

Interim Financial Report for the three months ended 30 June 2022

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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 30.06.2022 RM' 000	Preceding Year Quarter 30.06.2021 RM' 000	Current Year- To-Date 30.06.2022 RM' 000	Preceding Year- To-Date 30.06.2021 RM' 000
Revenue	305,999	193,684	594,190	428,305
Cost of sales	(142,599)	(116,610)	(271,359)	(241,418)
Gross profit	163,400	77,074	322,831	186,887
Other operating income	5,057	3,294	10,387	9,258
Administrative expenses	(29,424)	(21,556)	(62,831)	(78,774)
Other operating expenses	(19,594)	(424)	(33,837)	(2,903)
Profit from operations	119,439	58,388	236,550	114,468
Finance income	7,254	6,569	15,450	12,732
Finance costs	(35,433)	(37,784)	(73,861)	(75,213)
Share of after-tax results of associates and joint venture	27,213	(2,661)	44,437	(9,595)
Profit before tax	118,473	24,512	222,576	42,392
Less tax:				
Company and subsidiaries	(25,725)	(12,651)	(44,733)	(23,558)
Profit for the period	92,748	11,861	177,843	18,834
Attributable to:				
Equity holders of the Company	49,790	(5,280)	92,513	(13,237)
Non-controlling interests	42,958	17,141	85,330	32,071
	92,748	11,861	177,843	18,834
Earnings/(Loss) per share (sen)				
- basic	5.51	(0.60)	10.24	(1.50)
- diluted ^{Note 1}	5.51	(0.60)	10.24	(1.50)

Note 1: As at 30 June 2022, there were no potential dilutive ordinary shares as all RCCPS have been redeemed/converted; accordingly diluted earnings per share were presented as same as basic earnings per share.

The diluted earnings per share for the preceding year quarter and preceding year-to-date were anti-dilutive; accordingly diluted earnings per share were presented as same as basic earnings per share.

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 30.06.2022 RM' 000	Preceding Year Quarter 30.06.2021 RM' 000	Current Year- To-Date 30.06.2022 RM' 000	Preceding Year- To-Date 30.06.2021 RM' 000
Profit for the financial period	92,748	11,861	177,843	18,834
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	(7,663)	1,423	710	25,399
- non-controlling interests	7	-	9	5
Share of other comprehensive income/ (loss) of associates and joint ventures	(12,328)	(69)	(17,985)	8,917
Items that may subsequently be reclassified to profit or loss	(19,984)	1,354	(17,266)	34,321
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	4,690	12,013	11,959	17,986
Total comprehensive income for the financial period	77,454	25,228	172,536	71,141
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company	34,489	8,087	87,197	39,065
Non-controlling interests	42,965	17,141	85,339	32,076
Total comprehensive income for the financial period	77,454	25,228	172,536	71,141

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

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

	30.06.2022 RM '000	<i>Audited</i> 31.12.2021 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,499,611	1,506,761
Inventories	447,569	442,956
Investment properties	3,967,763	4,003,156
Intangible assets	5,148	5,393
Associates and joint ventures	500,395	490,582
Financial assets at fair value through other comprehensive income	57,131	68,360
Concession receivables	118,097	120,062
Deferred tax assets	38,309	41,058
Receivables	233,391	243,913
Deposits, cash and bank balances	17,684	45,084
	<u>6,885,098</u>	<u>6,967,325</u>
CURRENT ASSETS		
Inventories	551,084	536,220
Concession receivables	5,319	5,289
Amounts owing by associates and joint ventures	1	182
Receivables and contract assets	193,638	186,267
Tax recoverable	32,885	28,818
Cash held under Housing Development Accounts	1,273	12,707
Deposits, cash and bank balances	1,256,750	1,381,122
	<u>2,040,950</u>	<u>2,150,605</u>
TOTAL ASSETS	<u>8,926,048</u>	<u>9,117,930</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	1,394,110	1,393,859
Treasury shares	(7,096)	(3,310)
Redeemable Convertible Cumulative Preference Shares	-	96,626
Other reserves	26,717	32,033
Retained earnings	2,346,948	2,321,788
	<u>3,760,679</u>	<u>3,840,996</u>
Non-controlling interests	256,805	281,463
TOTAL EQUITY	<u>4,017,484</u>	<u>4,122,459</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables and contract liabilities	17,577	17,833
Deferred tax liabilities	148,494	138,129
Redeemable Convertible Cumulative Preference Shares	-	13,210
Interest bearing bank borrowings	2,709,628	2,705,792
	<u>2,875,699</u>	<u>2,874,964</u>
CURRENT LIABILITIES		
Payables and contract liabilities	594,902	643,945
Amounts owing to associates	890	4
Current tax liabilities	36,675	37,271
Redeemable Convertible Cumulative Preference Shares	-	4,703
Interest bearing bank borrowings	1,400,398	1,434,584
	<u>2,032,865</u>	<u>2,120,507</u>
TOTAL LIABILITIES	<u>4,908,564</u>	<u>4,995,471</u>
TOTAL EQUITY AND LIABILITIES	<u>8,926,048</u>	<u>9,117,930</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2022
(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 2022	1,393,859	(3,310)	96,626	32,033	2,321,788	3,840,996	281,463	4,122,459
Total comprehensive income for the period	-	-	-	(5,316)	92,513	87,197	85,339	172,536
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	251	-	(187)	-	(34)	30	-	30
Redemption of Redeemable Convertible Cumulative Preference Shares	-	-	(96,439)	-	(18,397)	(114,836)	-	(114,836)
Issuance of ordinary shares	-	-	-	-	-	-	291	291
Share buy-back	-	(3,786)	-	-	-	(3,786)	-	(3,786)
Capital reduction	-	-	-	-	-	-	(10,236)	(10,236)
Dividend paid to ordinary shareholders	-	-	-	-	(45,181)	(45,181)	-	(45,181)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(103,793)	(103,793)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(3,741)	(3,741)	3,741	-
Total transactions with equity holders	251	(3,786)	(96,626)	-	(67,353)	(167,514)	(109,997)	(277,511)
At 30 June 2022	1,394,110	(7,096)	-	26,717	2,346,948	3,760,679	256,805	4,017,484

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 2021 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	
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	-	-	-	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)
At 30 June 2021	1,393,859	(17,660)	96,626	72,959	2,097,985	3,643,769	47,900	3,691,669

Condensed Consolidated Cash Flow Statements

(The figures have not been audited)

	30.06.2022 RM '000	30.06.2021 RM '000
Operating activities		
Receipts from customers	602,323	481,407
Payments to contractors, suppliers and employees	(388,790)	(353,660)
Cash flow generated from operations	213,533	127,747
Interests paid	(68,311)	(75,178)
Income taxes paid	(36,283)	(28,498)
Net cash generated from operating activities	108,939	24,071
Investing activities		
Additions to property, plant and equipment, investment properties and land held for property development	(19,658)	(39,546)
Additional investments in associates and joint ventures	(3,873)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,188	-
Proceeds from disposal of subsidiaries	1,250	-
Capital reduction	19,313	135
Deposit held with trustee	(2,294)	(511)
Net repayment from/(advance to) associates and joint ventures	1,061	(106)
Dividend received from investments	12,694	-
Dividend received from associates	210	9,500
Movements in Fixed Deposits with maturity more than 3 months	16,219	-
Interest received	15,450	12,732
Net cash generated from/(used in) investing activities	63,560	(17,796)
Financing activities		
Dividend paid to holders of RCCPS	(3,421)	(3,984)
Dividend paid to ordinary shareholders	(45,181)	-
Dividend paid to non-controlling interests	(90,663)	(56,805)
Purchase of treasury shares	(3,786)	-
Redemption of RCCPS	(129,798)	-
Net (repayments)/receipt of bank borrowings	(35,656)	25,793
Net cash used in financing activities	(308,505)	(34,996)
Net decrease in cash and cash equivalents	(136,006)	(28,721)
Currency translation differences	(13,275)	456
Cash and cash equivalents at 1 January	1,031,182	741,383
Cash and cash equivalents at 30 June	881,901	713,118
Add: Restricted cash and deposits pledged with licensed bank	76,993	61,803
Add: Fixed deposits with maturity of more than 3 months	316,813	-
As per statement of financial position	1,275,707	774,921

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2021.

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 2021 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 2022)

•	Annual improvements to MFRS 1	Subsidiary as first-time adopter
•	Amendments to MFRS 3	Reference to conceptual framework
•	Annual Improvements to MFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities
•	Annual improvements to Illustrative Example accompanying MFRS 16	Leases: lease incentives
•	Amendments to MFRS 116	Proceeds before intended use
•	Amendments to MFRS 137	Onerous contracts - cost of fulfilling a contract
•	Annual Improvements to MFRS 141	Taxation in fair value measurements

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

A2 Seasonality or cyclicality

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 2021	905,350,813	Including 1,428,132 treasury shares
Issued in March 2022	76,612	Conversion of RCCPS into ordinary shares
As at 30 June 2022	905,427,425	

The number of ordinary shares as at the date of this report is 905,427,425.

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

Date	No. of RCCPS	Remarks
As at 31 December 2021	39,649,320	
March 2022	(76,612)	Conversion of RCCPS into ordinary shares
Redemption on 11 April 2022	(39,572,708)	Redemption at RM3.28 per RCCPS
As at 30 June 2022	-	

On 11 March 2022, a Notice was sent to all RCCPS Holders giving notice that pursuant to the terms of RCCPS, the Company has elected to, and will make early full redemption of all the outstanding RCCPS on 11 April 2022. On 11 April 2022, all outstanding RCCPS were redeemed.

The number of RCCPS as at the date of this report is NIL.

c. Treasury Shares

Date	No. of treasury shares	Lowest Price RM	Highest Price RM	Cost RM
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	1.98	117,130
Purchased in March 2022	613,900	2.00	2.34	1,358,775
Purchased in April 2022	336,000	2.28	2.33	783,239
Purchased in May 2022	130,400	2.25	2.33	302,767
Purchased in June 2022	352,900	2.20	2.36	809,886
As at 30 June 2022	3,132,332			7,095,933
Purchased in July 2022	191,800	2.21	2.33	434,285
Purchased up to 29 August 2022	301,200	2.25	2.33	687,131
As at 29 August 2022	3,625,332			8,217,349

The number of treasury shares held as at the date of this report is 3,625,332 ordinary shares at an average cost of RM2.27 per ordinary share.

A6 Dividends paid

An Interim 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 2021 up to and including 1 March 2022 was paid on 18 March 2022.

A Second Interim Dividend of 5.0 sen per ordinary share by way of cash for the financial year ended 31 December 2021 was paid on 18 March 2022.

An Interim Dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the period from and including 2 March 2022 up to and including 11 April 2022 was paid on 11 April 2022.

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
6 months to 30 June 2022							
Revenue							
Total revenue	383,725	98,001	56,745	24,420	20,714	123,521	707,126
Intersegment revenue	(43,302)	(4,833)	(830)	-	(20,714)	(43,257)	(112,936)
External revenue	<u>340,423</u>	<u>93,168</u>	<u>55,915</u>	<u>24,420</u>	<u>-</u>	<u>80,264</u>	<u>594,190</u>
Results							
Segment results (external)	244,697	33,543	(6,563)	28,851	(1,855)	(35,989)	262,684
Unallocated expense							(26,134)
Profit from operations							236,550
Finance income							15,450
Finance costs							(73,861)
Share of after-tax results of associates and joint ventures	-	(350)	43,185	1,435	-	167	44,437
Profit before tax							222,576
Tax expense							(44,733)
Profit for the period							<u>177,843</u>
Attributable to:							
Equity holders of the Company							92,513
Non-controlling interests							<u>85,330</u>
							<u>177,843</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

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
6 months to 30 June 2021							
Revenue							
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>
Results							
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.

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. Riraian 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.

On 10 May 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 subsidiary ie. Multistock Sdn Bhd, the Liquidator had convened the final meeting of this subsidiary on 9 May 2022 and has lodged the Returns by Liquidator with the Companies Commission of Malaysia and the Official Receiver on 10 May 2022. This subsidiary will be dissolved on the expiration of 3 months thereafter.

A10 Capital commitment

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

	Group	
	30 June 2022 RM'000	31 December 2021 RM'000
Approved and contracted for:		
Property, plant and equipment	12,634	20,667
Investment properties	46,282	49,404
	<hr/> 58,916 <hr/>	<hr/> 70,071 <hr/>

A11 Fair value of financial instruments

There were no contingent liabilities or contingent assets since 31 December 2021.

- 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 2022 that are measured at fair value:

	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000
Financial assets at fair value through other comprehensive income:				
- Equity securities	-	-	57,131	57,131
Total	-	-	57,131	57,131

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the financial year ended 31 December 2021.

B1 Review of performance

	3 months to 30.06.2022 RM' 000	3 months to 30.06.2021 RM' 000	Variance %
Revenue	305,999	193,684	58%
Profit from operations	119,439	58,388	105%
Profit before interest and tax	153,906	62,296	147%
Profit before tax	118,473	24,512	383%
Profit after tax	92,748	11,861	682%
Profit/(Loss) attributable to ordinary equity holders	49,790	(5,280)	1043%

When comparing three months ended 30 June 2022 with three months ended 30 June 2021:

- i) Group revenue increased by 58% due to higher contributions from all operating divisions.
- ii) Accordingly, Group pre-tax profit increased by more than 100% to RM118.5 million compared to RM24.5 million for the corresponding period last year.

Property Investment – Retail

For the 3 months ended 30 June 2022, IGB REIT reported total gross revenue and net property income of RM133.8 million (2Q2021: RM84.9 million) and RM105.7 million (2Q2021: RM63.1 million) respectively, an increase of about 58% and 68% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM39.8 million (2Q2021: RM17.5 million) to the Property Investment-Retail division and recorded pre-tax profit of RM10.6 million (2Q2021: RM4.7 million) after accounting for depreciation of RM9.5 million and finance cost of RM9.1 million.

B1 Review of performance (continued)

Property Investment – Commercial

For the 3 months ended 30 June 2022, IGB Commercial REIT reported gross revenue and net property income of RM48.3 million and RM30.1 million respectively.

Average occupancy rates as at 30 June 2022 for IGB Commercial REIT's portfolio of 10 investment properties were 71.4% with average rental rates at RM6.30 per sq. ft.

Property Development

Revenue from the Property Development division of about RM12.4 million (2Q2021: RM7.5 million) was derived mainly from sales of completed condominium units at "Stonor 3". The Group currently does not have any property development projects under construction.

Hotel

Revenue contributed by the Hotel division for the 3 months to 30 June 2022 increased by more than 100% to RM34.4 million when compared to RM10.5 million for the 3 months to 30 June 2021. For the 3 months to 30 June 2022, the Hotel division reported pre-tax profit of RM28.1 million compared to loss of RM19.4 million during the corresponding period last year. Average occupancy rates as at 30 June 2022 for all local hotels in the Group show a significant increase when compared to 30 June 2021

B2 Comparison with immediate preceding quarter

	3 months to 30.06.2022 RM' 000	3 months to 31.03.2022 RM' 000	Variance %
Revenue	305,999	288,191	6%
Profit from operations	119,439	117,111	2%
Profit before interest and tax	153,906	142,531	8%
Profit before tax	118,473	104,103	14%
Profit after tax	92,748	85,095	9%
Profit attributable to ordinary equity holders	49,790	42,723	17%

When comparing three months ended 30 June 2022 with the preceding three months ended 31 March 2022:

- i) Group revenue increased by 6% to RM306.0 million from RM288.2 million in the preceding quarter as all divisions achieved higher revenue.
- ii) Accordingly, Group pre-tax profit increased by 14% to RM118.5 million from RM104.1 million in the immediate preceding quarter.

B3 Prospects for 2022

	6 months to 30.06.2022 RM' 000	6 months to 30.06.2021 RM' 000	Variance %
Revenue	594,190	428,305	39%
Profit from operations	236,550	114,468	107%
Profit before interest and tax	296,437	117,605	152%
Profit before tax	222,576	42,392	425%
Profit after tax	177,843	18,834	844%
Profit/(Loss) attributable to ordinary equity holders	92,513	(13,237)	799%

On 1 April 2022, Malaysia entered the "Transition to Endemic" phase of Covid-19 with all restrictions on business operating hours removed and Covid-19 rules and standard operating procedures relaxed. Most travel restrictions were also relaxed with effect from 1 May 2022.

For the 6 months to 30 June 2022, Group revenue increased by 39% to RM594.2 million when compared to RM428.3 million in the corresponding period in 2021. Both Group pre-tax profit and Group after-tax profit increased by more than 100% to RM222.6 million and RM177.8 million respectively when compared to the corresponding period in 2021.

Based on the Group's performance for the first half year of 2022 and barring unforeseen circumstances, the Board is optimistic that the Group's results from operations for the financial year 2022 will be better than 2021.

B4 Profit forecast/profit guarantee

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

B5 Tax

	Current year quarter ended 30.06.2022 RM '000	Cumulative current Year-To-Date ended 30.06.2022 RM '000
Malaysian income tax		
- Company and subsidiaries	14,275	29,994
Transferred from deferred tax	10,192	13,366
	24,467	43,360
Overseas tax		
- Company and subsidiaries	1,258	1,373
	25,725	44,733

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

B6 Corporate proposals

Establishment and Listing of IGB Commercial Real Estate Investment Trust

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

Purpose	Actual utilisation	Intended timeframe for utilisation
	RM '000	
Total proceeds	1,212,536	
Utilisation:		
Repayment of bank borrowings	(830,274)	Completed
Disposal proceeds attributable to minority shareholders of TT Realty, GTower SB and Hampshire Properties	(53,313)	Completed
Defray expenses relating to the establishment of IGB Commercial REIT and the Proposals	(2,048)	Completed
Redemption of RCCPS on 11 April 2022	(129,798)	Completed
Balance of remaining proceeds	197,103	By September 2023

Interest income generated for the quarter ended 30 June 2022 was RM900,000.

The Board has approved the utilisation of the balance of the remaining proceeds for the purpose of repaying bank borrowings by September 2023. In the meantime, the amount 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 June 2022 were as follows:

	30 June 2022					
	Long term		Short term		TOTAL	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	'000	'000	'000	'000	'000	'000
Secured						
Term Loan - RM	-	60,350	-	-	-	60,350
Term Loan - RMB	-	-	8,119	5,347	8,119	5,347
Revolving credit - RM	-	803,500	-	87,773	-	891,273
Medium Term Notes - RM	-	1,845,778	-	1,214,690	-	3,060,468
Unsecured						
Revolving credit - RM	-	-	-	92,588	-	92,588
		2,709,628		1,400,398		4,110,026

B8 Material litigation

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

B9 Proposed dividend

During this quarter, no dividend is declared or proposed in respect of the financial year ending 31 December 2022.

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 30.06.2022	Preceding Year Quarter ended 30.06.2021	Current Year-To-Date ended 30.06.2022	Preceding Year-To-Date ended 30.06.2021
Net Profit/(Loss) for the period	RM '000	<u>49,790</u>	<u>(5,280)</u>	<u>92,513</u>	<u>(13,237)</u>
Weighted average number of ordinary shares in issue	'000	<u>903,171</u>	<u>884,326</u>	<u>903,171</u>	<u>884,326</u>
Basic earnings/(loss) per share	sen	<u><u>5.51</u></u>	<u><u>(0.60)</u></u>	<u><u>10.24</u></u>	<u><u>(1.50)</u></u>

(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. As at 30 June 2022, the Group does not have any dilutive potential ordinary shares.

B11 Notes to Statements of Comprehensive Income

	Current Year Quarter ended 30.06.2022 RM '000	Cumulative Current Year-To-Date ended 30.06.2022 RM '000
(a) Interest income	7,254	15,450
(b) Other income including investment income	5,057	10,387
(c) Interest expense	(35,433)	(73,861)
(d) Depreciation and amortisation	(34,989)	(70,300)
(e) Foreign exchange loss	<u><u>(18,582)</u></u>	<u><u>(30,891)</u></u>

B12 Audit Report Qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2021 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 29 August 2022.