



**IGB BERHAD**  
90001813196 (1210982-U)

## **Interim Financial Report for three months ended 31 December 2023**

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**Note:**

A1 to A11 are explanatory notes in accordance with MFRS 134.

B1 to B13 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

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

	<b>Current Year Quarter 31.12.2023 RM'000</b>	Preceding Year Quarter 31.12.2022 RM'000	<b>Current Year To-Date 31.12.2023 RM'000</b>	Preceding Year To-Date 31.12.2022 RM'000
Revenue	<b>423,530</b>	383,191	<b>1,596,933</b>	1,291,270
Cost of sales	<b>(182,859)</b>	(173,217)	<b>(712,962)</b>	(594,614)
Gross profit	<b>240,671</b>	209,974	<b>883,971</b>	696,656
Other operating income	<b>21,238</b>	4,360	<b>84,411</b>	27,575
Administrative expenses	<b>(65,942)</b>	(64,113)	<b>(212,372)</b>	(169,644)
Other operating expenses	<b>(808)</b>	(25,639)	<b>(25,165)</b>	(76,307)
Profit from operations	<b>195,159</b>	124,582	<b>730,845</b>	478,280
Finance income	<b>14,843</b>	10,491	<b>57,326</b>	38,379
Finance costs	<b>(47,726)</b>	(45,621)	<b>(196,315)</b>	(163,165)
Share of after-tax results of associates and joint ventures	<b>(434)</b>	930	<b>22,471</b>	67,645
Profit before tax	<b>161,842</b>	90,382	<b>614,327</b>	421,139
Less tax:				
Company and subsidiaries	<b>(26,392)</b>	(28,733)	<b>(113,411)</b>	(93,153)
Profit for the period	<b>135,450</b>	61,649	<b>500,916</b>	327,986
Attributable to:				
Equity holders of the Company	<b>85,769</b>	18,767	<b>311,911</b>	159,114
Non-controlling interests	<b>49,681</b>	42,882	<b>189,005</b>	168,872
	<b>135,450</b>	61,649	<b>500,916</b>	327,986
Earnings per share (sen)				
- basic	<b>6.35</b>	1.39	<b>23.11</b>	11.77
- diluted <sup>Note1</sup>	<b>6.35</b>	1.39	<b>23.11</b>	11.77

*Note 1: As at 31 December 2023, the Group's diluted earnings per share was the same as basic earnings per share as the Group does not have any potential dilutive ordinary share in issue.*

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidation Statements of Comprehensive Income**

*(The figures have not been audited)*

	<b>Current Year Quarter 31.12.2023 RM'000</b>	Preceding Year Quarter 31.12.2022 RM'000	<b>Current Year To-Date 31.12.2023 RM'000</b>	Preceding Year To-Date 31.12.2022 RM'000
Profit for the financial period	<b>135,450</b>	61,649	<b>500,916</b>	327,986
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	<b>6,502</b>	(5,140)	<b>14,657</b>	(8,472)
- non-controlling interests	<b>(4)</b>	(9)	<b>7</b>	9
Share of other comprehensive income/(loss) of associates and joint ventures	<b>11,552</b>	9,169	<b>35,964</b>	(20,566)
Items that may subsequently be reclassified to profit or loss	<b>18,050</b>	4,020	<b>50,628</b>	(29,029)
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	<b>(184)</b>	(1,843)	<b>3,103</b>	8,454
Total comprehensive income for the financial period	<b>153,316</b>	63,826	<b>554,647</b>	307,411
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company	<b>103,639</b>	20,952	<b>365,635</b>	138,530
Non-controlling interests	<b>49,677</b>	42,874	<b>189,012</b>	168,881
Total comprehensive income for the financial period	<b>153,316</b>	63,826	<b>554,647</b>	307,411

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed Consolidated Statements of Financial Position**

*(The figures have not been audited)*

	<b>31.12.2023</b>	<i>Audited</i> 31.12.2022
	<b>RM'000</b>	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,518,813</b>	1,503,486
Inventories	<b>456,342</b>	445,168
Investment properties	<b>3,865,666</b>	3,915,400
Intangible assets	-	4,914
Associates and joint ventures	<b>553,478</b>	520,594
Financial assets at fair value through other comprehensive income ("FVTOCI")	<b>36,998</b>	53,626
Concession receivables	<b>107,309</b>	110,846
Deferred tax assets	<b>36,646</b>	36,784
	<b>6,575,252</b>	6,590,818
<b>CURRENT ASSETS</b>		
Inventories	<b>603,628</b>	536,491
Concession receivables	<b>5,683</b>	5,107
Amounts owing by associates and joint ventures	<b>1,736</b>	1,875
Receivables and contract assets	<b>181,328</b>	417,888
Tax recoverable	<b>10,626</b>	24,806
Cash held under Housing Development Accounts	<b>1,101</b>	1,607
Deposits, cash and bank balances	<b>1,337,970</b>	1,349,313
Assets classified as held-for-sale	-	1,531
	<b>2,142,072</b>	2,338,618
<b>TOTAL ASSETS</b>	<b>8,717,324</b>	8,929,436
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	<b>1,394,110</b>	1,394,110
Treasury shares	<b>(17,655)</b>	(9,747)
Other reserves	<b>54,106</b>	11,449
Retained earnings	<b>2,589,058</b>	2,363,674
	<b>4,019,619</b>	3,759,486
Non-controlling interests	<b>180,094</b>	236,655
<b>TOTAL EQUITY</b>	<b>4,199,713</b>	3,996,141
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>16,813</b>	17,780
Deferred tax liabilities	<b>164,945</b>	151,877
Interest bearing borrowings	<b>2,537,318</b>	3,966,069
	<b>2,719,076</b>	4,135,726
<b>CURRENT LIABILITIES</b>		
Payables and contract liabilities	<b>646,793</b>	651,501
Amounts owing to associates	<b>4</b>	4
Current tax liabilities	<b>16,570</b>	20,475
Interest bearing borrowings	<b>1,135,168</b>	125,589
	<b>1,798,535</b>	797,569
<b>TOTAL LIABILITIES</b>	<b>4,517,611</b>	4,933,295
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,717,324</b>	8,929,436

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023**  
*(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	Other reserves RM'000	Retained earnings RM'000	Total RM'000	RM'000	
At 1 January 2023	1,394,110	(9,747)	11,449	2,363,674	3,759,486	236,655	3,996,141
Total comprehensive income for the financial period	-	-	53,724	311,911	365,635	189,012	554,647
Issuance of ordinary shares	-	-	-	-	-	28	28
Share buy-back	-	(7,908)	-	-	(7,908)	-	(7,908)
Capital reduction	-	-	-	-	-	(19,046)	(19,046)
Dividend paid to ordinary shareholders	-	-	-	(94,406)	(94,406)	-	(94,406)
Dividend paid to non-controlling interests	-	-	-	-	-	(229,743)	(229,743)
Disposal of FVTOCI	-	-	(11,067)	11,067	-	-	-
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	(3,188)	(3,188)	3,188	-
Total transactions with equity holders	-	(7,908)	(11,067)	(86,527)	(105,502)	(245,573)	(351,075)
<b>At 31 December 2023</b>	<b>1,394,110</b>	<b>(17,655)</b>	<b>54,106</b>	<b>2,589,058</b>	<b>4,019,619</b>	<b>180,094</b>	<b>4,199,713</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

**IGB Berhad** 200001013196(515802-U)  
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for financial year ended 31 December 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 financial period	-	-	-	(20,584)	159,114	138,530	168,881	307,411
Conversion of Redeemable Convertible Cumulative Preference Shares ("RCCPS") to ordinary shares	251	-	(187)	-	(34)	30	-	30
Redemption of Redeemable Convertible Cumulative Preference Shares ("RCCPS")	-	-	(96,439)	-	(18,397)	(114,836)	-	(114,836)
Issuance of ordinary shares	-	-	-	-	-	-	291	291
Share buy-back	-	(6,437)	-	-	-	(6,437)	-	(6,437)
Capital reduction	-	-	-	-	-	-	(20,472)	(20,472)
Dividend paid to ordinary shareholders	-	-	-	-	(90,242)	(90,242)	-	(90,242)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(202,063)	(202,063)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(8,555)	(8,555)	8,555	-
Total transactions with equity holders	251	(6,437)	(96,626)	-	(117,228)	(220,040)	(213,689)	(433,729)
At 31 December 2022	1,394,110	(9,747)	-	11,449	2,363,674	3,759,486	236,655	3,996,141

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

	<b>31.12.2023</b>	31.12.2022
	<b>RM'000</b>	RM'000
<b>Operating activities</b>		
Receipts from customers	<b>1,976,387</b>	1,376,358
Payments to contractors, suppliers and employees	<b>(964,510)</b>	(742,948)
Cash flow generated from operations	<b>1,011,877</b>	633,410
Interests paid	<b>(200,739)</b>	(158,815)
Income taxes paid	<b>(89,930)</b>	(87,915)
<b>Net cash generated from operating activities</b>	<b>721,208</b>	386,680
<b>Investing activities</b>		
Additions to property, plant and equipment, investment properties and land held for property development	<b>(112,741)</b>	(57,550)
Additional investments in associates and joint ventures	-	(3,373)
Proceeds from disposal of financial assets at fair value through other comprehensive income	<b>23,785</b>	23,188
Proceeds from disposal of subsidiaries	-	1,280
Capital reduction from associates	<b>3,668</b>	19,313
Movement in pledged deposits	-	74,699
Repayment from/(advances to) associates and joint ventures	<b>139</b>	(161)
Dividend received from investments	<b>335</b>	12,694
Dividend received from associates and joint ventures	<b>8,317</b>	298
Movement in fixed deposits with maturity of more than 3 months	<b>250,240</b>	(7,664)
Interest received	<b>57,326</b>	29,867
<b>Net cash generated from investing activities</b>	<b>231,069</b>	92,591
<b>Financing activities</b>		
Dividend paid to holders of RCCPS	-	(3,421)
Dividend paid to ordinary shareholders	<b>(94,406)</b>	(90,242)
Dividend paid to non-controlling interests	<b>(231,256)</b>	(193,497)
Purchase of treasury shares	<b>(7,908)</b>	(6,437)
Repayments of lease	<b>(460)</b>	(88)
Issuance of new ordinary shares to non-controlling interests	<b>28</b>	291
Settlement of redemption of redeemable preference shares	-	(129,798)
Net repayments of borrowings	<b>(414,747)</b>	(59,902)
<b>Net cash used in financing activities</b>	<b>(748,749)</b>	(483,094)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>203,528</b>	(3,823)
Currency translation differences	<b>34,863</b>	(17,135)
Cash and cash equivalents at 1 January	<b>1,010,224</b>	1,031,182
<b>Cash and cash equivalents at 31 December</b>	<b>1,248,615</b>	1,010,224
Add: Fixed deposits with maturity of more than 3 months	<b>90,456</b>	340,696
<b>As per statement of financial position</b>	<b>1,339,071</b>	1,350,920

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

## **PART A – Explanatory notes pursuant to MFRS 134**

### **A1 Accounting Policies and Basis of Preparation**

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 2022.

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 2022 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 2023)*

●	Amendments to MFRS 112	“Deferred Tax related to Assets and Liabilities arising from a Single Transaction” and “International Tax Reform – Pillar Two Model Rules”
●	Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108	“Disclosure of accounting policies and definition of accounting estimates”

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

### **A2 Seasonality or cyclicity**

The Group’s operations were not significantly affected by seasonal or cyclical factors for the current financial year.

### **A3 Significant unusual items**

There were no significant unusual items that affected the assets, liabilities, equity, net income or cash flows for the current financial year 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 issuance, cancellation, repurchase, resale and repayment of debt and equity securities, for the current financial year, except as follows:

On 14 June 2023, the number of ordinary shares of the Company has increased from 905,427,425 to 1,358,139,887 by way of a bonus issue of 452,712,462 new ordinary shares credited as fully paid-up share capital on the basis of one (1) new ordinary share for every two (2) existing ordinary shares at no consideration and without capitalisation.



**A5 Capital Management, Issuances, Repurchases and Repayment of debt and equity securities (continued)**

**a. Ordinary Shares**

<b>Date</b>	<b>No. Of Ordinary Shares</b>	<b>Remarks</b>
<b>As at 31 December 2022</b>	<b>905,427,425</b>	<b>Including 4,286,732 treasury shares</b>
Issued in June 2023	452,712,462	Bonus issue-1 new share for 2 existing shares
<b>As at 31 December 2023</b>	<b>1,358,139,887</b>	

The number of ordinary shares as at the date of this report is 1,358,139,887.

**b. Treasury shares**

<b>Date</b>	<b>No. of treasury shares</b>	<b>Lowest Price RM</b>	<b>Highest Price RM</b>	<b>Cost RM</b>
<b>As at 31 December 2022</b>	<b>4,286,732</b>			<b>9,746,746</b>
Purchased in January 2023	126,000	2.34	2.38	299,690
Purchased in February 2023	79,800	2.40	2.50	197,906
Purchased in March 2023	737,300	2.52	3.02	2,058,871
<b>As at 31 March 2023</b>	<b>5,229,832</b>			<b>12,303,213</b>
Purchased in April 2023	12,500	2.98	2.99	37,646
Purchased in May 2023	247,500	2.95	2.99	740,749
Bonus issued in June 2023	2,784,366	-	-	-
Purchased in June 2023	304,100	1.92	2.95	687,117
<b>As at 30 June 2023</b>	<b>8,578,298</b>			<b>13,768,725</b>
Purchased in July 2023	277,100	1.97	2.13	579,076
Purchased in August 2023	87,000	2.05	2.13	185,217
Purchased in September 2023	141,200	2.11	2.13	301,032
<b>As at 30 September 2023</b>	<b>9,083,598</b>			<b>14,834,050</b>
Purchased in October 2023	84,000	2.15	2.16	181,769
Purchased in November 2023	218,600	2.21	2.40	508,300
Purchased in December 2023	940,000	2.20	2.45	2,130,983
<b>As at 31 December 2023</b>	<b>10,326,198</b>			<b>17,655,102</b>
Purchased in January 2024	390,200	2.20	2.27	876,653
<b>As at 28 February 2024</b>	<b>10,716,398</b>			<b>18,531,755</b>

The number of treasury shares held as at the date of this report is 10,716,398 ordinary shares at an average cost of RM1.73 per ordinary share.

**A6 Dividend paid**

An Interim Single Tier dividend of 5.0 sen per ordinary share and a Special Single Tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2023 were paid on 21 December 2023.

**A7 Segment Reporting**

<b>Business segments</b>	<b>Property Investment - retail RM'000</b>	<b>Property investment - commercial RM'000</b>	<b>Hotel RM'000</b>	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>Financial Year ended 31 December 2023</b>							
<b>Revenue</b>							
Total revenue	930,625	215,788	274,757	139,689	82,857	272,930	1,916,646
Intersegment revenue	(102,140)	(9,680)	(5,092)	-	(82,857)	(119,944)	(319,713)
External revenue	<u>828,485</u>	<u>206,108</u>	<u>269,665</u>	<u>139,689</u>	<u>-</u>	<u>152,986</u>	<u>1,596,933</u>
<b>Results</b>							
Segment results (external)	573,813	64,799	60,653	31,314	(3,230)	57,860	785,209
Unallocated expenses							(54,364)
Profit from operations							<u>730,845</u>
Finance income							57,326
Finance costs							(196,315)
Share of after-tax results of associates and joint ventures	<u>-</u>	<u>426</u>	<u>18,403</u>	<u>3,648</u>	<u>-</u>	<u>(6)</u>	<u>22,471</u>
Profit before tax							<u>614,327</u>
Tax expense							(113,411)
Profit for the period							<u>500,916</u>
Attributable to :							
Equity holders of the company							311,911
Non-controlling interests							<u>189,005</u>
							<u>500,916</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
Financial Year ended 31 December 2022							
Revenue							
Total revenue	805,241	194,943	172,022	72,654	83,139	239,247	1,567,246
Intersegment revenue	(89,060)	(9,793)	(2,792)	-	(83,139)	(91,192)	(275,976)
External revenue	<u>716,181</u>	<u>185,150</u>	<u>169,230</u>	<u>72,654</u>	<u>-</u>	<u>148,055</u>	<u>1,291,270</u>
Results							
Segment results (external)	495,165	61,342	9,930	32,519	(4,106)	(46,359)	548,491
Unallocated expenses							(70,211)
Profit from operations							<u>478,280</u>
Finance income							38,379
Finance costs							(163,165)
Share of after-tax results of associates and joint ventures	-	(842)	68,091	(981)	-	1,377	67,645
Profit before tax							<u>421,139</u>
Tax expense							(93,153)
Profit for the period							<u>327,986</u>
Attributable to :							
Equity holders of the company							159,114
Non-controlling interests							168,872
							<u>327,986</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 22 September 2023, the Board of Directors announced to Bursa Securities that pursuant to the announcement on 14 November 2022 pertaining to the commencement of members' voluntary winding-up of the Group's wholly-owned and inactive subsidiaries, i.e., Mlynx Sdn Bhd, MVC Fiberlynx Sdn Bhd and Mines Fiberlynx Sdn Bhd, the Liquidator had convened the final meetings of these subsidiaries on 21 September 2023 and lodged the Returns by the Liquidator with the Companies Commission of Malaysia and the Official Receiver on 22 September 2023. These subsidiaries will be dissolved on the expiration of 3 months after the lodgement date.

On 24 October 2023, the Board of Directors announced to Bursa Securities that pursuant to the announcement on 14 November 2022 pertaining to the commencement of members' voluntary winding-up of the Group's wholly-owned and inactive subsidiaries, i.e., IGB Development Management Services Sdn Bhd, Murni Properties Sdn Bhd and Puncak Megah (M) Sdn Bhd, the Liquidator had convened the final meetings of these subsidiaries on 24 October 2023 and lodged the Returns by the Liquidator with the Companies Commission of Malaysia and the Official Receiver on 24 October 2023. These subsidiaries will be dissolved on the expiration of 3 months after the lodgement date.

On 16 November 2023, the Board of Directors announced to Bursa Securities that a wholly owned and inactive subsidiary, Prima Condominium Sdn. Bhd. has commenced a member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

On 2 January 2024, the Board of Directors announced to Bursa Securities that a 60% owned and inactive subsidiary, St. Giles Hotels (Asia) Limited has commenced a member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

#### **A10 Contingent liabilities**

There were no contingent liabilities for the Group as at 31 December 2023.

#### **A11 Capital commitment**

The capital expenditures which have not been not provided for in the financial statements were as follows:

	<b>Group</b>	
	<b>31 December 2023 RM'000</b>	31 December 2022 RM'000
Approved and contracted for:		
Investment properties	<b>21,935</b>	30,846
	<b>21,935</b>	30,846

## A12 Fair value of financial instruments

- 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 Group's financial assets as at 31 December 2023 measured at fair value were as follows:

	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	-	-	36,998	36,998
	-	-	36,998	36,998

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the financial year ended 31 December 2022.

## B1 Review of performance

	Quarter			Year-To-Date		
	31.12.2023	31.12.2022	Variance	31.12.2023	31.12.2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	423,530	383,191	11%	1,596,933	1,291,270	24%
Profit from operations	195,159	124,582	57%	730,845	478,280	53%
Profit before interest and tax	209,568	136,003	54%	810,642	584,304	39%
Profit before tax	161,842	90,382	79%	614,327	421,139	46%
Profit after tax	135,450	61,649	120%	500,916	327,986	53%
Profit attributable to ordinary equity holders	85,769	18,767	357%	311,911	159,114	96%

### (i) Performance of the current year's quarter against the preceding year's corresponding quarter

The Group's revenue increased by 11% to RM423.5 million from RM383.2 million in the preceding quarter due to higher contributions from all segments.

Similarly, the Group profit before tax ("PBT") in the current quarter increased by 79.0% to RM161.8 million from RM90.4 million in the preceding quarter as a result of higher contributions from all operating segments.

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

### **Property Investment – Retail**

For the 3 months ended 31 December 2023, IGB REIT reported total gross revenue and net property income of RM158.5 million (4Q2022: RM148.7 million) and RM115.2 million (4Q2022: RM105.6 million), respectively, an increase of 7% and 9% for gross revenue and net property income.

The higher gross revenue and net property income for IGB REIT were mainly due to the higher rental income in the current quarter.

The Mall, Mid Valley Southkey, Johor Bahru reported total gross revenue and PBT of RM60.7 million (4Q2022: RM52.9 million) and RM21.5 million (4Q2022: RM19.0 million), respectively, in the current year quarter, an increase of approximately 15% and 13%, respectively. Mid Valley Southkey recorded higher revenue and PBT due to higher rental income.

### **Property Investment – Commercial**

For the 3 months ended 31 December 2023, IGB Commercial REIT reported total gross revenue and net property income of RM56.9 million (4Q2022: RM49.4 million) and RM32.9 million (4Q2022: RM27.3 million) respectively, representing an increase of 15% and 21%, respectively. The increase in revenue was a result of higher average occupancy rates of the properties.

### **Property Development**

Revenue from the Property Development division for the 3 months ended 31 December 2023 decreased by 31% to RM27.2 million (4Q2022: RM39.2 million) due to lower sales of completed condominiums.

### **Hotel**

The Hotel division's performance has improved for the 3 months ended 31 December 2023. Revenue was up by 27% to RM85.0 million from RM66.8 million. The increase was due to higher occupancy rates and average room rates for hotels in the Group.

## **(ii) Performance of the current financial year to date against the preceding financial year**

For the 12 months ended 31 December 2023, Group revenue increased by 24%, or RM305.7 million, to RM1,597.0 million when compared to RM1,291.3 million in the preceding financial year. Both Group PBT and Group profit after tax increased by 46% and 53%, respectively, to RM614.3 million and RM500.9 million when compared to the preceding financial year of RM421.1 million and RM328.0 million. The increase was primarily contributed by better performance by the property investment – retail segments and favourable currency fluctuation which resulted in a foreign currency exchange gain of RM58.9 million in the current financial year as compared to RM39.0 million foreign currency exchange loss in the preceding financial year.

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

	<b>Current Year Quarter 31.12.2023 RM'000</b>	<b>Immediate Preceding Quarter 30.09.2023 RM'000</b>	<b>Variance %</b>
Revenue	<b>423,530</b>	395,095	7%
Profit from operations	<b>195,159</b>	158,181	23%
Profit before interest and tax	<b>209,568</b>	184,534	14%
Profit before tax	<b>161,842</b>	135,178	20%
Profit after tax	<b>135,450</b>	105,455	28%
Profit attributable to ordinary equity holders	<b>85,769</b>	58,030	48%

The comparison of financial results of the current quarter and immediate preceding quarter is as follows:

- i) Group revenue increased by 7% to RM423.5 million from RM395.1 million in the preceding quarter due to higher contributions from all segments.
- ii) Group pre-tax profit increased by 20% to RM161.8 million compared to a pre-tax profit of RM135.2 million for the preceding quarter, mainly due to higher contributions from all segments. In addition, the foreign exchange gain amounted to RM8.9 million in the current quarter as compared to RM14.2 million foreign exchange loss also contributed positively to the results.

## **B3 Prospects for 2024**

### **Property Investment – Retail**

The Retail Group Malaysia (RGM) forecasts a 3.5% growth rate for the Malaysia retail industry in 2024. This is in line with the growth predictions by the Malaysia Retailers Association and the Malaysia Retail Chain Association. Bank Negara Malaysia forecasts Gross Domestic Product (GDP) growth of 4.0% to 5.0% for 2024. The overall conservative estimation is mainly due to an increase in the Sales and Service Tax, the introduction of High-Value Goods Tax, higher cost of living, and geopolitical issues. Although the average inflation rate has eased, the prices of basic necessities and consumer goods remain higher than pre-pandemic levels. Higher cost of living is expected to have an adverse effect on the purchasing power of Malaysian consumers which could affect the sales performance of the tenants in shopping malls. Rising manpower costs, intense competition from new retail centres, and higher utility bills could squeeze the profit margins of the retailers. Weaker local currency, higher import costs and higher interest rates could affect financial results. Despite shopping traffic returning to pre-Covid levels, the Group maintains a more cautious outlook on its retail segment financial prospects in 2024.

### **B3 Prospects for 2024 (continued)**

#### **Property Investment – Commercial**

Bank Negara Malaysia reports that, although the economy is expected to expand at the lower end of its estimated range of 4% to 5% this year, Malaysia is still on pace to meet its GDP growth target. This trend also reported that the Klang Valley's need for office space is constant and increasing. However, with 1.82 million square feet of new space set to enter the market by 4Q2023, the outlook for Kuala Lumpur City's office market would be more competitive. The impending inflow of new office space could make it more difficult for occupancy and rental levels to grow significantly, escalating competition within the current surplus stock, particularly for older structures with outdated systems and infrastructure that are incompatible with modern technologies (Knight Frank Kuala Lumpur and Selangor Office Monitor 3Q2023). Despite the challenging market, we have retained a substantial proportion of existing tenants and attracted new tenants to the Group Property Investment – Commercial's portfolio. This strategic approach has led to an overall improvement in the average occupancy rate for office buildings in both Mid Valley City and Kuala Lumpur City Centre, from 80.9% as at 30 September 2023 to 81.3% as at 31 December 2023. The Group remains committed to maintaining stable rental reversions and providing minimal assistance for qualified tenants while offering flexible solutions that adapt to evolving work models.

#### **Property Development**

In 2023, the property market showed an improvement and the Group was able to fully sell its completed properties, Stonor 3 to both local and international buyers. Despite challenges primarily on the external front, the country's property market will continue to strive and see more positive outcomes in 2024 with the Malaysia My Second Home (MM2H) Visa Liberalisation Plan, demonstrating the Government's commitment to stimulating the property market. The initiatives augur well with the potential new launches of the Property Development segment in 2024.

#### **Hotel**

The hotel industry is experiencing a positive rebound with the growth of inbound travel across the region. With the continued marketing and promotional efforts by the local tourism sector, the industry is expected to recover to pre-pandemic levels for foreign tourist arrivals in 2024 and beyond.

The Group hopes to capitalise on the increase in hotel guests with its newly refurbished rooms in the 390-room Boulevard Hotel, which reopened on 31 August 2023, 189-room in Cititel Express Ipoh and 180-room in Cititel Express Kota Kinabalu which completed the renovation in August 2023 and February 2024 respectively. The Group's hotel segment financial results are expected to continue the recovery into 2024.

Barring unforeseen circumstances, the Board expects the Group's financial results for the financial year 2024 to be satisfactory.

### **B4 Profit forecast/profit guarantee**

There is no profit forecast or profit guarantee.



**B5 Tax**

	Current Year Quarter ended 31.12.2023 RM'000	Current Year-To-Date ended 31.12.2023 RM'000
Malaysia income tax		
-Company and subsidiaries	23,087	94,739
Deferred Tax	3,059	16,185
	<u>26,146</u>	<u>110,924</u>
Oversea Tax		
-Company and subsidiaries	246	2,487
	<u>26,392</u>	<u>113,411</u>

The effective tax rate of the Group for the current year quarter and current year-to-date was lower than the statutory tax rate due to certain incomes not being subject to tax under the Income Tax Act, 1967.

**B6 Corporate proposals**

There were no corporate proposals announced but not completed as at the date of this report.

**B7 Group borrowings and debt securities**

Group borrowings as at 31 December 2023 were as follows:

	31 December 2023		
	Non-current RM'000	Current RM'000	TOTAL RM'000
<b>Secured</b>			
Term Loan	261,508	22,484	283,992
Revolving credit	228,000	73,040	301,040
Medium Term Notes	2,047,810	1,018,607	3,066,417
<b>Unsecured</b>			
Revolving credit	-	21,037	21,037
	<u>2,537,318</u>	<u>1,135,168</u>	<u>3,672,486</u>

All borrowings are denominated in Ringgit Malaysia.

**B8 Material litigation**

The Board is not aware of any pending material litigation as at the date of the Report.

**B9 Dividend**

There is no dividend declared or proposed in respect of the financial year ended 31 December 2023.

## B10 Earnings per share

### (i) 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 31.12.2023	Immediate Preceding Year Quarter 31.12.2022	Current Year-To-Date 31.12.2023	Immediate Preceding Year-To-Date 31.12.2022
Net Profit for the period	RM'000	<u>85,769</u>	<u>18,767</u>	<u>311,911</u>	<u>159,114</u>
Weighted average number of ordinary shares in issue	'000	<u>1,349,684</u>	<u>1,352,331</u>	<u>1,349,684</u>	<u>1,352,331</u>
<b>Basic earnings per share</b>	sen	<u>6.35</u>	<u>1.39</u>	<u>23.11</u>	<u>11.77</u>

Comparative figures for the weighted average number of ordinary shares used in the calculation of basic earnings per share have been restated to reflect the increased number of shares arising from Bonus Issues as stated in item A5. Prior to the restatement, the basic earnings per share for the immediate preceding year quarter and preceding year-to-date quarter were 2.08 sen and 17.63 sen respectively.

### (ii) 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 potential dilutive ordinary shares. As at 31 December 2023, there were no potential dilutive ordinary shares in issue.

## B11 Notes to Statements of Comprehensive Income

	Current Year Quarter 31.12.2023 RM'000	Current Year-To-Date 31.12.2023 RM'000
(i) Interest income	14,843	57,326
(ii) Other income including investment income	21,238	84,411
(iii) Interest expense	(47,726)	(196,315)
(iv) Depreciation and amortisation	(36,475)	(146,077)
(v) Foreign exchange gain	<u>8,920</u>	<u>58,891</u>

## B12 Audit Report Qualification

The audit report of the Group's financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

## B13 Authorisation for issue

This Interim Financial Report was authorised for issue by the Board of Directors on 29 February 2024.