

Interim Financial Report for the three months ended 31 December 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)

	Current Year Quarter 31.12.2021 RM' 000	Current Year Quarter 31.12.2020 RM' 000	Current Year- To-Date 31.12.2021 RM' 000	Current Year- To-Date 31.12.2020 RM' 000
Revenue	300,445	276,667	930,053	1,016,417
Cost of sales	(139,843)	(136,756)	(499,594)	(539,967)
Gross profit	160,602	139,911	430,459	476,450
Other operating income	216,530	17,722	229,081	41,489
Administrative expenses	(46,960)	(87,068)	(184,470)	(198,659)
Other operating expenses	(319)	211	(5,312)	(4,105)
Profit from operations	329,853	70,776	469,758	315,175
Finance income	11,281	6,187	34,226	26,286
Finance costs	(43,512)	(38,945)	(157,524)	(165,961)
Share of after-tax results of associates and joint venture	295	(16,330)	4,945	(27,837)
Profit before tax	297,917	21,688	351,405	147,663
Less tax:				
Company and subsidiaries	(25,997)	(9,770)	(112,080)	(48,868)
Profit for the period	271,920	11,918	239,325	98,795
Attributable to:				
Equity holders of the Company	233,766	(10,441)	161,845	9,250
Non-controlling interests	38,154	22,359	77,480	89,545
	271,920	11,918	239,325	98,795
Earnings/(Loss) per share (sen)				
- basic	26.25	(1.23)	18.17	1.09
- diluted	25.16	(1.23)	17.52	1.09

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)

	Current Year Quarter 31.12.2021 RM' 000	Preceding Year Quarter 31.12.2020 RM' 000	Current Year- To-Date 31.12.2021 RM' 000	Preceding Year- To-Date 31.12.2020 RM' 000
Profit for the financial period	271,920	11,918	239,325	98,795
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	(9,258)	18,935	2,496	25,304
- non-controlling interests	(1)	(6)	6	16
Share of other comprehensive income/ (loss) of associates and joint ventures	998	11,206	588	5,751
Items that may subsequently be reclassified to profit or loss	(8,261)	30,135	3,090	31,071
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	(15,058)	(1,999)	(3,992)	(20,282)
Total comprehensive income for the financial period	248,601	40,054	238,423	109,584
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company	210,448	17,701	160,937	20,023
Non-controlling interests	38,153	22,353	77,486	89,561
Total comprehensive income for the financial period	248,601	40,054	238,423	109,584

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)

	31.12.2021 RM '000	<i>Audited</i> 31.12.2020 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,521,300	1,531,545
Inventories	442,956	442,858
Investment properties	4,059,231	3,922,029
Intangible assets	5,393	5,921
Associates and joint ventures	434,507	907,004
Financial assets at fair value through other comprehensive income	68,360	72,352
Concession receivables	120,062	117,608
Deferred tax assets	42,489	43,955
Receivables	243,913	389
	6,938,211	7,043,661
CURRENT ASSETS		
Inventories	536,220	511,151
Concession receivables	5,289	4,753
Amounts owing by associates and joint ventures	182	70
Receivables and contract assets	186,033	199,063
Tax recoverable	28,818	23,466
Cash held under Housing Development Accounts	12,707	9,455
Deposits, cash and bank balances	1,426,206	793,220
	2,195,455	1,541,178
TOTAL ASSETS	9,133,666	8,584,839
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	1,393,859	1,338,596
Treasury shares	(3,310)	(17,660)
Redeemable Convertible Cumulative Preference Shares	96,626	137,686
Other reserves	32,033	32,941
Retained earnings	2,321,788	2,120,197
	3,840,996	3,611,760
Non-controlling interests	281,463	62,047
TOTAL EQUITY	4,122,459	3,673,807
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables and contract liabilities	32,287	18,286
Deferred tax liabilities	139,560	147,592
Redeemable Convertible Cumulative Preference Shares	13,210	25,307
Interest bearing bank borrowings	2,705,792	2,337,148
	2,890,849	2,528,333
CURRENT LIABILITIES		
Payables and contract liabilities	643,796	656,555
Amounts owing to associates	4	8
Current tax liabilities	37,271	23,919
Redeemable Convertible Cumulative Preference Shares	4,703	6,331
Interest bearing bank borrowings	1,434,584	1,695,886
	2,120,358	2,382,699
TOTAL LIABILITIES	5,011,207	4,911,032
TOTAL EQUITY AND LIABILITIES	9,133,666	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 financial year ended 31 December 2021

(The figures have not been audited)

	Attributable to equity holders						Non-controlling Interests	
	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	Total Equity RM '000
At 1 January 2021	1,338,596	(17,660)	137,686	32,941	2,120,197	3,611,760	62,047	3,673,807
Total comprehensive income for the period	-	-	-	(908)	161,845	160,937	77,486	238,423
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	55,263	-	(41,060)	-	(5,513)	8,690	-	8,690
Share buy-back	-	(7,129)	-	-	-	(7,129)	-	(7,129)
Transactions arising from the listing of IGB Commercial REIT	-	-	-	-	165,772	165,772	412,262	578,034
Capital reduction	-	-	-	-	-	-	(38,124)	(38,124)
Dividend paid to ordinary shareholders	-	21,479	-	-	(110,950)	(89,471)	-	(89,471)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(241,771)	(241,771)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(9,563)	(9,563)	9,563	-
Total transactions with equity holders	55,263	14,350	(41,060)	-	39,746	68,299	141,930	210,229
At 31 December 2021	1,393,859	(3,310)	96,626	32,033	2,321,788	3,840,996	281,463	4,122,459

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 financial year ended 31 December 2020

	Attributable to equity holders						Non-controlling Interests	
	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	Total Equity 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	-	-	-	10,773	9,250	20,023	89,561	109,584
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
Redemption of redeemable preference shares in a subsidiary	-	-	-	-	-	-	(10,236)	(10,236)
Share buy back	-	(12,632)	-	-	-	(12,632)	-	(12,632)
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

Condensed Consolidated Cash Flow Statements

(The figures have not been audited)

	31.12.2021 RM '000	31.12.2020 RM '000
Operating activities		
Receipts from customers	1,130,277	1,211,114
Payments to contractors, suppliers and employees	(675,057)	(746,815)
Cash flow generated from operations	455,220	464,299
Interests paid	(155,399)	(160,908)
Income taxes paid	(110,645)	(84,145)
Net cash generated from operating activities	189,176	219,246
Investing activities		
Additions to property, plant and equipment, investment properties and land held for property development	(259,866)	(243,821)
Additional investments in associates and joint ventures	-	(1,793)
Proceeds from disposal of Restricted Offer For Sale	359,336	-
Proceeds from disposal of subsidiaries	-	2,600
Proceeds from redemption of preferences shares in associates	-	2,000
Proceeds from disposal of a joint venture	338,569	-
Capital reduction of an associate	144	876
Deposit held with trustee	(13,407)	(1,483)
Net (advance to)/repayment from associates and joint ventures	(38)	13,979
Dividend received from investments	20,180	11,108
Dividend received from associates	43,161	15,210
Movements in Fixed Deposits with maturity more than 3 months	-	4,020
Interest received	34,226	20,802
Net cash generated from/(used in) investing activities	522,305	(176,502)
Financing activities		
Dividend paid to holders of RCPS and RCCPS	(6,780)	(19,261)
Dividend paid to ordinary shareholders	(89,467)	-
Dividend paid to non-controlling interests	(106,712)	(140,814)
Purchase of treasury shares	(7,129)	(12,632)
Repayments of lease	-	(407)
Settlement of redemption of preferences shares	-	(10,236)
Issuance of new shares to non-controlling interest	14,500	14,568
Receipt of bank borrowings net of repayments	106,709	188,186
Net cash (used in)/generated from financing activities	(88,879)	19,404
Net increase in cash and cash equivalents	622,602	62,148
Currency translation differences	229	951
Cash and cash equivalents at 1 January	741,383	678,284
Cash and cash equivalents at 31 December	1,364,214	741,383
Add: Restricted cash and deposits pledged with licensed bank	74,699	61,292
As per statement of financial position	1,438,913	802,675

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 cyclical

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

Date	No. of Ordinary Shares	Remarks
As at 31 December 2020	888,502,362	Including 6,987,117 treasury shares
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
As at 31 December 2021	905,350,813	

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")

Date	No. of RCCPS	Remarks
As at 31 December 2020	56,497,771	
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
As at 31 December 2021	39,649,320	

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

c. Treasury Shares

Date	No. of treasury shares	Lowest Price RM	Highest Price RM	Cost RM
As at 31 December 2020	6,987,117			17,659,930
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
As at 30 September 2021	9,658,417			22,775,794
Purchased in October 2021	213,500	1.90	1.98	415,475
Purchased in November 2021	808,600	1.88	1.95	1,570,384
Purchased in December 2021	14,600	1.86	1.86	27,365
Distribution of treasury shares as dividend on 24 Dec 2021	(9,266,985)			(21,478,910)
As at 31 December 2021	1,428,132			3,310,108
Purchased in January 2022	211,900	1.93	1.95	414,028
Purchased in February 2022	59,100	1.92	1.95	117,130
As at 25 February 2022	1,699,132			3,841,266

The number of treasury shares held as at the date of this report is 1,699,132 ordinary shares at an average cost of RM2.26 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.

A6 Dividends paid (continued)

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.

An Interim Single Tier Dividend of 12.0 sen per ordinary share was declared for the financial year ended 31 December 2021, comprising of 10.0 sen per ordinary share paid by way of cash and 2.0 sen per ordinary share paid by way of dividend-in-specie by distributing treasury shares. The cash dividend was paid on 24 December 2021 and the treasury shares were credited to the entitled members' account on 24 December 2021.

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
2021							
Revenue							
Total revenue	554,900	186,911	51,104	102,183	88,949	255,844	1,239,891
Intersegment revenue	(68,133)	(17,843)	(431)	(9,958)	(88,949)	(124,524)	(309,838)
External revenue	486,767	169,068	50,673	92,225	-	131,320	930,053
Results							
Segment results (external)	262,736	50,956	(56,013)	71,509	(4,559)	203,123	527,752
Unallocated expense							(57,994)
Profit from operations							469,758
Finance income							34,226
Finance costs							(157,524)
Share of after-tax results of associates and joint ventures	-	(2,141)	(17,129)	24,916	-	(701)	4,945
Profit before tax							351,405
Tax expense							(112,080)
Profit for the period							239,325
Attributable to:							
Equity holders of the Company							161,845
Non-controlling interests							77,480
							239,325

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
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 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.

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:

On 17 February 2022, the Board of Directors announced to Bursa Securities that pursuant to the announcement on 23 December 2020 pertaining to the commencement of members' voluntary winding-up of the Group's wholly-owned and inactive subsidiaries ie. Riraience Enterprise Sdn Bhd and Silver Sanctuary Sdn Bhd, the Liquidator had convened the final meetings of these subsidiaries on 16 February 2022 and has lodged the Returns by Liquidator with the Companies Commission of Malaysia and the Official Receiver on 17 February 2022. These subsidiaries will be dissolved on the expiration of 3 months after the lodgement date.

A10 Capital commitment

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

	Group	
	31 December	31 December
	2021	2020
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	20,636	25,295
Investment properties	33,148	43,612
Others	-	1,312
	53,784	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)

The following table presents the Group's financial assets as at 31 December 2021 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	-	-	68,360	68,360
	-	-	68,360	68,360

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

	3 months to 31.12.2021 RM' 000	3 months to 31.12.2020 RM' 000	Variance %
Revenue	300,445	276,667	9%
Profit from operations	329,853	70,776	366%
Profit before interest and tax	341,429	60,633	463%
Profit before tax	297,917	21,688	1274%
Profit after tax	271,920	11,918	2182%
Profit/(Loss) attributable to ordinary equity holders	233,766	(10,441)	2339%

When comparing three months ended 31 December 2021 with three months ended 31 December 2020:

- i) Group revenue increased by 9% due to higher contributions from the Property Development, Hotel and Investment divisions.
- ii) Group pre-tax profit increased by more than 100% to RM297.9 million compared to pre-tax profit of RM21.7 million for the corresponding period last year due mainly to higher contribution from the Property Development division and a one-off gain of approximately RM193.4 million from the disposal of a joint-venture company.

Property Investment – Retail

For the 3 months ended 31 December 2021, IGB REIT reported total gross revenue and net property income of RM119.4 million (4Q2020: RM147.5 million) and RM93.7 million (4Q2020: RM93.1 million) respectively, a decrease of about 20% and increase of about 1% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM37.1 million (4Q2020: RM33.1 million) to the Property Investment-Retail division and recorded pre-tax profit of RM9.1 million (4Q2020: Loss RM2.1 million) after accounting for depreciation of RM9.4 million and finance cost of RM9.4 million.

Property Investment – Commercial

For the 3 months ended 31 December 2021, Property Investment – Commercial division contributed gross revenue of RM44.5million (4Q2020: RM45.0 million) a decrease of about 1%.

Occupancy rates as at 31 December 2021 for the Group's commercial buildings were above 70% with average rental rates at RM6.27 per sq. ft.

Property Development

Revenue from the Property Development division was derived mainly from sales of completed condominium units at "Stonor 3", which increased by more than 100% to RM40.1 million when compared to the same period last year of RM13.6 million. The Group currently does not have any property development projects under construction. In May 2021, a joint venture company launched the D'Laman Kundang project in Rawang comprising of 179 units of double-storey link houses which has since been fully sold as at 31 December 2021.

Hotel

Revenue contributed by the Hotel division for the 3 months to 31 December 2021 increased by 96% to RM24.7 million from RM12.6 million for the 3 months to 31 December 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

	3 months to 31.12.2021 RM' 000	3 months to 30.09.2021 RM' 000	Variance %
Revenue	300,445	201,303	49%
Profit from operations	329,853	25,437	1197%
Profit before interest and tax	341,429	49,895	584%
Profit before tax	297,917	11,096	2585%
Profit/(Loss) after tax	271,920	(51,429)	-629%
Profit/(Loss) attributable to ordinary equity holders	233,766	(58,684)	498%

When comparing three months ended 31 December 2021 with the preceding three months ended 30 September 2021:

- i) Group revenue increased by 49% to RM300.4 million from RM201.3 million in the preceding quarter due to higher contributions from all operating divisions.
- ii) Group pre-tax profit increased by more than 100% to RM297.9 million from RM11.1 million due mainly to higher contribution from Property Development division and recognition of a one-off gain of approximately RM193.4 million from the disposal of a joint venture company.

B3 Prospects for 2022

	Cumulative Period		
	Financial Year to 31.12.2021 RM' 000	Financial Year to 31.12.2020 RM' 000	Variance %
Revenue	930,053	1,016,417	-8%
Profit from operations	469,758	315,175	49%
Profit before interest and tax	508,928	313,624	62%
Profit before tax	351,405	147,663	138%
Profit after tax	239,325	98,795	142%
Profit attributable to ordinary equity holders	161,845	9,250	1650%

When comparing financial year ended 31 December 2021 with the financial year ended 31 December 2020:

- i) Group revenue decreased by 8% to RM930.1 million from RM1,016.4 million in the preceding year due to lower contributions from all operating divisions other than Property Development division.
- ii) Group pre-tax profit increased by more than 100% to RM351.4 million from RM147.7 million due to higher contribution from Property Development division and a one-off gain of approximately RM193.4 million from the disposal of a joint venture company.
- iii) For the current financial year, the Groups' profit after tax included 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.

B3 Prospects for 2022 (continued)

Although there is an increase in the number of positive Covid-19 cases in recent weeks, the majority of the cases were in the milder Category 1 and Category 2 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 from 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 from 8 November 2021.

Barring unforeseen circumstances, the Board expects the Group's financial results for the financial year 2022 to be satisfactory.

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 January 2022.

B5 Tax

	Current year quarter ended 31.12.2021 RM '000	Cumulative current Year-To-Date ended 31.12.2021 RM '000
Malaysian income tax		
- Company and subsidiaries	11,354	118,742
Transferred from/(to) deferred tax	14,940	(4,195)
	26,294	114,547
Overseas tax		
- Company and subsidiaries	(297)	(2,467)
	25,997	112,080

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

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.

B6 Corporate proposals (continued)

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

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 Units 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 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, 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.

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.

B6 Corporate proposals (continued)

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

Disclosure pursuant to Clause 4(3) of the Circular dated 13 April 2021 – Use of Proceeds

Purpose	Proposed Utilisation RM '000	Actual Utilisation RM '000	Intended timeframe for utilisation
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)		Completed
	326,901		
Redemption of 39,649,320 RCCPS outstanding as at 25 February 2022 @ RM3.28 per RCCPS (approved by the Board on 25 February 2022)	(130,050)		April 2022
Balance of remaining proceeds	196,851		September 2023

Interest income generated for the quarter ended 31 December 2021 was RM1,426,000.

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 31 December 2021 were as follows:

	31 December 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
Secured						
Term Loan - RMB	2,869	56,884	9,998	6,547	12,867	63,431
Revolving credit - RM	-	803,500	-	78,339	-	881,839
Revolving credit - USD	-	-	10,000	41,702	10,000	41,702
Medium Term Notes - RM	-	1,845,408	-	1,215,888	-	3,061,296
Unsecured						
Revolving credit - RM	-	-	-	92,108	-	92,108
		2,705,792		1,434,584		4,140,376

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 September 2021 up to and including 1 March 2022 and will be paid on 18 March 2022 to every member who is entitled to receive the dividend at 5.00 p.m. on 11 March 2022.

A Second Interim Dividend of 5.0 sen per ordinary share is declared for the financial year ended 31 December 2021. The cash dividend shall be paid on 18 March 2022 to every member who is entitled to receive the dividend at 5.00 p.m. on 11 March 2022.

	2nd Interim 2021	Interim 2021	Interim 2021	Interim 2020
	Cash	Cash	Dividend-in-specie	Cash
Per ordinary share (sen)	5.0	10.0	2.0	2.0
Net dividend (RM'000)	45,195	89,493	17,898	16,773
Date payable/paid	18 March 2022	24 December 2021	24 December 2021	30 September 2020

B10 Earnings per share

(a) Basic earnings per share

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

		Current Year Quarter ended 31.12.2021	Preceding Year Quarter ended 30.12.2020	Current Year-To-Date ended 31.12.2021	Preceding Year-To-Date ended 30.12.2020
Net Profit/(Loss) for the period	RM '000	233,766	(10,441)	161,845	9,250
Weighted average number of ordinary shares in issue	'000	890,544	848,197	890,544	848,197
Basic earnings/(loss) per share	sen	26.25	(1.23)	18.17	1.09

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.

		Current Year Quarter ended 31.12.2021	Preceding Year Quarter ended 31.12.2020	Current Year-To-Date ended 31.12.2021	Preceding Year-To-Date ended 31.12.2020
Net Profit/(Loss) for the period	RM '000	233,766	(10,441)	161,845	9,250
Add: Interest saved on RCCPS as a result of conversion	RM '000	350	501	1,492	2,005
Less: Tax relief thereon	RM '000	(99)	(116)	(391)	(462)
Adjusted Net Profit/(Loss)	RM '000	234,017	(10,056)	162,946	10,793
Weighted average number of ordinary shares in issue	'000	890,544	848,197	890,544	848,197
Adjustment for potential dilution on maximum conversion of RCCPS	'000	39,649	56,498	39,649	56,498
	'000	930,193	904,695	930,193	904,695
Diluted earnings/(loss) per share	sen	25.16	(1.11)	17.52	1.19

B11 Notes to Statements of Comprehensive Income

	Current Year Quarter ended 31.12.2021 RM '000	Cumulative Current Year-To-Date ended 31.12.2021 RM '000
(a) Interest income	11,281	34,226
(b) Other income including investment income	216,530	229,081
(c) Interest expense	(43,512)	(157,524)
(d) Depreciation and amortisation	(39,029)	(144,352)
(e) Foreign exchange loss	6,958	5,220

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 25 February 2022.