



Interim Financial Report for the three months ended 31 December 2020

Contents	Page
Condensed Consolidated Income Statements	1
Condensed Consolidated Statements of Comprehensive Income	2
Condensed Consolidated Statements of Financial Position	3
Condensed Consolidated Statements of Changes in Equity	4 - 5
Condensed Consolidated Cash Flow Statements	6
Explanatory Notes to the Interim Financial Report:	
A1 – Accounting policies and methods of computation	7
A2 – Seasonality or cyclicity	7
A3 – Significant unusual items	7
A4 – Material changes in estimates	7
A5 – Capital management, issuances, repurchases and repayment of debt and equity securities	8
A6 – Dividends paid	9
A7 – Segment reporting	10 -11
A8 – Material events subsequent to the end of the interim period	12
A9 – Changes in the composition of the Group	12
A10 – Capital commitment	12
A11 – Fair value of financial instruments	12
B1 – Review of performance	13
B2 – Comparison with immediate preceding quarter	14
B3 – Prospects for 2021	15
B4 – Profit forecast/profit guarantee	15
B5 – Tax	15
B6 – Corporate proposals	16
B7 – Group borrowings and debt securities	17
B8 – Material litigation	18
B9 – Proposed dividend	18
B10 – Earnings per share	18
B11 – Notes to statements of comprehensive income	19
B12 – Audit Report qualification	19
B13 – Authorisation for issue	19

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)

	Current Year Quarter 31.12.2020 RM' 000	Preceding Year Quarter 31.12.2019 RM' 000	Current Year- To-Date 31.12.2020 RM' 000	Preceding Year- To-Date 31.12.2019 RM' 000
Revenue	276,667	421,298	1,016,417	1,436,479
Cost of sales	(136,756)	(203,053)	(539,967)	(676,028)
Gross profit	139,911	218,245	476,450	760,451
Other operating income	17,722	11,654	41,489	41,219
Administrative expenses	(87,068)	(52,942)	(198,659)	(192,322)
Other operating expenses	211	(758)	(4,105)	(5,086)
Profit from operations	70,776	176,199	315,175	604,262
Finance income	6,187	9,570	26,286	26,770
Finance costs	(38,945)	(44,598)	(165,961)	(171,902)
Share of after-tax results of associates and joint venture	(16,330)	(10,507)	(27,837)	3,969
Profit before tax	21,688	130,664	147,663	463,099
Less tax:				
Company and subsidiaries	(9,770)	(18,321)	(48,868)	(96,906)
Profit for the period	11,918	112,343	98,795	366,193
Attributable to:				
Equity holders of the Company	(10,441)	59,903	9,250	208,665
Non-controlling interests	22,359	52,440	89,545	157,528
	11,918	112,343	98,795	366,193
(Loss)/Earnings per share (sen)				
- basic	(1.23)	8.80	1.09	30.66
- diluted	(1.11)	6.47	1.19	22.59

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)

	31.12.2020 RM' 000	31.12.2019 RM' 000	31.12.2020 RM' 000	31.12.2019 RM' 000
Profit for the financial period	11,918	112,343	98,795	366,193
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	18,935	14,816	25,306	900
- non-controlling interests	(6)	(1)	16	(1)
Share of other comprehensive income of associates and joint ventures	11,206	13,271	5,751	11,746
Items that may subsequently be reclassified to profit or loss	30,135	28,086	31,073	12,645
Net change in financial assets at fair value through other comprehensive income	(1,999)	(2,592)	(20,284)	(832)
Total comprehensive income for the financial period	40,054	137,837	109,584	378,006
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company	17,701	85,398	20,023	220,478
Non-controlling interests	22,353	52,439	89,561	157,528
Total comprehensive income for the financial period	40,054	137,837	109,584	378,006

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)

	31.12.2020	<i>Audited</i> 31.12.2019
	RM '000	RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,531,535	1,506,475
Inventories	442,858	442,200
Investment properties	3,922,039	3,921,642
Intangible assets	5,921	6,335
Associates and joint ventures	820,200	852,328
Financial assets at fair value through other comprehensive income	72,352	92,634
Concession receivables	117,608	129,468
Deferred tax assets	43,955	28,806
Prepayment	389	765
	6,956,857	6,980,653
CURRENT ASSETS		
Inventories	511,151	500,829
Concession receivables	4,753	5,206
Amounts owing by associates and joint ventures	86,874	97,416
Receivables and contract assets	199,063	274,326
Tax recoverable	23,466	7,271
Cash held under Housing Development Accounts	9,455	48,305
Deposits, cash and bank balances	793,220	693,808
	1,627,982	1,627,161
TOTAL ASSETS	8,584,839	8,607,814
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	1,338,596	886,344
Treasury shares	(17,660)	(21,777)
Redeemable Convertible Cumulative Preference Shares	137,686	502,531
Other reserves	32,941	22,168
Retained earnings	2,120,197	2,225,106
	3,611,760	3,614,372
Non-controlling interests	62,047	97,309
TOTAL EQUITY	3,673,807	3,711,681
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables and contract liabilities	18,651	18,693
Deferred tax liabilities	147,592	150,107
Redeemable Convertible Cumulative Preference Shares	25,307	31,646
Interest bearing bank borrowings	2,337,148	2,533,501
	2,528,698	2,733,947
CURRENT LIABILITIES		
Payables and contract liabilities	656,190	809,627
Amounts owing to associates	8	19
Current tax liabilities	23,919	25,337
Redeemable Convertible Cumulative Preference Shares	6,331	17,225
Interest bearing bank borrowings	1,695,886	1,309,978
	2,382,334	2,162,186
TOTAL LIABILITIES	4,911,032	4,896,133
TOTAL EQUITY AND LIABILITIES	8,584,839	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 financial year ended 31 December 2020
(The figures have not been audited)

	Attributable to equity holders					Total RM '000	Non-controlling Interests	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		RM '000	
At 1 January 2020	886,344	(21,777)	502,531	22,168	2,225,106	3,614,372	97,309	3,711,681
Total comprehensive income for the year	-	-	-	10,773	9,250	20,023	89,561	109,584
Issuance of ordinary shares	-	-	-	-	-	-	14,568	14,568
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	452,252	-	(364,845)	-	(87,343)	64	-	64
Share buy back	-	(12,632)	-	-	-	(12,632)	-	(12,632)
Capital reduction	-	-	-	-	-	-	(10,236)	(10,236)
Dividend paid to ordinary shareholders	-	16,749	-	-	(16,749)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	(139,222)	(139,222)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(10,067)	(10,067)	10,067	-
Total transactions with equity holders	452,252	4,117	(364,845)	-	(114,159)	(22,635)	(124,823)	(147,458)
At 31 December 2020	1,338,596	(17,660)	137,686	32,941	2,120,197	3,611,760	62,047	3,673,807

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2019

	Attributable to equity holders					Total RM '000	Non-controlling Interests	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		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	-	-	-	11,814	208,665	220,479	157,527	378,006
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	2,017	-	(1,507)	-	(89)	421	-	421
Issuance of ordinary shares	-	-	-	-	-	-	2,500	2,500
Share buy back	-	(21,902)	-	-	-	(21,902)	-	(21,902)
Dividend paid to ordinary shareholders	-	12,050	-	-	(18,837)	(6,787)	-	(6,787)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(182,834)	(182,834)
Disposal of FVTOCI	-	-	-	249	(249)	-	-	-
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(12,845)	(12,845)	12,845	-
Total transactions with equity holders	2,017	(9,852)	(1,507)	249	(32,020)	(41,113)	(167,489)	(208,602)
At 31 December 2019	886,344	(21,777)	502,531	22,168	2,225,106	3,614,372	97,309	3,711,681

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

	31.12.2020 RM '000	31.12.2019 RM '000
Operating activities		
Receipts from customers	1,160,539	1,439,022
Payments to contractors, suppliers and employees	(796,625)	(769,772)
Cash flow generated from/(used in) operations	363,914	669,250
Interests paid	(165,721)	(180,066)
Income taxes paid	(84,145)	(103,372)
Net cash generated from operating activities	114,048	385,812
Investing activities		
Additional investments in associates and joint ventures	(1,792)	(1,835)
Additional investments in financial assets at fair value through other comprehensive income ("FVTOCI")	-	(912)
Additions to property, plant and equipment, investment properties and land held for property development	(157,414)	(283,844)
Proceed from disposal of property, plant and equipment	-	2,076
Additions to intangible assets	-	(684)
Net proceeds from disposal of FVTOCI	-	1,271
Proceeds from redemption of preferences shares in associates	2,000	-
Proceeds from disposal of asset classified as held-for-sale	-	2,500
Deposits held with trustee	(1,483)	(5,438)
Net repayments/(advance) from associates and joint ventures	15,663	(6,470)
Capital reduction	817	-
Dividend received from investment	11,108	-
Dividend received from associates	15,270	4,069
Movements in Fixed Deposits with maturity more than 3 months	4,020	3,314
Deposits with licensed bank	-	(76)
Interest received	26,286	21,648
Net cash used in investing activities	(85,525)	(264,381)
Financing activities		
Dividend paid to ordinary shareholders	-	(6,787)
Dividend paid to holders of RCPS & RCCPS	(19,261)	(29,517)
Dividend paid to non-controlling interests	(140,416)	(184,889)
Purchase of treasury shares	(12,632)	(21,902)
Issuance of new shares to non-controlling interest	14,568	2,500
Repayment of lease	-	(406)
Receipt of bank borrowings net of repayments	191,366	(202,024)
Net cash from/(used in) financing activities	33,625	(443,025)
Net increase/(decrease) in cash and cash equivalents	62,148	(321,594)
Currency translation differences	953	(1,756)
Cash and cash equivalents at 1 January	678,284	1,001,634
Cash and cash equivalents at 31 December	741,385	678,284
Add: Restricted cash and deposits pledged with licensed bank	61,290	63,829
As per statement of financial position	802,675	742,113

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:

Date	No. of Ordinary Shares	Remarks
As at 31 December 2019	690,152,033	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
Issued in June 2020	804	Conversion of RCCPS into ordinary shares
As at 31 December 2020	888,502,362	
Issued in January 2021	2,012	Conversion of RCCPS into ordinary shares
As at 26 February 2021	888,504,374	

The number of ordinary shares as at the date of this report is 888,504,374.

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

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.

Date	No. of RCCPS	Remarks
As at 31 December 2019	56,511,275	
January 2020	(5,000)	Conversion of RCCPS into ordinary shares
March 2020	(7,700)	Conversion of RCCPS into ordinary shares
June 2020	(804)	Conversion of RCCPS into ordinary shares
As at 31 December 2020	56,497,771	
January 2021	(2,012)	Conversion of RCCPS into ordinary shares
As at 26 February 2021	56,495,759	

The number of RCCPS as at the date of this report is 56,495,759.

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)

Date	No. of treasury shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2019	8,666,554			21,777,316
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
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
Distribution of treasury shares in September 2020	(6,626,737)			(16,749,068)
As at 31 December 2020	6,987,117			17,659,930

The number of treasury shares held as at the date of this report is 6,987,117 ordinary shares at an average cost of RM2.53 per ordinary share.

A6 Dividends paid

The Redeemable Convertible Cumulative Preference Shares which were issued on 15 February 2015 ("RCPS") had matured on 14 February 2020. As such, for the financial year ended 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 Redeemable Convertible Cumulative Preference Shares ("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.

An Interim Dividend of 2.0 sen per ordinary share is declared for the financial year ending 31 December 2020 to be paid by way of dividend-in-specie by distributing treasury shares. The treasury shares was credited to the entitled members' account on 30 September 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 March 2020 up to and including 1 September 2020 was paid on 30 September 2020.

A7 Segment Reporting

Business segments	Property investment - retail RM '000	Property investment -commercial RM '000	Hotel RM '000	Property development RM '000	Construction RM '000	Others RM '000	Group RM '000
2020							
Revenue							
Total revenue	627,051	197,927	75,604	60,645	201,992	393,136	1,556,355
Intersegment revenue	(69,704)	(24,059)	(571)	-	(201,992)	(243,612)	(539,938)
External revenue	<u>557,347</u>	<u>173,868</u>	<u>75,033</u>	<u>60,645</u>	<u>-</u>	<u>149,524</u>	<u>1,016,417</u>
Results							
Segment results (external)	309,641	77,642	(83,020)	35,866	(4,350)	37,678	373,457
Unallocated expense							(58,282)
Profit from operations							315,175
Finance income							26,286
Finance costs							(165,961)
Share of after-tax results of associates and joint ventures	-	278	(29,744)	1,757	-	(128)	(27,837)
Profit before tax							147,663
Tax expense							(48,868)
Profit for the period							<u>98,795</u>
Attributable to:							
Equity holders of the Company							9,250
Non-controlling interests							<u>89,545</u>
							<u>98,795</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)

Business segments	Property investment - retail RM '000	Property investment -commercial RM '000	Hotel RM '000	Property development RM '000	Construction RM '000	Others RM '000	Group RM '000
2019							
Revenue							
Total revenue	753,965	205,260	278,951	150,956	326,679	481,602	2,197,413
Intersegment revenue	(80,372)	(28,056)	(4,423)	-	(326,679)	(315,211)	(754,741)
External revenue	<u>673,593</u>	<u>177,204</u>	<u>274,528</u>	<u>150,956</u>	<u>-</u>	<u>166,391</u>	<u>1,442,672</u>
Results							
Segment results (external)	431,485	79,975	49,383	122,444	1,350	(20,510)	664,127
Unallocated expense							(59,865)
Profit from operations							604,262
Finance income							26,770
Finance costs							(171,902)
Share of after-tax results of associates and joint ventures	-	(329)	635	3,816	-	(153)	3,969
Profit before tax							463,099
Tax expense							(96,906)
Profit for the year							<u>366,193</u>
Attributable to:							
Equity holders of the Company							208,665
Non-controlling interests							<u>157,528</u>
							<u>366,193</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

On 23 December 2020 the Board of Directors announced to Bursa Securities that four (4) wholly-owned and inactive subsidiaries of the Company have commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016. The subsidiaries are Amandamai Dua Sdn. Bhd., Multi Stock Sdn. Bhd., Riraiance Enterprise Sdn. Bhd. and Silver Sanctuary Sdn. Bhd.

A10 Capital commitment

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

	Group	
	31 December	31 December
	2020	2019
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	62,579	96,369
Investment properties	57,164	49,941
Others	45,461	1,733
	165,204	148,043

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:

	Level 1	Level 2	Level 3	Total
	RM '000	RM '000	RM '000	RM '000
Financial assets at fair value through other comprehensive income:				
- Equity securities	-	-	72,352	72,352

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

The Global outbreak of the Covid-19 pandemic beginning from late 2019 and early 2020 and the subsequent imposition by the Malaysian Government of the Movement Control Order ("MCO") from 18 March 2020 and subsequently various forms of the MCO, had a significant financial impact on the Group's results for the financial year ended 31 December 2020.

The Group has taken steps to mitigate the impact by taking various measures to control and reduce non-essential operating expenses. The Group will continue to monitor the situation closely and take appropriate actions when necessary.

	3 months to 31.12.2020 RM' 000	3 months to 31.12.2019 RM' 000	Variance %
Revenue	276,667	421,298	-34%
Profit from operations	70,776	176,199	-60%
Profit before interest and tax	60,633	175,262	-65%
Profit before tax	21,688	130,664	-83%
Profit after tax	11,918	112,343	-89%
(Loss)/Profit attributable to ordinary equity holders	(10,441)	59,903	-117%

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

- i) Group revenue decreased by 34% due to lower contributions from all operating divisions.
- ii) Group pre-tax profit decreased by 83% due to lower contributions from all operating divisions.

Property Investment – Retail

For the 3 months ended 31 December 2020, IGB REIT reported total gross revenue and net property income of RM147.5 million (4Q2019: RM139.6 million) and RM93.1 million (4Q2019: RM96.1 million) respectively, a decrease of about 6% and 3% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM109.5 million to the Property Investment-Retail division but recorded pre-tax loss of RM26.6 million after accounting for depreciation of RM36.1 million and finance cost of RM46.3 million.

Property Investment – Commercial

For the 3 months ended 31 December 2020, Property Investment – Commercial division contributed gross revenue and pre-tax profit of RM45.0 million (4Q2019: RM49.2 million) and RM17.6 million (4Q2019: RM22.7 million) respectively, a decrease of about 9% and 22% respectively.

With the challenging economic conditions amidst the Covid-19 pandemic, the Group is striving to offer rentals at competitive market rates with various innovative offers to prospective tenants to maintain occupancy rates.

B1 Review of performance (continued)

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 73% to RM13.6 million when compared to the same period last year of RM50.3 million. The Group did not launched any new property development projects in 2020.

Hotel

Revenue contributed by the Hotel division for the 3 months to 31 December 2020 decreased by 83% to RM12.6 million (4Q2019: RM74.4 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 as most of the Group's hotels have not been able to operate at full capacity during the various stages of the Government's MCO.

B2 Comparison with immediate preceding quarter

	3 months to 31.12.2020 RM' 000	3 months to 30.9.2020 RM' 000	Variance %
Revenue	276,667	279,801	-1%
Profit from operations	70,776	119,059	-41%
Profit before interest and tax	60,633	111,360	-46%
Profit before tax	21,688	72,041	-70%
Profit after tax	11,918	50,918	-77%
(Loss)/Profit attributable to ordinary equity holders	(10,441)	16,987	-161%

When comparing three months ended 31 December 2020 with the preceding three months ended 30 September 2020:

- i) Group revenue decreased by 1% to RM276.7 million from RM279.8 million in the preceding quarter due to lower contributions from Property Investment-Retail and Hotel divisions.
- ii) Group pre-tax profit decreased by 70% to RM21.7 million from RM72.0 million due to lower contributions from Property Investment and Hotel divisions.

B3 Prospects for 2021

	FY2020 RM' 000	FY2019 RM' 000	Variance %
Revenue	1,016,417	1,436,479	-29%
Profit from operations	315,175	604,262	-48%
Profit before interest and tax	313,624	635,001	-51%
Profit before tax	147,663	463,099	-68%
Profit after tax	98,795	366,193	-73%
Profit attributable to ordinary equity holders	9,250	208,665	-96%

When comparing financial year ended 31 December 2020 with the corresponding financial year in 2019:

- i) Group revenue decreased by 29% to RM1,016.4 million from RM1,436.8 million due to lower contributions from all operating divisions.
- ii) Group pre-tax profit decreased by 68% to RM147.7 million from RM463.1 million in 2019. During the current financial year, the Group has approved rental support amounting to RM164.8 million to various eligible tenants in the Group's retail and commercial properties.

With the consistently high number of reported Covid-19 cases at the beginning of 2021, the local economy for the first half of 2021 remains uncertain and challenging. It is hoped that the national immunization programme which was launched on 24 February 2021 will have a positive effect and the second half of 2021 will see the beginning of a recovery for the economy.

B4 Profit forecast/profit guarantee

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

B5 Tax

	Current year quarter ended 31.12.2020 RM '000	Cumulative current Year-To-Date ended 31.12.2020 RM '000
Malaysian income tax		
- Company and subsidiaries	13,419	66,750
Underprovision in previous year	667	1,340
Transferred to deferred tax	(6,388)	(20,422)
	7,698	47,668
Overseas tax		
- Company and subsidiaries	2,072	1,200
	9,770	48,868

The effective tax rate of the Group for the current quarter and for the financial year to-date was higher than the statutory tax rate as certain expenses were not deductible for tax purposes and there is no group relief for losses incurred by certain subsidiaries.

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, Centrepont South, Centrepont 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.

On 11 June 2020, HLIB on behalf of the Board of Directors of the Company, announced that the Company proposes to undertake the Proposed REIT Establishment and Listing comprising the following:

- (i) the proposed establishment of IGB Commercial REIT by the Company, the Sponsor ("Proposed REIT Establishment");
- (ii) the proposed disposals by the respective Vendors (as listed hereunder) of the Subject Properties (as listed hereunder) to IGB Commercial REIT for a total disposal consideration of RM3,155.3 million to be satisfied via the proposed issuance of 2,307.3 million undivided interest in IGB Commercial REIT ("Units") and the balance via cash ("Proposed Disposals");
- (iii) the proposed offering of up to approximately 1,227.0 million Units via an initial public offering pursuant to the Proposed Listing comprising a proposed restricted offering of up to approximately 945.0 million Units to the shareholders of the Company whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the Board and a proposed offering of at least 282.0 million Units to institutional investors and selected investors ("Proposed Offering"); and
- (iv) the proposed admission of IGB Commercial REIT to the Official List of Bursa Securities and the Listing of and quotation for 2,307.0 million Units on the Main Market of Bursa Securities ("Proposed Listing").

B6 Corporate proposals (continued)

The Proposed REIT Establishment, Proposed Disposals, Proposed Offering and Proposed Listing are collectively referred to as the "Proposed REIT Establishment and Listing".

Information on the Vendors and Subject Properties:

	Vendors	Subject Properties
1.	IGB Properties Sdn Bhd	Menara IGB & Annexe
2.	MVC Centrepont South Sdn Bhd	Centrepont South
3.	MVC Centrepont North Sdn Bhd	Centrepont North
4.	Idaman Spektra Sdn Bhd	Blocks 25 & 27, Boulevard Offices
5.	Mid Valley City South Tower Sdn Bhd	Gardens South Tower
6.	Mid Valley City North Tower Sdn Bhd	Gardens North Tower
7.	Mid Valley City Southpoint Sdn Bhd	Menara Southpoint Offices
8.	Tan & Tan Realty Sdn Bhd	Menara Tan & Tan
9.	GTower Sdn Bhd	GTower
10.	Hampshire Properties Sdn Bhd	Hampshire Place Office

On 4 November 2020, HLIB, on behalf of the Board of Directors of the company, announced that an application had been submitted on even date to the Securities Commission Malaysia in relation to the Proposed REIT Establishment and Listing.

On 10 February 2021, HLIB, on behalf of the Board of Directors of the company, announced that:

- (i) Mid Valley City Southpoint Sdn Bhd ("MVCSP") and IGB REIT Management Sdn Bhd had agreed to vary the components of Southpoint Properties to be disposed by MVCSP by omitting 2-storey ballroom and function rooms and revising the number of car park bays from 909 to 1,065; and
- (ii) The market values of the Subject Properties have been revised by the Independent Property Valuer from RM3,155.3 million to RM3,160.5 million based on its updated valuation letters dated 10 February 2021, using the investment method and cross-checked with the comparison approach. The new date of valuation of the Subject Properties is 31 December 2020.

B7 Group borrowings and debt securities

Group borrowings as at 31 December 2020 were as follows:

	31 December 2020					
	Long term		Short term		TOTAL	
	Foreign denomination '000	RM denomination RM '000	Foreign denomination '000	RM denomination RM '000	Foreign denomination '000	RM denomination RM '000
Secured						
Term Loan - RMB	12,869	7,903	7,500	4,606	20,369	12,509
Revolving credit - RM	-	1,129,700	-	544,583	-	1,674,283
Revolving credit - USD	-	-	10,000	40,221	10,000	40,221
Medium Term Notes - RM	-	1,199,545	-	1,014,378	-	2,213,923
Unsecured						
Revolving credit - RM	-	-	-	92,098	-	92,098
		2,337,148		1,695,886		4,033,034

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

An Interim Single Tier Dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) is declared for the six months period from and including 2 September 2020 up to and including 1 March 2021 and will be paid on 26 March 2021 to every member who is entitled to receive the dividend at 4.00 p.m. on 12 March 2021.

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 31.12.2020	Preceding Year Quarter ended 31.12.2019	Current Year-To-Date ended 31.12.2020	Preceding Year-To-Date ended 31.12.2019
(Loss)/Profit for the period	RM '000	<u>(10,441)</u>	59,903	<u>9,250</u>	208,665
Weighted average number of ordinary shares in issue	'000	<u>848,197</u>	680,615	<u>848,197</u>	680,481
Basic (loss)/earnings per share	sen	<u><u>(1.23)</u></u>	8.80	<u><u>1.09</u></u>	30.66

(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.

		Current Year Quarter ended 31.12.2020	Preceding Year Quarter ended 31.12.2019	Current Year-To-Date ended 31.12.2020	Preceding Year-To-Date ended 31.12.2019
Net (Loss)/Profit for the period	RM '000	(10,441)	59,903	9,250	208,665
Add: Interest on RCCPS saved as a result of conversion	RM '000	501	859	2,005	3,441
Less: Tax relief thereon	RM '000	(116)	(198)	(462)	(782)
Adjusted Net Profit	RM '000	<u>(10,056)</u>	60,564	<u>10,793</u>	211,324
Weighted average number of ordinary shares in issue	'000	848,197	680,615	848,197	680,615
Adjustment for potential dilution on maximum conversion of RCCPS	'000	<u>56,498</u>	254,849	<u>56,498</u>	254,849
	'000	<u>904,695</u>	935,464	<u>904,695</u>	935,464
Diluted (loss)/earnings per share	sen	<u><u>(1.11)</u></u>	6.47	<u><u>1.19</u></u>	22.59

B11 Notes to Statements of Comprehensive Income

	Current Year Quarter ended 31.12.2020 RM '000	Cumulative Current Year-To-Date ended 31.12.2020 RM '000
(a) Interest income	6,187	26,286
(b) Other income including investment income	17,722	41,489
(c) Interest expense	(38,945)	(165,961)
(d) Depreciation and amortisation	(39,040)	(147,287)
(e) Foreign exchange gain	3,809	8,290

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 26 February 2021.