

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

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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 30.09.2021 RM' 000</b>	Current Year Quarter 30.09.2020 RM' 000	<b>Current Year- To-Date 30.09.2021 RM' 000</b>	Current Year- To-Date 30.09.2020 RM' 000
Revenue	<b>201,303</b>	279,801	<b>629,608</b>	739,750
Cost of sales	<b>(118,333)</b>	(137,308)	<b>(359,751)</b>	(403,211)
Gross profit	<b>82,970</b>	142,493	<b>269,857</b>	336,539
Other operating income	<b>3,293</b>	5,139	<b>12,551</b>	23,767
Administrative expenses	<b>(58,736)</b>	(30,437)	<b>(137,510)</b>	(111,591)
Other operating expenses	<b>(2,090)</b>	1,864	<b>(4,993)</b>	(4,316)
Profit from operations	<b>25,437</b>	119,059	<b>139,905</b>	244,399
Finance income	<b>10,213</b>	6,416	<b>22,945</b>	20,099
Finance costs	<b>(38,799)</b>	(39,319)	<b>(114,012)</b>	(127,016)
Share of after-tax results of associates and joint venture	<b>14,245</b>	(14,115)	<b>4,650</b>	(11,507)
Profit before tax	<b>11,096</b>	72,041	<b>53,488</b>	125,975
Less tax:				
Company and subsidiaries	<b>(62,525)</b>	(21,123)	<b>(86,083)</b>	(39,098)
Profit for the period	<b>(51,429)</b>	50,918	<b>(32,595)</b>	86,877
Attributable to:				
Equity holders of the Company	<b>(58,684)</b>	16,987	<b>(71,921)</b>	19,691
Non-controlling interests	<b>7,255</b>	33,931	<b>39,326</b>	67,186
	<b>(51,429)</b>	50,918	<b>(32,595)</b>	86,877
(Loss)/Earnings per share (sen)				
- basic	<b>(6.60)</b>	2.03	<b>(8.09)</b>	2.35
- diluted *	<b>(6.29)</b>	1.94	<b>(7.66)</b>	2.33

\* 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 30.09.2021 RM' 000</b>	Preceding Year Quarter 30.09.2020 RM' 000	<b>Current Year- To-Date 30.09.2021 RM' 000</b>	Preceding Year- To-Date 30.09.2020 RM' 000
Profit for the financial period	<b>(51,429)</b>	50,918	<b>(32,595)</b>	86,877
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	<b>(13,645)</b>	6,349	<b>11,754</b>	6,372
- non-controlling interests	<b>2</b>	(5)	<b>7</b>	21
Share of other comprehensive income/ (loss) of associates and joint ventures	<b>(9,327)</b>	1,080	<b>(410)</b>	(5,455)
Items that may subsequently be reclassified to profit or loss	<b>(22,970)</b>	7,424	<b>11,351</b>	938
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	<b>(6,920)</b>	(16,061)	<b>11,066</b>	(18,285)
Total comprehensive income for the financial period	<b>(81,319)</b>	42,281	<b>(10,178)</b>	69,530
Total comprehensive (loss)/income for the financial period attributable to:				
Equity holders of the Company	<b>(88,576)</b>	8,355	<b>(49,511)</b>	2,322
Non-controlling interests	<b>7,257</b>	33,926	<b>39,333</b>	67,208
Total comprehensive income for the financial period	<b>(81,319)</b>	42,281	<b>(10,178)</b>	69,530

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>30.09.2021</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>1,505,861</b>	1,531,545
Inventories	<b>442,475</b>	442,858
Investment properties	<b>4,094,935</b>	3,922,029
Intangible assets	<b>5,525</b>	5,921
Associates and joint ventures	<b>450,147</b>	907,004
Financial assets at fair value through other comprehensive income	<b>83,418</b>	72,352
Concession receivables	<b>120,293</b>	117,608
Deferred tax assets	<b>49,428</b>	43,955
Prepayment	<b>142</b>	389
	<b>6,752,224</b>	7,043,661
<b>CURRENT ASSETS</b>		
Inventories	<b>516,307</b>	511,151
Concession receivables	<b>5,014</b>	4,753
Amounts owing by associates and joint ventures	<b>935</b>	70
Receivables and contract assets	<b>203,243</b>	199,063
Tax recoverable	<b>24,478</b>	23,466
Cash held under Housing Development Accounts	<b>15,329</b>	9,455
Deposits, cash and bank balances	<b>1,560,204</b>	793,220
	<b>2,325,510</b>	1,541,178
Asset classified as held-for-sale	<b>386,126</b>	-
<b>TOTAL ASSETS</b>	<b>9,463,860</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>(22,776)</b>	(17,660)
Redeemable Convertible Cumulative Preference Shares	<b>96,626</b>	137,686
Other reserves	<b>55,351</b>	32,941
Retained earnings	<b>2,203,215</b>	2,120,197
	<b>3,726,275</b>	3,611,760
Non-controlling interests	<b>309,255</b>	62,047
<b>TOTAL EQUITY</b>	<b>4,035,530</b>	3,673,807
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>18,242</b>	18,286
Deferred tax liabilities	<b>135,000</b>	147,592
Redeemable Convertible Cumulative Preference Shares	<b>12,860</b>	25,307
Interest bearing bank borrowings	<b>4,182,524</b>	2,337,148
	<b>4,348,626</b>	2,528,333
<b>CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>587,077</b>	656,555
Amounts owing to associates	<b>1,473</b>	8
Current tax liabilities	<b>100,984</b>	23,919
Redeemable Convertible Cumulative Preference Shares	<b>4,703</b>	6,331
Interest bearing bank borrowings	<b>385,467</b>	1,695,886
	<b>1,079,704</b>	2,382,699
<b>TOTAL LIABILITIES</b>	<b>5,428,330</b>	4,911,032
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,463,860</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 nine months ended 30 September 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	-	-	-	22,410	(71,921)	(49,511)	39,333	(10,178)
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	55,263	-	(41,060)	-	(5,513)	8,690	-	8,690
Share buy-back	-	(5,116)	-	-	-	(5,116)	-	(5,116)
Transactions arising from the listing of IGB Commercial REIT	-	-	-	-	706,666	706,666	395,939	1,102,605
Distribution-in-specie of Units in IGB Commercial REIT to Entitled Shareholders	-	-	-	-	(539,004)	(539,004)	-	(539,004)
Capital reduction	-	-	-	-	-	-	(10,236)	(10,236)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(185,038)	(185,038)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(7,210)	(7,210)	7,210	-
<b>Total transactions with equity holders</b>	<b>55,263</b>	<b>(5,116)</b>	<b>(41,060)</b>	<b>-</b>	<b>154,939</b>	<b>164,026</b>	<b>207,875</b>	<b>371,901</b>
<b>At 30 September 2021</b>	<b>1,393,859</b>	<b>(22,776)</b>	<b>96,626</b>	<b>55,351</b>	<b>2,203,215</b>	<b>3,726,275</b>	<b>309,255</b>	<b>4,035,530</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 nine months ended 30 September 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	-	-	-	(17,368)	19,690	2,322	67,208	69,530
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 ordinary shareholders	-	16,749	-	-	(16,749)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	(104,395)	(104,395)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(7,260)	(7,260)	(2,976)	(10,236)
Total transactions with equity holders	452,252	4,117	(364,845)	-	(111,352)	(19,828)	(92,803)	(112,631)
At 30 September 2020	1,338,596	(17,660)	137,686	4,800	2,133,444	3,596,866	71,714	3,668,580

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

	<b>30.09.2021</b> <b>RM '000</b>	30.09.2020 RM '000
<b>Operating activities</b>		
Receipts from customers	<b>853,824</b>	809,808
Payments to contractors, suppliers and employees	<b>(540,189)</b>	(563,407)
Cash flow generated from operations	<b>313,635</b>	246,401
Interests paid	<b>(118,279)</b>	(131,468)
Income taxes paid	<b>(28,094)</b>	(23,889)
<b>Net cash generated from operating activities</b>	<b>167,262</b>	91,044
<b>Investing activities</b>		
Additions to property, plant and equipment, investment properties and land held for property development	<b>(237,897)</b>	(94,868)
Proceeds from disposal of ROFS	<b>359,336</b>	-
Additions to intangible assets	-	(84)
Proceeds from redemption of preferences shares in associates	-	1,960
Capital reduction	<b>135</b>	817
Deposit held with trustee	<b>(13,032)</b>	(979)
Net repayments/(advance) from associates and joint ventures	<b>1,545</b>	7,825
Dividend received from investments	-	11,108
Dividend received from associates	<b>10,098</b>	5,270
Movements in Fixed Deposits with maturity more than 3 months	-	4,020
Interest received	<b>22,945</b>	20,099
<b>Net cash generated from/(used in) investing activities</b>	<b>143,130</b>	(44,832)
<b>Financing activities</b>		
Dividend paid to holders of RCPS and RCCPS	<b>(6,784)</b>	(19,261)
Dividend paid to non-controlling interests	<b>(79,294)</b>	(105,669)
Purchase of treasury shares	<b>(5,116)</b>	(12,632)
Issuance of new shares to non-controlling interest	-	14,568
Receipt of bank borrowings net of repayments	<b>540,366</b>	124,145
<b>Net cash generated from financing activities</b>	<b>449,172</b>	1,151
<b>Net increase in cash and cash equivalents</b>	<b>759,564</b>	47,363
Currency translation differences	<b>262</b>	358
Cash and cash equivalents at 1 January	<b>741,383</b>	678,284
<b>Cash and cash equivalents at 30 September</b>	<b>1,501,209</b>	726,005
Add: Restricted cash and deposits pledged with licensed bank	<b>74,324</b>	60,787
<b>As per statement of financial position</b>	<b>1,575,533</b>	786,792

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
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 September 2021</b>	<b>905,350,813</b>	

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



**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:

**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
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 September 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</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 2021	227,600	1.91	1.92	438,297
Purchased in September 2021	1,950,800	1.85	1.93	3,708,941
<b>As at 30 September 2021</b>	<b>9,658,417</b>			<b>22,775,794</b>
Purchased in October 2021	213,500	1.90	1.98	415,476
Purchased in November 2021	544,900	1.88	1.95	1,054,682
<b>As at 26 November 2021</b>	<b>10,416,817</b>			<b>24,245,952</b>

The number of treasury shares held as at the date of this report is 10,416,817 ordinary shares at an average cost of RM2.33 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.

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 2021 up to and including 1 September 2021 was paid on 30 September 2021.

In connection with the listing of IGB Commercial REIT ("IGBCR"), as detailed in Note B6, a Distribution-in-specie (DIS) of 539,003,729 Units of IGBCR were distributed to Entitled Shareholders who subscribed for their entitlement to the ROFS Units on the basis of three (3) DIS Units for every two (2) ROFS Units subscribed. The IGBCR Units were credited to the Entitled Shareholders' account on 17 September 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>9 months to 30 September 2021</b>							
<b>Revenue</b>							
Total revenue	377,186	139,355	26,041	126,442	29,579	137,898	836,501
Intersegment revenue	(46,274)	(14,797)	(110)	(74,368)	(29,579)	(41,765)	(206,893)
External revenue	<u>330,912</u>	<u>124,558</u>	<u>25,931</u>	<u>52,074</u>	<u>-</u>	<u>96,133</u>	<u>629,608</u>
<b>Results</b>							
Segment results (external)	153,715	41,614	(49,256)	40,196	(4,427)	(3,397)	178,445
Unallocated expense							(38,540)
Profit from operations							139,905
Finance income							22,945
Finance costs							(114,012)
Share of after-tax results of associates and joint ventures	-	(2,332)	(15,457)	22,400	-	39	4,650
Profit before tax							53,488
Tax expense							(86,083)
Profit for the period							<u>(32,595)</u>
Attributable to:							
Equity holders of the Company							(71,921)
Non-controlling interests							<u>39,326</u>
							<u>(32,595)</u>

Unallocated expenses are 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
9 months to 30 September 2020							
Revenue							
Total revenue	434,825	147,695	62,949	47,069	104,544	303,928	1,101,010
Intersegment revenue	(50,306)	(18,796)	(505)	-	(104,544)	(187,109)	(361,260)
External revenue	<u>384,519</u>	<u>128,899</u>	<u>62,444</u>	<u>47,069</u>	<u>-</u>	<u>116,819</u>	<u>739,750</u>
Results							
Segment results (external)	218,980	60,568	(45,569)	62,253	(4,002)	(2,247)	289,983
Unallocated expense							(45,584)
Profit from operations							244,399
Finance income							20,099
Finance costs							(127,016)
Share of after-tax results of associates and joint ventures	-	150	(14,676)	160	-	2,859	(11,507)
Profit before tax							125,975
Tax expense							(39,098)
Profit for the period							<u>86,877</u>
Attributable to:							
Equity holders of the Company							19,691
Non-controlling interests							<u>67,186</u>
							<u>86,877</u>

Unallocated expenses are 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 other than as follows:

On 21 October 2021, the Board of Directors announced that on 20 October 2021 (after trading hours), Verokey Sdn Bhd ("VSB"), an indirect wholly-owned subsidiary and Tower Ray Limited (collectively the "Sellers"), who each held a 50% stake in Black Pearl Limited ("BPL"), which owns the freehold title to the land known as 18 Blackfriars Road, SE1 London, entered into a sale and purchase agreement with HNG Blackfriars 1 Limited ("the Buyer") and IGB Corporation Berhad (the holding company of VSB) as guarantor of certain liabilities of VSB, whereby the Sellers agreed to the sale of 100% of the Sellers' respective equity interests in BPL, and the transfer of all of the Sellers' respective rights and interests in respect of shareholder debt owed by BPL to the Sellers, in each case to the Buyer for aggregate headline consideration of £208,750,000 ("the Transaction").

Exchange and completion of the Transaction were simultaneous. The Transaction will result in an increase in the Group's net assets per share and earnings per share of approximately RM0.21 each.

## **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 other than as follows:

As at 30 September 2021, the Company held 52.0% equity in IGB Commercial Real Estate Investment Trust which was listed on Bursa Securities on 20 September 2021.

## **A10 Capital commitment**

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

	<b>Group</b>	
	<b>30 September 2021 RM'000</b>	31 December 2020 RM'000
Approved and contracted for:		
Property, plant and equipment	<b>9,569</b>	25,295
Investment properties	<b>43,069</b>	43,612
Others	-	1,312
	<b>52,638</b>	70,219

## **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)

### A11 Fair value of financial instruments (continued)

The following table presents the Group's financial assets as at 30 September 2021 that are measured at fair value:

	<b>Level 1</b> <b>RM '000</b>	<b>Level 2</b> <b>RM '000</b>	<b>Level 3</b> <b>RM '000</b>	<b>Total</b> <b>RM '000</b>
Financial assets at fair value through other comprehensive income:				
- Equity securities	-	-	<b>83,418</b>	<b>83,418</b>
	-	-	<b>83,418</b>	<b>83,418</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</b> <b>30.09.2021</b> <b>RM' 000</b>	3 months to 30.09.2020 RM' 000	Variance %
Revenue	<b>201,303</b>	279,801	-28%
Profit from operations	<b>25,437</b>	119,059	-79%
Profit before interest and tax	<b>49,895</b>	111,360	-55%
Profit before tax	<b>11,096</b>	72,041	-85%
(Loss)/Profit after tax	<b>(51,429)</b>	50,918	-201%
(Loss)/Profit attributable to ordinary equity holders	<b>(58,684)</b>	16,987	-445%

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

- i) Group revenue decreased by 28% due to lower contributions from the Property Investment – Commercial, Property Investment – Retail, Hotel and Investment divisions.
- ii) Group pre-tax profit decreased by 85% to RM11.1 million compared to pre-tax profit of RM72.0 million for the corresponding period last year.
- iii) Group loss after tax during the current quarter is due to a one-off tax expense of RM56.2 million net of deferred tax in relation to the disposal of investment properties to IGB Commercial REIT.

#### Property Investment – Retail

For the 3 months ended 30 September 2021, IGB REIT reported total gross revenue and net property income of RM95.8 million (3Q2020: RM130.7 million) and RM55.9 million (3Q2020: RM97.8 million) respectively, a decrease of about 27% and 43% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM16.9 million (3Q2020: RM33.7 million) to the Property Investment-Retail division and recorded pre-tax loss of RM17.6 million (3Q2020: RM2.1 million) after accounting for depreciation of RM9.0 million and finance cost of RM9.2 million.

## **B1 Review of performance (continued)**

### **Property Investment – Commercial**

For the 3 months ended 30 September 2021, Property Investment – Commercial division contributed gross revenue of RM40.4 million (3Q2020: RM43.3 million) a decrease of about 7%.

Average occupancy rates for 3Q2021 for the Group’s commercial building were above 70% with average rental rates at RM6.20 per sq. ft.

### **Property Development**

Revenue from the Property Development division, which was derived from sales of completed condominium units at “Stonor 3” increased by 34% to RM16.1 million when compared to the same period last year of RM12.0 million due to higher number of units sold in the current quarter. The Group currently does 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 September 2021 decreased by 69% to RM5.1 million from RM16.2 million for the 3 months to 30 September 2020. Average occupancy rates across all hotels in the Group remain low due to travel restrictions under the MCO imposed by the Government.

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

	<b>3 months to 30.09.2021 RM' 000</b>	3 months to 30.06.2021 RM' 000	Variance %
Revenue	<b>201,303</b>	193,684	4%
Profit from operations	<b>25,437</b>	58,388	-56%
Profit before interest and tax	<b>49,895</b>	62,296	-20%
Profit before tax	<b>11,096</b>	24,512	-55%
(Loss)/Profit after tax	<b>(51,429)</b>	11,861	-534%
Loss attributable to ordinary equity holders	<b>(58,684)</b>	(5,280)	-1011%

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

- i) Group revenue increased by 4% to RM201.3 million from RM193.7 million in the preceding quarter due to lower contributions from Property Development and Property Investment - Retail divisions.
- ii) However, Group pre-tax profit decreased by 55% to RM11.1 million from RM24.5 million mainly due to higher rental support given by the Property Investment – Retail division in the current quarter.
- iii) Group loss after tax during the current quarter is due to a one-off tax expense of RM56.2 million net of deferred tax in relation to the disposal of investment properties to IGB Commercial REIT.

### B3 Prospects for 2021

	Cumulative Period		
	9 months to 30.09.2021 RM' 000	9 months to 30.09.2020 RM' 000	Variance %
Revenue	<b>629,608</b>	739,750	-15%
Profit from operations	<b>139,905</b>	244,399	-43%
Profit before interest and tax	<b>167,500</b>	252,991	-34%
Profit before tax	<b>53,488</b>	125,975	-58%
(Loss)/Profit after tax	<b>(32,595)</b>	86,877	-138%
(Loss)/Profit attributable to ordinary equity holders	<b>(71,921)</b>	19,691	-465%

When comparing nine months ended 30 September 2021 with the nine months ended 30 September 2020:

- i) Group revenue decreased by 15% to RM629.6 million from RM739.8 million in the preceding year due to lower contributions from all operating divisions.
- ii) Group pre-tax profit decreased by 58% to RM53.5 million from RM126.0 million.
- iii) For the current year-to-date, the Groups' loss after tax was RM32.6 million compared to Group profit after tax of RM86.8 million in the preceding corresponding period. This is mainly attributable to a one-off tax expense net of deferred tax of RM56.2 million which arose from the disposal of certain investment properties held by the Group to IGB Commercial REIT as disclosed in Note B5.

The gradual reduction in the high number of positive Covid-19 cases in recent weeks and the relaxation by the Government of the various forms of Movement Control Order ("MCO") in the country have shown signs of a mild recovery in the local economy in the fourth quarter of 2021. The Government has announced the gradual easing of MCO restrictions with the transitioning to National Recover Plan (NRP) Phase 4 from 24 October 2021 for Kuala Lumpur, Putrajaya and certain other states and from 8 November 2021 for the remaining states leaving Kelantan and Sarawak as the only two states still in NRP Phase 3.

As disclosed in Note A8, the Group has disposed its equity interest in BPL in October 2021 and expects to recognise a one-off gain of approximately RM190.0 million in the fourth quarter of 2021.

The Board expects the Group's financial results for the fourth quarter of 2021 will be better when compared to the first three quarters.

### B4 Profit forecast/profit guarantee

The Group did not issue any profit forecast or profit guarantee other than a profit forecast which was issued by IGB Commercial REIT which has been separately disclosed in IGB Commercial REIT's Interim Financial Report which was released to Bursa Securities on 26 October 2021.

## B5 Tax

	<b>Current year quarter ended 30.09.2021 RM '000</b>	<b>Cumulative current Year-To-Date ended 30.09.2021 RM '000</b>
Malaysian income tax		
- Company and subsidiaries	<b>75,252</b>	<b>107,388</b>
Transferred to deferred tax	<b>(11,976)</b>	<b>(19,135)</b>
	<b>63,276</b>	<b>88,253</b>
Overseas tax		
- Company and subsidiaries	<b>(751)</b>	<b>(2,170)</b>
	<b>62,525</b>	<b>86,083</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. During the quarter there was a one-off tax expense net of deferred tax of RM56.2 million which arose from the balancing charge on the disposal of investment properties to IGB Commercial REIT.

## 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 ("the Board"), 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, 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, 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, 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, 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, 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, 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, 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 Unts together with the corresponding DIS Units.

On 2 July 2021, on behalf of the Board, 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, 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, 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 Unts 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, 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, 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.

On 3 September 2021, on behalf of the Board, HLIB announced that, following the completion of the book-building process under the institutional Offering on 2 September 2021, the Institutional Price has been fixed at RM0.71 per Unit offered to institutional investors and selected investors.

## B6 Corporate proposals

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

On 13 September 2021, on behalf of the Board, HLIB announced that all the conditions precedent under the SPAs have been fulfilled on 13 September 2021. Accordingly, the SPAs have become unconditional on 13 September 2021.

On 17 September 2021, on behalf of the Board, HLIB announced that the Acquisitions have been completed on even date following the payment of the Cash Consideration as well as the allotment and issuance of 2,307,300,000 Units.

On 20 September 2021 IGB Commercial Real Estate Investment Trust was listed on the Main Market of Bursa Securities.

Disclosure pursuant to the Circular dated 13 April 2021 – Use of Proceeds

Purpose	Proposed Utilisation	Actual Utilisation	Intended timeframe for utilisation
	RM '000	RM '000	
Total proceeds	1,212,536	-	
Utilisation:			
Repayment of bank borrowings	(344,074)	(344,074)	Completed
Disposal proceeds attributable to minority shareholders of TT Realty and GTower SB and the other shareholder of Hampshire Properties	(53,313)	(53,313)	Completed
Defray expenses relating to the establishment of IGB Commercial REIT and the Proposals	(2,048)	(2,048)	Completed
Remaining proceeds	813,101		
Repayment of bank borrowings (approved by the Board on 26 November 2021)	(486,200)		Within 3 months
Balance of remaining proceeds	326,901		Within 24 months

Interest income generated for the quarter ended 30 September 2021 was RM483,000.

The balance of the remaining proceeds will continue to be placed in interest-bearing deposits accounts and/or short-term money market instrument(s) with financial institutions.

## B7 Group borrowings and debt securities

Group borrowings as at 30 September 2021 were as follows:

	30 September 2021					
	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
<b>Secured</b>						
Term Loan - RMB	9,871	6,395	7,502	4,860	17,373	11,255
Revolving credit - RM	-	1,129,700	-	233,917	-	1,363,617
Revolving credit - USD	-	-	10,000	41,918	10,000	41,918
Medium Term Notes - RM	-	3,046,429	-	12,690	-	3,059,119
<b>Unsecured</b>						
Revolving credit - RM	-	-	-	92,082	-	92,082
		4,182,524		385,467		4,567,991

## 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 12.0 sen per ordinary share is declared for the financial year ending 31 December 2021, comprising of 10.0 sen per ordinary share to be paid by way of cash and 2.0 sen per ordinary share to be paid by way of dividend-in-specie by distributing treasury shares. The cash dividend shall be paid on 24 December 2021 and the treasury shares shall be credited to the entitled members' account on 24 December 2021 to every member who is entitled to receive the dividend at 5.00 p.m. on 10 December 2021.

	<b>Interim 2021</b>	<b>Interim 2021</b>	Interim 2020
	<b>Cash</b>	<b>Dividend-in-specie *</b>	Cash
Per ordinary share (sen)	<b>10.0</b>	<b>2.0</b>	2.0
Net dividend (RM'000)	<b>89,493</b>	<b>17,898</b>	16,773
Date payable/paid	<b>24 December 2021</b>	<b>24 December 2021</b>	30 September 2020

- Note*  
Based on 5-day Weighted Average Market Price of RM1.93 per IGB ordinary share, the dividend-in-specie of 2.0 sen per ordinary share is equivalent to 10.36 treasury shares for every existing 1,000 IGB ordinary shares held. Entitlements will be round down and fractions ignored.

## 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.

		<b>Current Year Quarter ended 30.09.2021</b>	Preceding Year Quarter ended 30.09.2020	<b>Current Year-To-Date ended 30.09.2021</b>	Preceding Year-To-Date ended 30.09.2020
Net (Loss)/Profit for the period	RM '000	<b><u>(58,684)</u></b>	16,987	<b><u>(71,921)</u></b>	19,691
Weighted average number of ordinary shares in issue	'000	<b><u>888,715</u></b>	837,010	<b><u>888,715</u></b>	837,010
<b>Basic (loss)/earnings per share</b>	sen	<b><u>(6.60)</u></b>	2.03	<b><u>(8.09)</u></b>	2.35

## 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 30.09.2021</b>	Preceding Year Quarter ended 30.09.2020	<b>Current Year-To-Date ended 30.09.2021</b>	Preceding Year-To-Date ended 30.09.2020
Net (Loss)/Profit for the period	RM '000	<b>(58,684)</b>	16,987	<b>(71,921)</b>	19,691
Add: Interest on RCCPS saved as a result of conversion	RM '000	<b>350</b>	502	<b>1,142</b>	1,504
Less: Tax relief thereon	RM '000	<b>(99)</b>	(116)	<b>(292)</b>	(347)
Adjusted Net (Loss)/Profit	RM '000	<b>(58,433)</b>	17,373	<b>(71,071)</b>	20,848
Weighted average number of ordinary shares in issue	'000	<b>888,715</b>	837,010	<b>888,715</b>	837,010
Adjustment for potential dilution on maximum conversion of RCCPS	'000	<b>39,649</b>	56,498	<b>39,649</b>	56,498
	'000	<b>928,364</b>	893,508	<b>928,364</b>	893,508
<b>Diluted (loss)/earnings per share</b>	sen	<b>(6.29)</b>	1.94	<b>(7.66)</b>	2.33

## B11 Notes to Statements of Comprehensive Income

	<b>Current Year Quarter ended 30.09.2021 RM '000</b>	<b>Cumulative Current Year-To-Date ended 30.09.2021 RM '000</b>
(a) Interest income	<b>10,213</b>	<b>22,945</b>
(b) Other income including investment income	<b>3,293</b>	<b>12,551</b>
(c) Interest expense	<b>(38,799)</b>	<b>(114,012)</b>
(d) Depreciation and amortisation	<b>(35,752)</b>	<b>(105,323)</b>
(e) Foreign exchange loss	<b>(947)</b>	<b>(1,738)</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 26 November 2021.