



## Interim Financial Report for the three months ended 30 June 2021

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 cyclicalities	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	8
A7 – Segment reporting	9 - 10
A8 – Material events subsequent to the end of the interim period	11
A9 – Changes in the composition of the Group	11
A10 – Capital commitment	11
A11 – Fair value of financial instruments	11
B1 – Review of performance	12
B2 – Comparison with immediate preceding quarter	13
B3 – Prospects for 2021	13
B4 – Profit forecast/profit guarantee	13
B5 – Tax	14
B6 – Corporate proposals	14
B7 – Group borrowings and debt securities	16
B8 – Material litigation	16
B9 – Proposed dividend	16
B10 – Earnings per share	16
B11 – Notes to statements of comprehensive income	17
B12 – Audit Report qualification	17
B13 – Authorisation for issue	17

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 30.06.2021 RM' 000</b>	Current Year Quarter 30.06.2020 RM' 000	<b>Current Year- To-Date 30.06.2021 RM' 000</b>	Current Year- To-Date 30.06.2020 RM' 000
Revenue	<b>193,684</b>	168,527	<b>428,305</b>	459,949
Cost of sales	<b>(116,610)</b>	(117,890)	<b>(241,418)</b>	(265,903)
Gross profit	<b>77,074</b>	50,637	<b>186,887</b>	194,046
Other operating income	<b>3,294</b>	9,613	<b>9,258</b>	18,628
Administrative expenses	<b>(21,556)</b>	(32,422)	<b>(78,774)</b>	(81,154)
Other operating expenses	<b>(424)</b>	347	<b>(2,903)</b>	(6,180)
Profit from operations	<b>58,388</b>	28,175	<b>114,468</b>	125,340
Finance income	<b>6,569</b>	7,521	<b>12,732</b>	13,683
Finance costs	<b>(37,784)</b>	(42,424)	<b>(75,213)</b>	(87,697)
Share of after-tax results of associates and joint venture	<b>(2,661)</b>	(1,150)	<b>(9,595)</b>	2,608
Profit before tax	<b>24,512</b>	(7,878)	<b>42,392</b>	53,934
Less tax:				
Company and subsidiaries	<b>(12,651)</b>	(3,698)	<b>(23,558)</b>	(17,975)
Profit for the period	<b>11,861</b>	(11,576)	<b>18,834</b>	35,959
Attributable to:				
Equity holders of the Company	<b>(5,280)</b>	(14,974)	<b>(13,237)</b>	2,704
Non-controlling interests	<b>17,141</b>	3,398	<b>32,071</b>	33,255
	<b>11,861</b>	(11,576)	<b>18,834</b>	35,959
(Loss)/Earnings per share (sen)				
- basic	<b>(0.60)</b>	(1.83)	<b>(1.50)</b>	0.33
- diluted *	<b>(0.54)</b>	(1.67)	<b>(1.37)</b>	0.40

\* *The diluted earnings per share for the current period and current year-to-date is anti-dilutive.*

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 30.6.2021 RM' 000</b>	Preceding Year Quarter 30.06.2020 RM' 000	<b>Current Year- To-Date 30.6.2021 RM' 000</b>	Preceding Year- To-Date 30.06.2020 RM' 000
Profit for the financial period	<b>11,861</b>	(11,576)	<b>18,834</b>	35,959
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	<b>1,423</b>	14,623	<b>25,399</b>	23
- non-controlling interests	-	(2)	<b>5</b>	27
Share of other comprehensive income/ (loss) of associates and joint ventures	<b>(69)</b>	1,000	<b>8,917</b>	(6,536)
Items that may subsequently be reclassified to profit or loss	<b>1,354</b>	15,621	<b>34,321</b>	(6,486)
Items that will not be subsequently reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	<b>12,013</b>	(645)	<b>17,986</b>	(2,224)
Total comprehensive income for the financial period	<b>25,228</b>	3,400	<b>71,141</b>	27,249
Total comprehensive (loss)/income for the financial period attributable to:				
Equity holders of the Company	<b>8,087</b>	4	<b>39,065</b>	(6,033)
Non-controlling interests	<b>17,141</b>	3,396	<b>32,076</b>	33,282
Total comprehensive income for the financial period	<b>25,228</b>	3,400	<b>71,141</b>	27,249

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

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

	<b>30.06.2021</b>	<i>Audited</i> 31.12.2020
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,520,846</b>	1,531,545
Inventories	<b>442,529</b>	442,858
Investment properties	<b>3,905,691</b>	3,922,029
Intangible assets	<b>5,657</b>	5,921
Associates and joint ventures	<b>914,882</b>	907,004
Financial assets at fair value through other comprehensive income	<b>83,051</b>	72,352
Concession receivables	<b>120,594</b>	117,608
Deferred tax assets	<b>50,393</b>	43,955
Prepayment	<b>236</b>	389
	<b>7,043,879</b>	7,043,661
<b>CURRENT ASSETS</b>		
Inventories	<b>513,312</b>	511,151
Concession receivables	<b>4,975</b>	4,753
Amounts owing by associates and joint ventures	<b>176</b>	70
Receivables and contract assets	<b>197,996</b>	199,063
Tax recoverable	<b>26,374</b>	23,466
Cash held under Housing Development Accounts	<b>12,392</b>	9,455
Deposits, cash and bank balances	<b>762,529</b>	793,220
	<b>1,517,754</b>	1,541,178
<b>TOTAL ASSETS</b>	<b>8,561,633</b>	8,584,839
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	<b>1,393,859</b>	1,338,596
Treasury shares	<b>(17,660)</b>	(17,660)
Redeemable Convertible Cumulative Preference Shares	<b>96,626</b>	137,686
Other reserves	<b>72,959</b>	32,941
Retained earnings	<b>2,097,985</b>	2,120,197
	<b>3,643,769</b>	3,611,760
Non-controlling interests	<b>47,900</b>	62,047
<b>TOTAL EQUITY</b>	<b>3,691,669</b>	3,673,807
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>18,648</b>	18,286
Deferred tax liabilities	<b>146,849</b>	147,592
Redeemable Convertible Cumulative Preference Shares	<b>15,306</b>	25,307
Interest bearing bank borrowings	<b>3,334,993</b>	2,337,148
	<b>3,515,796</b>	2,528,333
<b>CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>597,314</b>	656,555
Amounts owing to associates	<b>7</b>	8
Current tax liabilities	<b>29,067</b>	23,919
Redeemable Convertible Cumulative Preference Shares	<b>4,703</b>	6,331
Interest bearing bank borrowings	<b>723,077</b>	1,695,886
	<b>1,354,168</b>	2,382,699
<b>TOTAL LIABILITIES</b>	<b>4,869,964</b>	4,911,032
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,561,633</b>	8,584,839

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2021**  
(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 Cumulative Preference Shares RM '000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	RM '000	
<b>At 1 January 2021</b>	<b>1,338,596</b>	<b>(17,660)</b>	<b>137,686</b>	<b>32,941</b>	<b>2,120,197</b>	<b>3,611,760</b>	<b>62,047</b>	<b>3,673,807</b>
Total comprehensive income for the period	-	-	-	52,302	(13,237)	39,065	32,076	71,141
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	55,263	-	(41,060)	-	(5,513)	8,690	-	8,690
Capital reduction	-	-	-	-	-	-	(10,236)	(10,236)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(44,445)	(44,445)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	(12,284)	(3,462)	(15,746)	8,458	(7,288)
Total transactions with equity holders	55,263	-	(41,060)	(12,284)	(8,975)	(7,056)	(46,223)	(53,279)
<b>At 30 June 2021</b>	<b>1,393,859</b>	<b>(17,660)</b>	<b>96,626</b>	<b>72,959</b>	<b>2,097,985</b>	<b>3,643,769</b>	<b>47,900</b>	<b>3,691,669</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 2020 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 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 Cumulative Preference Shares RM '000	Other reserves RM '000	Retained earnings RM '000	Total 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 period	-	-	-	(8,737)	2,704	(6,033)	33,282	27,249
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	452,252	-	(364,845)	-	(87,343)	64	-	64
Issuance of ordinary shares	-	-	-	-	-	-	14,568	14,568
Share buy back	-	(12,632)	-	-	-	(12,632)	-	(12,632)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(69,463)	(69,463)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(5,433)	(5,433)	(4,803)	(10,236)
Total transactions with equity holders	452,252	(12,632)	(364,845)	-	(92,776)	(18,001)	(59,698)	(77,699)
At 30 June 2020	1,338,596	(34,409)	137,686	13,431	2,135,034	3,590,338	70,893	3,661,231

**Condensed Consolidated Cash Flow Statements**

*(The figures have not been audited)*

	<b>30.06.2021</b>	30.06.2020
	<b>RM '000</b>	RM '000
<b>Operating activities</b>		
Receipts from customers	<b>481,407</b>	512,216
Payments to contractors, suppliers and employees	<b>(353,660)</b>	(418,105)
Cash flow generated from operations	<b>127,747</b>	94,111
Interests paid	<b>(75,178)</b>	(88,831)
Income taxes paid	<b>(28,498)</b>	(23,560)
<b>Net cash generated from/(used in) operating activities</b>	<b>24,071</b>	(18,280)
<b>Investing activities</b>		
Additions to property, plant and equipment, investment properties and land held for property development	<b>(39,546)</b>	(55,477)
Additional to intangible assets	-	(84)
Proceeds from redemption of preferences shares in associates	-	2,000
Capital reduction	<b>135</b>	817
Deposit held with trustee	<b>(511)</b>	(810)
Net repayments/(advance) from associates and joint ventures	<b>(106)</b>	8,804
Dividend received from associates	<b>9,500</b>	5,270
Movements in Fixed Deposits with maturity more than 3 months	-	4,020
Interest received	<b>12,732</b>	13,683
<b>Net cash used in investing activities</b>	<b>(17,796)</b>	(21,777)
<b>Financing activities</b>		
Dividend paid to holders of RCPS and RCCPS	<b>(3,984)</b>	(15,277)
Dividend paid to non-controlling interests	<b>(56,805)</b>	(95,337)
Purchase of treasury shares	-	(12,632)
Issuance of new shares to non-controlling interest	-	14,568
Receipt of bank borrowings net of repayments	<b>25,793</b>	144,799
<b>Net cash (used in)/generated from financing activities</b>	<b>(34,996)</b>	36,121
<b>Net decrease in cash and cash equivalents</b>	<b>(28,721)</b>	(3,936)
Currency translation differences	<b>456</b>	244
Cash and cash equivalents at 1 January	<b>741,383</b>	678,284
<b>Cash and cash equivalents at 30 June</b>	<b>713,118</b>	674,592
Add: Restricted cash and deposits pledged with licensed bank	<b>61,803</b>	60,619
<b>As per statement of financial position</b>	<b>774,921</b>	735,211

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2020.

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 2020 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 2021)*

•	Amendments to MFRS 16	COVID-19 – Related rent concessions
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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:

### **a. Ordinary Shares**

<b>Date</b>	<b>No. of Ordinary Shares</b>	<b>Remarks</b>
<b>As at 31 December 2020</b>	<b>888,502,362</b>	<b>Including 6,987,117 treasury shares</b>
Issued in January 2021	2,012	Conversion of RCCPS into ordinary shares
<b>As at 31 March 2021</b>	<b>888,504,374</b>	
Issued in April 2021	69,800	Conversion of RCCPS into ordinary shares
Issued in May 2021	5,785,602	Conversion of RCCPS into ordinary shares
Issued in June 2021	10,991,037	Conversion of RCCPS into ordinary shares
<b>As at 30 June 2021</b>	<b>905,350,813</b>	

The number of ordinary shares as at the date of this report is 905,350,813.

### **b. Redeemable Convertible Cumulative Preference Shares ("RCCPS")**

<b>Date</b>	<b>No. of RCCPS</b>	<b>Remarks</b>
<b>As at 31 December 2020</b>	<b>56,497,771</b>	
January 2021	(2,012)	Conversion of RCCPS into ordinary shares
As at 31 March 2021	56,495,759	
April 2021	(69,800)	Conversion of RCCPS into ordinary shares
May 2021	(5,785,602)	Conversion of RCCPS into ordinary shares
June 2021	(10,991,037)	Conversion of RCCPS into ordinary shares
<b>As at 30 June 2021</b>	<b>39,649,320</b>	

The number of RCCPS as at the date of this report is 39,649,320.

### **c. Treasury Shares**

<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 2020/ 30 June 2021</b>	<b>6,987,117</b>			<b>17,659,930</b>
Purchased in July 2021	492,900	1.92	2.00	968,626
Purchased in August	227,600	1.91	1.91	438,298
<b>As at 27 August 2021</b>	<b>7,707,617</b>			<b>19,066,854</b>

The number of treasury shares held as at the date of this report is 7,707,617 ordinary shares at an average cost of RM2.47 per ordinary share.

## **A6 Dividends paid**

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 2020 up to and including 1 March 2021 was paid on 26 March 2021.

**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>6 months to 30 June 2021</b>							
<b>Revenue</b>							
Total revenue	252,217	94,310	20,909	84,763	36,577	145,668	634,444
Intersegment revenue	(30,472)	(10,196)	(85)	(48,811)	(36,577)	(79,998)	(206,139)
External revenue	<u>221,745</u>	<u>84,114</u>	<u>20,824</u>	<u>35,952</u>	<u>-</u>	<u>65,670</u>	<u>428,305</u>
<b>Results</b>							
Segment results (external)	116,662	29,400	(31,988)	25,003	(1,867)	4,617	141,827
Unallocated expense							(27,359)
Profit from operations							114,468
Finance income							12,732
Finance costs							(75,213)
Share of after-tax results of associates and joint ventures	-	373	(12,325)	2,349	-	8	(9,595)
Profit before tax							42,392
Tax expense							(23,558)
Profit for the period							<u>18,834</u>
Attributable to:							
Equity holders of the Company							(13,237)
Non-controlling interests							<u>32,071</u>
							<u>18,834</u>

Unallocated expenses relate 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>
6 months to 30 June 2020							
Revenue							
Total revenue	254,961	98,744	46,652	35,083	57,911	194,721	688,072
Intersegment revenue	(30,300)	(13,133)	(414)	-	(57,911)	(126,365)	(228,123)
External revenue	<u>224,661</u>	<u>85,611</u>	<u>46,238</u>	<u>35,083</u>	<u>-</u>	<u>68,356</u>	<u>459,949</u>
Results							
Segment results (external)	116,139	42,152	(30,666)	45,125	(1,084)	(13,435)	158,231
Unallocated expense							(32,891)
Profit from operations							125,340
Finance income							13,683
Finance costs							(87,697)
Share of after-tax results of associates and joint ventures	-	92	(782)	464	-	2,834	2,608
Profit before tax							53,934
Tax expense							(17,975)
Profit for the period							<u>35,959</u>
Attributable to:							
Equity holders of the Company							2,704
Non-controlling interests							<u>33,255</u>
							<u>35,959</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>30 June 2021 RM'000</b>	31 December 2020 RM'000
Approved and contracted for:		
Property, plant and equipment	<b>18,131</b>	25,295
Investment properties	<b>67,486</b>	43,612
Others	-	1,312
	<b>85,617</b>	<b>70,219</b>

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

There were no contingent liabilities or contingent assets since 31 December 2020.

- 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 as at 30 June 2021 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>83,051</b>	<b>83,051</b>
	-	-	<b>83,051</b>	<b>83,051</b>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the financial year ended 31 December 2020.

## B1 Review of performance

	<b>3 months to 30.06.2021 RM' 000</b>	3 months to 30.06.2020 RM' 000	Variance %
Revenue	<b>193,684</b>	168,527	15%
Profit from operations	<b>58,388</b>	28,175	107%
Profit before interest and tax	<b>62,296</b>	34,546	80%
Profit before tax	<b>24,512</b>	(7,878)	411%
Profit after tax	<b>11,861</b>	(11,576)	202%
Loss attributable to ordinary equity holders	<b>(5,280)</b>	(14,974)	65%

When comparing three months ended 30 June 2021 with three months ended 30 June 2020:

- i) Group revenue increased by 15% due to higher contributions from the Property Investment – Commercial, Property Investment – Retail and Hotel divisions.
- ii) Accordingly, the Group recorded pre-tax profit of RM24.5 million compared to pre-tax loss of RM7.9 million for the corresponding period last year.

### Property Investment – Retail

For the 3 months ended 30 June 2021, IGB REIT reported total gross revenue and net property income of RM84.9 million (2Q2020: RM62.0 million) and RM63.1 million (2Q2020: RM37.4 million) respectively, an increase of about 37% and 69% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM17.5 million (2Q2020: RM14.2 million) to the Property Investment-Retail division but recorded pre-tax loss of RM4.2 million (2Q2020: RM17.0 million) after accounting for depreciation of RM9.0 million and finance cost of RM9.2 million.

### Property Investment – Commercial

For the 3 months ended 30 June 2021, Property Investment – Commercial division contributed gross revenue of RM41.7 million (2Q2020: RM40.8 million) an increase of about 2%.

Average occupancy rates for 2Q2021 for the Group's commercial building were above 70% with average rental rates at RM6.00 per sq. ft.

### Property Development

Revenue from the Property Development division, which was derived from sales of completed condominium units at "Stonor 3" decreased by 50% to RM7.5 million when compared to the same period last year of RM14.9 million due to lower number of units sold in the current quarter. The Group currently do not have any active property development projects under construction. In May 2021, an associate company launched the D'Laman Kundang project in Rawang comprising of 179 units of double-storey link houses.

### Hotel

Revenue contributed by the Hotel division for the 3 months to 30 June 2021 increased by 69% to RM10.5 million from RM6.2 million for the 3 months to 30 June 2020. However, average occupancy rates across all hotels in the Group remain low due to travel restrictions under the current MCO imposed by the Government.

## B2 Comparison with immediate preceding quarter

	<b>3 months to 30.06.2021 RM' 000</b>	3 months to 31.03.2021 RM' 000	Variance %
Revenue	<b>193,684</b>	234,621	-17%
Profit from operations	<b>58,388</b>	56,080	4%
Profit before interest and tax	<b>62,296</b>	55,309	13%
Profit before tax	<b>24,512</b>	17,880	37%
Profit after tax	<b>11,861</b>	6,973	70%
Loss attributable to ordinary equity holders	<b>(5,280)</b>	(7,957)	34%

When comparing three months ended 30 June 2021 with the preceding three months ended 31 March 2021:

- i) Group revenue decreased by 17% to RM193.7 million from RM234.6 million in the preceding quarter due to lower contributions from Property Development, Property Investment – Commercial and Property Investment - Retail divisions.
- ii) However, Group pre-tax profit increased by 37% to RM24.5 million from RM17.9 million.

## B3 Prospects for 2021

	<b>Cumulative Period</b>		
	<b>6 months to 30.06.2021 RM' 000</b>	6 months to 30.06.2020 RM' 000	Variance %
Revenue	<b>428,305</b>	459,949	-7%
Profit from operations	<b>114,468</b>	125,340	-9%
Profit before interest and tax	<b>117,605</b>	141,631	-17%
Profit before tax	<b>42,392</b>	53,934	-21%
Profit after tax	<b>18,834</b>	35,959	-48%
(Loss)/Profit attributable to ordinary equity holders	<b>(13,237)</b>	2,704	-590%

The resurgence and high number of positive Covid-19 cases in recent weeks and the continued imposition by the Government of the various forms of Movement Control Order ("MCO") in the country have dampened hopes of an early recovery in the local economy. On 13 August 2021, Bank Negara Malaysia revised its 2021 full year gross domestic product growth forecast for Malaysia to between 3% and 4% compared to an earlier forecast range of between 6% and 7.5%. With these factors in mind, the Board expects that the Group's financial results for the current financial year ending 31 December 2021 and in particular the Retail and Hospitality segments will be adversely affected until such time that there is an easing of the MCO restrictions.

The Group has taken steps and will continue to take the necessary actions 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.

## B4 Profit forecast/profit guarantee

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

## **B5 Tax**

	<b>Current year quarter ended 30.06.2021 RM '000</b>	<b>Cumulative current Year-To-Date ended 30.06.2021 RM '000</b>
Malaysian income tax		
- Company and subsidiaries	<b>18,947</b>	<b>32,136</b>
Transferred to deferred tax	<b>(5,670)</b>	<b>(7,159)</b>
	<b>13,277</b>	<b>24,977</b>
Overseas tax		
- Company and subsidiaries	<b>(626)</b>	<b>(1,419)</b>
	<b>12,651</b>	<b>23,558</b>

The effective tax rate of the Group for the current quarter and current 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**

### **Establishment and Listing of IGB Commercial Real Estate Investment Trust**

*Reference is made to previous announcements as detailed in the audited financial statements of the Company for the financial year ended 31 December 2020 and which has been released to Bursa Securities on 12 April 2021. Unless otherwise stated, words and phrases used hereafter shall have the same meanings as defined in the previous announcements.*

On 31 March 2021, on behalf of the Board of Directors of the Company, Hong Leong Investment Bank Berhad ("HLIB") announced that the Securities Commission Malaysia ("SC"), had vide its letter dated 30 March 2021, granted approval for the Proposed REIT establishment and Listing.

On 31 March 2021, on behalf of the Board of Directors of the Company, HLIB announced that IGB Commercial REIT was established on 31 March 2021 upon registration of the deed of trust executed on 31 March 2021 between IGB REIT Management Sdn Bhd with MTrustee Berhad with the SC.

On 9 April 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Vendors had on 9 April 2021 entered into ten (10) Sale and Purchase Agreements ("SPAs") for the disposals of the Subject Properties for a total purchase consideration amounting to RM3,160.5 million which shall be satisfied by the issuance of 2,307.3 million Units in IGB Commercial REIT and the balance of RM853.2 million in cash to be funded via borrowings.

On 13 April 2021, a Circular dated 13 April 2021 was sent to the Company's shareholders to convene an Extraordinary General Meeting ("EGM") as a virtual meeting on 28 April 2021 to seek shareholder's approval for the following:

- i. Proposed disposals by the Vendors of the Subject Properties for a total purchase consideration amounting to RM3,160.5 million which shall be satisfied by the issuance of 2,307.3 million Units in IGB Commercial REIT and the balance of RM853.2 million in cash;
- ii. Proposed offering of Consideration Units comprising the proposed restricted offering of up to approximately 945.0 million Units to the shareholders whose names appear on the Record of Depositors at the close of business on an entitlement date to be announced later by the Board and proposed offering of at least 282.0 million Units to institutional investors and selected investors; and
- iii. Proposed listing of and quotation for 2,307.3 million Units on the Main Market of Bursa Securities.

## **B6 Corporate proposals**

### **Establishment and Listing of IGB Commercial Real Estate Investment Trust (continued)**

On 28 April 2021, at the EGM held on even date, shareholders approved all three ordinary resolutions.

On 5 May 2021, on behalf of the Board of Directors of the Company, HLIB announced that Supplemental Letters dated 5 May 2021 to the SPAs dated 9 April 2021 have been signed arising from the issuance by the State Authority of New MVC Phase 1 Title and new Menara Southpoint Land Title.

On 20 May 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Prospectus together with the accompanying Offer Acceptance Form as well as the Notice of Provisional Offer will be despatched to the entitled shareholders whose names appear in the Record of Depositors ("ROD") of the Company as at 5.00 p.m. on 4 June 2021 at their addresses in Malaysia as shown in the ROD or at their addresses in Malaysia provided by them by 5.00 p.m. on 4 June 2021 to Bursa Depository. The last date and time for acceptance and payment is 5.00 p.m. on 22 June 2021 and the Listing Date is 19 July 2021.

On 2 June 2021, on behalf of the Board of Directors of the Company, HLIB announced that the last date and time for acceptance and payment is revised to 5.00 p.m. on 6 July 2021 and the Listing Date is revised to 30 July 2021.

On 3 June 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Prospectus in respect of the initial public offering of IGB Commercial REIT has been duly registered with the SC on 3 June 2021.

On 16 June 2021, on behalf of the Board of Directors of the Company, HLIB announced that in addition to the existing procedures for application and acceptance set out under Appendix F of the Prospectus which was despatched to the Entitled Shareholders on 10 June 2021, the Entitled Shareholders were given alternative procedures for making an application to subscribe for their entitlements to the ROFS Units together with the corresponding DIS Units.

On 2 July 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Manager and the Company, upon consultation with the SC, had mutually decided to extend the closing date for the Restricted Offering from 6 July 2021 to 20 August 2021. The Listing Date was also revised to 20 September 2021. With the extension of the closing date, the Entitled Shareholders who have accepted their entitlements to the Restricted offering were given the option to withdraw their acceptances should they wish to do so.

On 19 July 2021, on behalf of the Board of Directors of the Company, HLIB announced that Bursa Securities has resolved to accept a lower public unitholding spread of 20.0% upon the listing of IGB Commercial REIT. However, the Manager is advised to use its best endeavours to increase the percentage of public unitholding spread to 25.0%.

On 23 July 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Supplementary Prospectus in respect of the initial public offering of IGB Commercial REIT has been duly registered with the SC. The Supplementary Prospectus is issued to reflect the amendments to the Principal Prospectus pursuant to, among others, the variation to the number of Units offered for sale by the Selling Shareholders under the Institutional Offering from 282.0 million Units to 130.0 million Units.

On 28 July 2021, on behalf of the Board of Directors of the Company, HLIB announced that the Supplementary Prospectus in respect of the initial public offering of IGB Commercial REIT has been issued on 28 July 2021.

On 26 August 2021, on behalf of the Board of Directors of the Company, HLIB announced that as at the closing of acceptance and payment for the Restricted Offering on 20 August 2021, the Manager had received valid acceptances for a total of 241,946,806 ROFS Units and 362,919,949 corresponding DIS Units, representing a subscription rate of approximately 67.33% of the total number of 307,336,247 ROFS Units and 461,003,731 corresponding DIS Units available for subscription.



## B7 Group borrowings and debt securities

Group borrowings as at 30 June 2021 were as follows:

	30 June 2021					
	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 - RMB	9,869	6,344	7,500	4,821	17,369	11,165
Revolving credit - RM	-	1,129,700	-	569,984	-	1,699,684
Revolving credit - USD	-	-	10,011	41,568	10,011	41,568
Medium Term Notes - RM	-	2,198,949	-	14,610	-	2,213,559
<b>Unsecured</b>						
Revolving credit - RM	-	-	-	92,094	-	92,094
		<b>3,334,993</b>		<b>723,077</b>		<b>4,058,070</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

An Interim 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 March 2021 up to and including 1 September 2021 and will be paid on 30 September 2021 to every member who is entitled to receive the dividend at 4.00 p.m. on 13 September 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 30.06.2021	Preceding Year Quarter ended 30.06.2020	Current Year-To-Date ended 30.06.2021	Preceding Year-To-Date ended 30.06.2020
Net (Loss)/Profit for the period	RM '000	<u>(5,280)</u>	<u>(14,974)</u>	<u>(13,237)</u>	<u>2,704</u>
Weighted average number of ordinary shares in issue	'000	<u>884,326</u>	<u>817,827</u>	<u>884,326</u>	<u>817,827</u>
<b>Basic (loss)/earnings per share</b>	sen	<u><u>(0.60)</u></u>	<u><u>(1.83)</u></u>	<u><u>(1.50)</u></u>	<u><u>0.33</u></u>

## 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.

		<b>Current Year Quarter ended 30.06.2021</b>	Preceding Year Quarter ended 30.06.2020	<b>Current Year-To-Date ended 30.06.2021</b>	Preceding Year-To-Date ended 30.06.2020
Net (Loss)/Profit for the period	RM '000	<b>(5,280)</b>	(14,974)	<b>(13,237)</b>	2,704
Add: Interest on RCCPS saved as a result of conversion	RM '000	<b>383</b>	501	<b>792</b>	1,002
Less: Tax relief thereon	RM '000	<b>(99)</b>	(115)	<b>(193)</b>	(231)
Adjusted Net (Loss)/Profit	RM '000	<b><u>(4,996)</u></b>	<u>(14,588)</u>	<b><u>(12,638)</u></b>	<u>3,475</u>
Weighted average number of ordinary shares in issue	'000	<b>884,326</b>	817,827	<b>884,326</b>	817,827
Adjustment for potential dilution on maximum conversion of RCCPS	'000	<b>39,649</b>	56,498	<b>39,649</b>	56,498
	'000	<b><u>923,975</u></b>	<u>874,325</u>	<b><u>923,975</u></b>	<u>874,325</u>
<b>Diluted (loss)/earnings per share</b>	sen	<b><u>(0.54)</u></b>	<u>(1.67)</u>	<b><u>(1.37)</u></b>	<u>0.40</u>

## B11 Notes to Statements of Comprehensive Income

	<b>Current Year Quarter ended 30.06.2021 RM '000</b>	<b>Cumulative Current Year-To-Date ended 30.06.2021 RM '000</b>
(a) Interest income	<b>6,569</b>	<b>12,732</b>
(b) Other income including investment income	<b>3,294</b>	<b>9,258</b>
(c) Interest expense	<b>(37,784)</b>	<b>(75,213)</b>
(d) Depreciation and amortisation	<b>(34,678)</b>	<b>(69,571)</b>
(e) Foreign exchange loss	<b>(122)</b>	<b>(791)</b>

## B12 Audit Report Qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2020 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 27 August 2021.