3.23	4,198,693
<b>As at 31 March 2020</b>	<b>10,259,454</b>			<b>26,074,498</b>
Purchased in April 2020	2,094,500	2.41	2.61	5,275,653
Purchased in May 2020	1,259,900	2.39	2.47	3,058,847
<b>As at 31 May 2020</b>	<b>13,613,854</b>			<b>34,408,998</b>

The number of treasury shares held as at the date of this report is 13,613,854 ordinary shares at an average cost of RM2.53 per ordinary share.

**A6 Dividends paid**

The Redeemable Convertible Cumulative Preference Shares which was issued on 15 February 2015 ("RCPS") had matured on 14 February 2020. As such, for the financial year ending 31 December 2020, an Interim Single Tier Dividend of 5.0% per annum (based on the issue price of RM1.00 per RCPS) for the six months period from and including 16 August 2019 up to and including 13 February 2020 was paid on 14 February 2020.

An Interim Single Tier Dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2019 up to and including 1 March 2020 was paid on 27 March 2020.

**A7 Segment Reporting**

<b>Business segments</b>	<b>Property investment - retail RM '000</b>	<b>Property investment -commercial RM '000</b>	<b>Hotel RM '000</b>	<b>Property development RM '000</b>	<b>Construction RM '000</b>	<b>Others RM '000</b>	<b>Group RM '000</b>
<b>3 months to 31 March 2020</b>							
<b>Revenue</b>							
Total revenue	166,215	51,511	40,439	20,135	37,897	90,631	406,828
Intersegment revenue	(14,799)	(6,709)	(384)	-	(37,897)	(55,617)	(115,406)
External revenue	<u>151,416</u>	<u>44,802</u>	<u>40,055</u>	<u>20,135</u>	<u>-</u>	<u>35,014</u>	<u>291,422</u>
<b>Results</b>							
Segment results (external)	85,159	24,066	(3,625)	25,115	(1,243)	(8,592)	120,880
Unallocated expense							(23,715)
Profit from operations							97,165
Finance income							6,162
Finance costs							(45,273)
Share of after-tax results of associates and joint ventures	-	117	3,348	293	-	-	3,758
Profit before tax							61,812
Tax expense							(14,277)
Profit for the period							<u>47,535</u>
Attributable to:							
Equity holders of the Company							17,678
Non-controlling interests							<u>29,857</u>
							<u>47,535</u>

Unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

**A7 Segment Reporting (continued)**

<b>Business segments</b>	<b>Property investment - retail RM '000</b>	<b>Property investment -commercial RM '000</b>	<b>Hotel RM '000</b>	<b>Property development RM '000</b>	<b>Construction RM '000</b>	<b>Others RM '000</b>	<b>Group RM '000</b>
3 months to 31 March 2019							
Revenue							
Total revenue	157,408	50,064	67,874	47,718	67,202	94,472	484,738
Intersegment revenue	(17,786)	(6,920)	(1,013)	-	(67,202)	(58,054)	(150,975)
External revenue	<u>139,622</u>	<u>43,144</u>	<u>66,861</u>	<u>47,718</u>	<u>-</u>	<u>36,418</u>	<u>333,763</u>
Results							
Segment results (external)	93,784	20,826	11,367	32,771	(351)	(4,100)	154,297
Unallocated expense							(15,548)
Profit from operations							138,749
Finance income							8,381
Finance costs							(35,815)
Share of after-tax results of associates and joint ventures	-	360	(3,643)	1,451	-	331	(1,501)
Profit before tax							<u>109,814</u>
Tax expense							<u>(30,467)</u>
Profit for the period							<u><u>79,347</u></u>
Attributable to:							
Equity holders of the Company							49,447
Non-controlling interests							<u>29,900</u>
							<u><u>79,347</u></u>

Unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

#### **A8 Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the interim period up to the date of this report.

#### **A9 Changes in the composition of the Group**

There were no changes in the composition of the Group from the date of the last report up to the date of this report.

#### **A10 Capital commitment**

Capital expenditure not provided for in the financial statements were as follows:

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	31 December 2019 RM'000
Approved and contracted for:		
Property, plant and equipment	<b>26,114</b>	<b>96,369</b>
Investment properties	<b>56,666</b>	<b>49,941</b>
Others	<b>45,345</b>	<b>1,733</b>
	<b>128,125</b>	<b>148,043</b>

#### **A11 Fair value of financial instruments**

There were no contingent liabilities or contingent assets since 31 December 2019.

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Group's financial assets that are measured at fair value:

	<b>Level 1 RM '000</b>	<b>Level 2 RM '000</b>	<b>Level 3 RM '000</b>	<b>Total RM '000</b>
Financial assets at fair value through other comprehensive income:				
- Equity securities	-	-	<b>91,054</b>	<b>91,054</b>
	-	-	<b>91,054</b>	<b>91,054</b>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the financial year ended 31 December 2019.

## B1 Review of performance

	<b>3 months to 31.3.2020 RM' 000</b>	3 months to 31.3.2019 RM' 000	Variance %
Revenue	<b>291,422</b>	333,763	-13%
Profit from operations	<b>97,165</b>	138,749	-30%
Profit before interest and tax	<b>107,085</b>	145,629	-26%
Profit before tax	<b>61,812</b>	109,814	-44%
Profit after tax	<b>47,535</b>	79,347	-40%
Profit attributable to ordinary equity holders	<b>17,678</b>	49,447	-64%

When comparing three months ended 31 March 2020 with three months ended 31 March 2019:

- i) Group revenue decreased by 13% due to lower contributions from the Property Development and Hotel divisions.
- ii) Group pre-tax profit decreased by 44% due mainly to lower contributions from the Property Development, Property Investment-Retail and Hotel divisions.

### Property Investment – Retail

For the 3 months ended 31 March 2020, IGB REIT reported total gross revenue and net property income of RM125.0 million (1Q2019: RM141.2 million) and RM88.4 million (1Q2019: RM103.5 million) respectively, a decrease of about 11% and 15% respectively.

The Mall, Mid Valley Southkey, Johor Bahru which opened in April 2019, contributed revenue of RM28.5 million to the Property Investment-Retail division but contributed pre-tax loss of RM9.2 million after accounting for depreciation of RM8.8 million and finance cost of RM12.9 million.

### Property Investment – Commercial

For the 3 months ended 31 March 2020, this division contributed gross revenue and pre-tax profit of RM44.8 million (1Q2019: RM43.1 million) and RM24.3 million (1Q2019: RM21.4 million) respectively, an increase of about 4% and 14% respectively.

Despite the challenging economic conditions, average occupancy rates for 1Q2020 for the Group's commercial buildings managed to remain at above 80% with average rental rates at RM6.00 psf which is comparable to the previous year.

### Property Development

Revenue from the Property Development division during the current quarter, which was derived mainly from sales of completed condominium units at "Stonor 3", decreased by 58% to RM20.1 million when compared to the same period last year of RM47.7 million. The Group currently do not have any developments under construction.

### Hotel

Revenue contributed by the Hotel division for the 3 months to 31 March 2020 decreased by 40% to RM40.1 million (1Q2019: RM66.9 million) as a result of lower average occupancy rates across all hotels in the Group when compared to the corresponding period in the previous year.

## **B2 Comparison with immediate preceding quarter**

	<b>3 months to 31.3.2020 RM' 000</b>	3 months to 31.12.2019 RM' 000	Variance %
Revenue	<b>291,422</b>	427,491	-32%
Profit from operations	<b>97,165</b>	176,199	-45%
Profit before interest and tax	<b>107,085</b>	175,261	-39%
Profit before tax	<b>61,812</b>	130,663	-53%
Profit after tax	<b>47,535</b>	112,342	-58%
Profit attributable to ordinary equity holders	<b>17,678</b>	59,901	-70%

When comparing three months ended 31 March 2020 with the preceding three months ended 31 December 2019:

- i) Group revenue decreased by 32% to RM291.4 million from RM427.5 million in the preceding quarter due to lower contributions from all operating divisions.
- ii) Accordingly, Group pre-tax profit decreased by 53% to RM61.8 million from RM130.7 million with similar reasons as discussed in Note B1 above.

## **B3 Prospects for 2020**

With the Global outbreak of the Covid-19 pandemic beginning from late last year and early 2020 and the imposition by the Malaysian Government of the Movement Control Order ("MCO") from 18 March 2020, the outlook for the local economy remains uncertain at best and challenging in the near term.

The Group will not be spared from the negative impact of the pandemic. It is still early now to quantify the financial effects on the Group's results for the current financial year ending 31 December 2020 which will to a large extent be dependent on the duration of the Covid-19 crisis and the continued negative impact on economic activity.

However, the Group has taken steps to mitigate the impact by taking measures to reduce operating expenses as well as assessing the various government assistance measures which may be applicable to the Group. The Group will continue to monitor the situation closely and take appropriate actions when necessary.

## **B4 Profit forecast/profit guarantee**

The Group did not issue any profit forecast or profit guarantee.

## B5 Tax

	<b>Current year quarter ended 31.3.2020 RM '000</b>	<b>Cumulative current Year-To-Date ended 31.3.2020 RM '000</b>
Malaysian income tax		
- Company and subsidiaries	<b>20,787</b>	<b>20,787</b>
Overprovision in previous year	<b>(576)</b>	<b>(576)</b>
Transferred to deferred tax	<b>(5,971)</b>	<b>(5,971)</b>
	<b>14,240</b>	<b>14,240</b>
Overseas tax		
- Company and subsidiaries	<b>37</b>	<b>37</b>
	<b>14,277</b>	<b>14,277</b>

The effective tax rate of the Group for the current quarter and current year-to-date was lower than the statutory tax rate as certain income were not subjected to income tax.

## B6 Corporate proposals

On 21 November 2019, on behalf of the Board of Directors of the Company, Hong Leong Investment Bank Berhad ("HLIB") announced that the Company proposes to establish and list IGB Commercial REIT on the Main Market of Bursa Securities. The initial investment portfolio of IGB Commercial REIT shall comprise the following commercial properties ("Subject Properties") located in Kuala Lumpur, which are currently owned by subsidiaries of the Company:

Menara IGB, Centrepoint South, Centrepoint North, The Gardens South Tower, The Gardens North Tower, Menara Southpoint (excluding the residential units) and Boulevard Offices (Blocks 25 and 27), all located at Mid Valley City and Menara Tan & Tan and GTower, both located along Jalan Tun Razak.

The Proposed REIT Establishment and Listing entails the following:

- (a) proposed disposal by the subsidiaries of the Company of their interests in the Subject Properties to IGB Commercial REIT ("Proposed Disposal") with the sale consideration to be satisfied through a combination of cash and issuance of new units in IGB Commercial REIT ("Units");
- (b) proposed restricted offer for sale and distribution-in-specie by the Company of the Units to the entitled shareholders of the Company following the Proposed Disposal; and
- (c) proposed placement of Units to institutional and selected investors to meet the public unitholding spread requirement of at least 25% pursuant to the Main Market Listing Requirements of Bursa Securities.

The Proposed REIT Establishment and Listing will be subject to, amongst others, valuation of the Subject Properties to be conducted, finalisation of the structure, terms and conditions, the necessary approvals, waivers and/or consents from the relevant authorities and the approval of the shareholders of IGB.



## B7 Group borrowings and debt securities

Group borrowings as at 31 March 2020 were as follows:

	31 March 2020					
	Long term		Short term		TOTAL	
	Foreign	RM	Foreign	RM	Foreign	RM
	denomination	denomination	denomination	denomination	denomination	denomination
	'000	RM '000	'000	RM '000	'000	RM '000
<b>Secured</b>						
Term Loan - RM	-	-	-	-	-	-
Term Loan - RMB	19,301	11,735	3,040	1,848	22,341	13,583
Revolving credit - RM	-	-	-	1,298,238	-	1,298,238
Revolving credit - USD	-	-	10,000	43,172	10,000	43,172
Medium Term Notes - RM	-	2,196,806	-	1,736	-	2,198,542
<b>Unsecured</b>						
Revolving credit - RM	-	-	-	425,388	-	425,388
		<b>2,208,541</b>		<b>1,770,382</b>		<b>3,978,923</b>

## B8 Material litigation

As at the date of this report, there are no pending material litigation which exceeds 5% of the net assets of the Group.

## B9 Proposed dividend

During this quarter, no dividend is declared or proposed in respect of the financial year ending 31 December 2020.

## B10 Earnings per share

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the financial period.

		Current Year Quarter ended 31.3.2020	Preceding Year Quarter ended 31.3.2019	Current Year-To-Date ended 31.3.2020	Preceding Year-To-Date ended 31.3.2019
Net Profit for the period	RM '000	<u>17,678</u>	49,447	<u>17,678</u>	49,447
Weighted average number of ordinary shares in issue	'000	<u>759,850</u>	682,391	<u>759,850</u>	682,391
<b>Basic earnings per share</b>	sen	<u><u>2.33</u></u>	7.25	<u><u>2.33</u></u>	7.25

## B10 Earnings per share (continued)

### (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares from maximum conversion of RCCPS and RCCPS.

		<b>Current Year Quarter ended 31.3.2020</b>	Preceding Year Quarter ended 31.3.2019	<b>Current Year-To-Date ended 31.3.2020</b>	Preceding Year-To-Date ended 31.3.2019
Net Profit for the period	RM '000	<b>17,678</b>	49,447	<b>17,678</b>	49,447
Add: Interest on RCCPS saved as a result of conversion	RM '000	<b>501</b>	861	<b>501</b>	861
Less: Tax relief thereon	RM '000	<b>(116)</b>	(195)	<b>(116)</b>	(195)
Adjusted Net Profit	RM '000	<b>18,063</b>	50,113	<b>18,063</b>	50,113
Weighted average number of ordinary shares in issue	'000	<b>759,850</b>	682,391	<b>759,850</b>	682,391
Adjustment for potential dilution on maximum conversion of RCCPS	'000	<b>56,499</b>	255,428	<b>56,499</b>	255,428
	'000	<b>816,349</b>	937,819	<b>816,349</b>	937,819
<b>Diluted earnings per share</b>	sen	<b>2.21</b>	5.34	<b>2.21</b>	5.34

## B11 Notes to Statements of Comprehensive Income

	<b>Current Year Quarter ended 31.3.2020 RM '000</b>	<b>Cumulative Current Year-To-Date ended 31.3.2020 RM '000</b>
(a) Interest income	<b>6,162</b>	<b>6,162</b>
(b) Other income including investment income	<b>9,015</b>	<b>9,015</b>
(c) Interest expense	<b>(45,273)</b>	<b>(45,273)</b>
(d) Depreciation and amortisation	<b>(35,801)</b>	<b>(35,801)</b>
(e) Foreign exchange loss	<b>(970)</b>	<b>(970)</b>

## B12 Audit Report Qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2019 did not contain any qualification.

## B13 Authorisation for issue

This Interim Financial Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 11 June 2020.