

Interim Financial Report for three months ended 30 September 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 30.09.2022 RM'000	Preceding Year Quarter 30.09.2021 RM'000	Current Year- To-Date 30.09.2022 RM'000	Preceding Year- To-Date 30.09.2021 RM'000
Revenue	313,889	201,303	908,079	629,608
Cost of sales	(150,038)	(118,333)	(421,397)	(359,751)
Gross profit	163,851	82,970	486,682	269,857
Other operating income	12,828	3,293	23,215	12,551
Administrative expenses	(42,700)	(58,736)	(105,531)	(137,510)
Other operating expenses	(16,831)	(2,090)	(50,668)	(4,993)
Profit from operations	117,148	25,437	353,698	139,905
Finance income	12,438	10,213	27,888	22,945
Finance costs	(43,683)	(38,799)	(117,544)	(114,012)
Share of after-tax results of associates and joint ventures	22,278	14,245	66,715	4,650
Profit before tax	108,181	11,096	330,757	53,488
Less tax:				
Company and subsidiaries	(19,687)	(62,525)	(64,420)	(86,083)
Profit for the period	88,494	(51,429)	266,337	(32,595)
Attributable to:				
Equity holders of the Company	47,834	(58,684)	140,347	(71,921)
Non-controlling interests	40,660	7,255	125,990	39,326
	88,494	(51,429)	266,337	(32,595)
Earnings/(Loss) per share (sen)				
- basic	5.30	(6.60)	15.55	(8.09)
-diluted ^{Note1}	5.30	(6.60)	15.55	(8.09)

Note 1 : As at 30 September 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 Consolidation Statements of Comprehensive Income

(The figures have not been audited)

	Current Year Quarter 30.09.2022 RM'000	Preceding Year Quarter 30.09.2021 RM'000	Current Year To-Date 30.09.2022 RM'000	Preceding Year To-Date 30.09.2021 RM'000
Profit/(loss) for the financial period	88,494	(51,429)	266,337	(32,595)
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	(4,042)	(13,645)	(3,332)	11,754
- non-controlling interests	9	2	18	7
Share of other comprehensive loss of associates and joint ventures	(11,750)	(9,327)	(29,735)	(410)
Items that may subsequently be reclassified to profit or loss	(15,783)	(22,970)	(33,049)	11,351
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	(1,662)	(6,920)	10,297	11,066
Total comprehensive income/(loss) for the financial period	71,049	(81,319)	243,585	(10,178)
Total comprehensive income/(loss) for the financial period attributable to:				
Equity holders of the Company	30,381	(88,576)	117,578	(49,511)
Non-controlling interests	40,668	7,257	126,007	39,333
Total comprehensive income/(loss) for the financial period	71,049	(81,319)	243,585	(10,178)

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)

	30.09.2022	<i>Audited</i> 31.12.2021
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,488,836	1,506,761
Inventories	450,074	442,956
Investment properties	3,953,352	4,003,156
Intangible assets	5,031	5,393
Associates and joint ventures	510,047	490,582
Financial assets at fair value through other comprehensive income	55,469	68,360
Concession receivables	115,813	120,062
Deferred tax assets	41,481	41,058
Receivables	227,423	243,913
Deposits, cash and bank balances	20,251	45,084
	<u>6,867,777</u>	<u>6,967,325</u>
CURRENT ASSETS		
Inventories	553,372	536,220
Concession receivables	5,276	5,289
Amounts owing by associates and joint ventures	383	182
Receivables and contract assets	203,416	186,267
Tax recoverable	23,507	28,818
Cash held under Housing Development Accounts	1,149	12,707
Deposits, cash and bank balances	1,395,051	1,381,122
	<u>2,182,154</u>	<u>2,150,605</u>
TOTAL ASSETS	<u>9,049,931</u>	<u>9,117,930</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	1,394,110	1,393,859
Treasury shares	(8,889)	(3,310)
Redeemable Convertible Cumulative Preference Shares	-	96,626
Other reserves	9,263	32,033
Retained earnings	2,391,956	2,321,788
	<u>3,786,440</u>	<u>3,840,996</u>
Non-controlling interests	259,590	281,463
TOTAL EQUITY	<u>4,046,030</u>	<u>4,122,459</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables and contract liabilities	17,833	17,833
Deferred tax liabilities	142,472	138,129
Redeemable Convertible Cumulative Preference Shares	-	13,210
Interest bearing bank borrowings	3,912,631	2,705,792
	<u>4,072,936</u>	<u>2,874,964</u>
CURRENT LIABILITIES		
Payables and contract liabilities	607,685	643,945
Amounts owing to associates	890	4
Current tax liabilities	34,929	37,271
Redeemable Convertible Cumulative Preference Shares	-	4,703
Interest bearing bank borrowings	287,461	1,434,584
	<u>930,965</u>	<u>2,120,507</u>
TOTAL LIABILITIES	<u>5,003,901</u>	<u>4,995,471</u>
TOTAL EQUITY AND LIABILITIES	<u>9,049,931</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 nine months ended 30 September 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	-	-	-	(22,770)	140,347	117,577	126,007	243,584
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	-	(5,579)	-	-	-	(5,579)	-	(5,579)
Capital reduction	-	-	-	-	-	-	(10,236)	(10,236)
Dividend paid to ordinary shareholders	-	-	-	-	(45,181)	(45,181)	-	(45,181)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(144,502)	(144,502)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(6,567)	(6,567)	6,567	(0)
Total transactions with equity holders	251	(5,579)	(96,626)	-	(70,179)	(172,133)	(147,880)	(320,013)
At 30 September 2022	1,394,110	(8,889)	-	9,263	2,391,956	3,786,440	259,590	4,046,030

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 nine months ended 30 September 2021
(The figures have not been audited)

	Attributable to equity holders						Non-controlling	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	Interests 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	-	-	-	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	-
Total transactions with equity holders	55,263	(5,116)	(41,060)	-	154,939	164,026	207,875	371,901
At 30 September 2021	1,393,859	(22,776)	96,626	55,351	2,203,215	3,726,275	309,255	4,035,530

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

	30.09.2022	30.09.2021
	RM'000	RM'000
Operating activities		
Receipts from customers	988,533	853,824
Payments to contractors, suppliers and employees	(580,689)	(540,189)
Cash flow generated from operations	407,844	313,635
Interests paid	(115,052)	(118,279)
Income taxes paid	(57,531)	(28,094)
Net cash generated from operating activities	235,261	167,262
Investing activities		
Additions to property, plant and equipment, investment properties and land held for property development	(39,199)	(237,897)
Additional investments in associates and joint ventures	(3,873)	-
Proceeds from disposal of ROFS	-	359,336
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	(4,989)	(13,032)
Net repayment from associates and joint ventures	808	1,545
Dividend received from investments	12,694	-
Dividend received from associates and joint ventures	299	10,098
Movement in Fixed Deposits with maturity more than 3 months	16,326	-
Interest Received	27,888	22,945
Net cash generated from investing activities	53,705	143,130
Financing activities		
Dividend paid to holders of RCCPS	(3,421)	(6,784)
Dividend paid to ordinary shareholders	(45,181)	-
Dividend paid to non-controlling interests	(152,849)	(79,294)
Purchase of treasury shares	(5,579)	(5,116)
Redemption of RCCPS	(129,798)	-
Receipt of bank borrowings net of repayments	57,469	540,366
Net cash (used in)/generated from financing activities	(279,359)	449,172
Net increase in cash and cash equivalents	9,607	759,564
Currency translation differences	(20,732)	262
Cash and cash equivalents at 1 January	1,031,182	741,383
Cash and cash equivalents at 30 September	1,020,057	1,501,209
Add: Restricted cash and deposits pledged with licensed bank	79,688	74,324
Add: Fixed deposits with maturity of more than 3 months	316,706	-
As per statement of financial position	1,416,451	1,575,533

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 contract-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 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 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 September 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 September 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 the 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
Purchased in July 2022	191,800	2.22	2.33	434,285
Purchased in August 2022	305,800	2.25	2.33	697,840
Purchased in September 2022	280,300	2.24	2.38	660,574
As at 30 September 2022	3,910,232			8,888,632
Purchased up to 25 November 2022	264,500	2.24	2.28	599,954
As at 25 November 2022	4,174,732			9,488,586

The number of treasury shares held as at the date of this report is 4,174,732 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
9 months to 30 September 2022							
Revenue							
Total revenue	585,447	144,472	103,965	33,441	57,696	181,664	1,106,685
Intersegment revenue	(65,441)	(7,165)	(1,570)	-	(57,696)	(66,734)	(198,606)
External revenue	<u>520,006</u>	<u>137,307</u>	<u>102,395</u>	<u>33,441</u>	<u>-</u>	<u>114,930</u>	<u>908,079</u>
Results							
Segment results (external)	361,250	46,272	(6,052)	50,860	(2,898)	(54,974)	394,458
Unallocated expenses							(40,760)
Profit from operations							353,698
Finance income							27,888
Finance costs							(117,544)
Share of after-tax results of associates and joint ventures	-	311	63,709	2,465	-	230	66,715
Profit before tax							330,757
Tax expense							(64,420)
Profit for the period							<u>266,337</u>
Attributable to :							
Equity holders of the company							140,347
Non-controlling interests							<u>125,990</u>
							<u>266,337</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 2021							
Revenue							
Total revenue	377,186	139,355	26,041	126,442	29,579	137,898	836,501
Intersegment revenue	<u>(46,274)</u>	<u>(14,797)</u>	<u>(110)</u>	<u>(74,368)</u>	<u>(29,579)</u>	<u>(41,765)</u>	<u>(206,893)</u>
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>
Results							
Segment results (external)	153,715	41,614	(49,256)	40,196	(4,427)	(3,397)	178,445
Unallocated expenses							<u>(38,540)</u>
Profit from operations							139,905
Finance income							22,945
Finance costs							(114,012)
Share of after-tax results of associates and joint ventures	<u>-</u>	<u>(2,332)</u>	<u>(15,457)</u>	<u>22,400</u>	<u>-</u>	<u>39</u>	<u>4,650</u>
Profit before tax							53,488
Tax expense							<u>(86,083)</u>
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.

A8 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period up to the date of this report.

A9 Changes in the composition of the Group

On 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. Riraiance Enterprises 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. The subsidiary will be dissolved on the expiration of 3 months thereafter.

On 14 November 2022, the Board of Directors announced to Bursa Securities that six (6) wholly-owned and inactive subsidiaries of the Company have commenced member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016. The subsidiaries are IGB Development Management Services Sdn Bhd, Mines Fiberlynx Sdn Bhd, Mlynx Sdn Bhd, Murni Properties Sdn Bhd, MVC Fiberlynx Sdn Bhd and Puncak Megah (M) Sdn Bhd.

A10 Capital commitment

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

	Group	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	3,272	20,667
Investment properties	44,159	49,404
	47,431	70,071

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 September 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	-	-	55,469	55,469
	-	-	55,469	55,469

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 30.09.2022 RM'000	3 months to 30.09.2021 RM'000	Variance %
Revenue	313,889	201,303	56%
Profit from operations	117,148	25,437	361%
Profit before interest and tax	151,864	49,895	204%
Profit before tax	108,181	11,096	875%
Profit after tax	88,494	(51,429)	272%
Profit/(Loss) attributable to ordinary equity holders	47,834	(58,684)	182%

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

- i) Group revenue increased by 56% due to higher contributions from all operating divisions.
- ii) Accordingly, Group pre-tax profit increased by more than 100% to RM108.2 million compared to RM11.1 million for the corresponding period last year.

B1 Review of performance (continued)

Property Investment – Retail

For the 3 months ended 30 September 2022, IGB REIT reported total gross revenue and net property income of RM140.1 million (3Q2021: RM95.8 million) and RM101.1 million (3Q2021: RM55.9 million) respectively, an increase of about 46% and 81% respectively.

The Mall, Mid Valley Southkey, Johor Bahru contributed revenue of RM41.1 million (3Q2021: RM16.9 million) to the Property Investment-Retail division and recorded pre-tax profit of RM6.9 million (3Q2021: Loss RM17.6 million) after accounting for depreciation of RM9.3 million and finance cost of RM9.6 million.

Property Investment – Commercial

For the 3 months ended 30 September 2022, IGB Commercial REIT reported gross revenue and net property income of RM45.5 million and RM26.4 million respectively.

Average occupancy rates as at 30 September 2022 for IGB Commercial REIT's portfolio of 10 investment properties were 74.9% with average rental rates at RM6.17 per sq. ft.

Property Development

Revenue from the Property Development division of about RM9.0 million (3Q2021: RM16.1 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 September 2022 increased by more than 100% to RM46.5 million when compared to RM5.1 million for the 3 months to 30 September 2021. For the 3 months to 30 September 2022, the Hotel division reported pre-tax profit of RM19.4 million compared to loss of RM20.8 million during the corresponding period last year. Average occupancy rates as at 30 September 2022 for all hotels in the Group show a significant increase when compared to 30 September 2021.

B2 Comparison with immediate preceding quarter

	3 months to 30.09.2022 RM'000	3 months to 30.06.2022 RM'000	Variance %
Revenue	313,889	305,999	3%
Profit from operations	117,148	119,439	-2%
Profit before interest and tax	151,864	153,906	-1%
Profit before tax	108,181	118,473	-9%
Profit after tax	88,494	92,748	-5%
Profit attributable to ordinary equity holders	47,834	49,790	-4%

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

- i) Group revenue increased by 3% to RM313.9 million from RM306.0 million in the preceding quarter as all divisions achieved higher revenue.
- ii) However, Group pre-tax profit decreased by 9% to RM108.2 million from RM118.5 million mainly due to higher finance cost.

B3 Prospects for 2022

	Cumulative Period		
	9 months 30.09.2022 RM'000	9 months 30.09.2021 RM'000	Variance %
Revenue	908,079	629,608	44%
Profit from operations	353,698	139,905	153%
Profit before interest and tax	448,301	167,500	168%
Profit before tax	330,757	53,488	518%
Profit after tax	266,337	(32,595)	917%
Profit/(Loss) attributable to ordinary equity holders	140,347	(71,921)	295%

For the 9 months to 30 September 2022, Group revenue increased by 44% to RM908.1 million when compared to RM629.6 million in the corresponding period in 2021. Both Group pre-tax profit and Group after-tax profit increased by more than 100% to RM330.8 million and RM266.3 million respectively when compared to the corresponding period in 2021 of RM53.5 million and after-tax loss of RM32.6 million.

The weakening global economy amid rising inflation and interest rates together with a weakening ringgit is expected to have a major impact on the local economy that could affect consumers' purchasing power. With this in mind, the Board is adopting a cautious outlook but remains confident of the Group's sustainable growth.

B4 Profit forecast/profit guarantee

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

B5 Tax

	Current year quarter ended 30.09.2022 RM'000	Cummulative current Year-To-Date ended 30.09.2022 RM'000
Malaysia income tax		
-Company and subsidiaries	27,971	57,965
Transferred (to)/from deferred tax	(9,676)	3,690
	<u>18,295</u>	<u>61,655</u>
Oversea tax		
-Company and subsidiaries	1,392	2,765
	<u>19,687</u>	<u>64,420</u>

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 RM '000	Intended timeframe for utilisation
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
As at 30 September 2022	197,103	
Repayment of bank borrowings in October 2022	(46,000)	Completed
Repayment of bank borrowings in November 2022	(45,000)	Completed
Balance of remaining proceeds	106,103	By September 2023

Interest income generated for the quarter ended 30 September 2022 was RM1,100,000.

The Board has approved the utilization 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 September 2022 were as follows:

	30 September 2022					
	Long term		Short term		TOTAL	
	Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000	Foreign denomination '000	RM denomination '000
Secured						
Term Loan - RM	-	64,251	-	-	-	64,251
Term Loan - RMB	-	-	144,726	95,302	144,726	95,302
Revolving credit - RM	-	803,500	-	97,808	-	901,308
Medium Term Notes - RM		3,044,880	-	1,624	-	3,046,504
Unsecured						
Revolving credit - RM	-	-	-	92,727	-	92,727
		3,912,631		287,461		4,200,092

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 5.0 sen per ordinary share is declared for the financial year ending 31 December 2022. The cash dividend shall be paid on 23 December 2022 to every member who is entitled to receive the dividend at 5.00pm on 13 December 2022.

	Interim 2022	2 nd Interim 2021	Interim 2021	Interim 2021
	Cash	Cash	Cash	Dividend-in-specie
Per ordinary share (sen)	5.0	5.0	10.0	2.0
Net dividend (RM'000)	45,062	45,181	89,467	21,479
Date Payable/paid	23 December 2022	18 March 2022	24 December 2021	24 December 2021

B10 Earnings per share

(a) Basic earnings per share

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

		Current Year Quarter ended 30.09.2022	Preceding Year Quarter ended 30.09.2021	Current Year-To-Date ended 30.09.2022	Preceding Year-To-Date ended 30.09.2021
Net Profit/(Loss) for the period	RM'000	<u>47,834</u>	<u>(58,684)</u>	<u>140,347</u>	<u>(71,921)</u>
Weighted average number of ordinary shares in issue	'000	<u>902,748</u>	888,715	<u>902,748</u>	888,715
Basic earnings/(loss) per share	sen	<u>5.30</u>	<u>(6.60)</u>	<u>15.55</u>	<u>(8.09)</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 September 2022, the Group does not have any dilutive potential ordinary shares.

B11 Notes to Statements of Comprehensive Income

	Current Year Quarter ended 30.09.2022 RM'000	Cummulative Current Year-To-Date 30.09.2022 RM'000
(a) Interest income	12,438	27,888
(b) Other income including investment income	12,828	23,215
(c) Interest expense	(43,683)	(117,544)
(d) Depreciation and amortisation	(35,494)	(105,794)
(e) Foreign exchange loss	(14,574)	(45,465)

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 November 2022.