IGB BERHAD

ANNUAL REPORT 2021

Mid Valley Southkey, Johor Bahru

Contents

Corporate Directory

BOARD OF DIRECTORS

Tan Lei Cheng
Non-Independent Non-Executive Chairman

Lee Chaing Huat
Senior Independent Non-Executive Director

Daud Mah bin Abdullah @ Mah Siew Whye
Independent Non-Executive Director

Dato' Dr. Zaha Rina binti Zahari
Independent Non-Executive Director

Dato' Lee Kok Kwan
Independent Non-Executive Director

Dato' Seri Robert Tan Chung Meng
Group Chief Executive Officer

Tan Boon Lee
Alternate Director to Dato' Seri Robert Tan Chung Meng/
Deputy Group Chief Executive Officer

Tan Mei Sian
Alternate Director to Tan Lei Cheng

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Web : www.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Date of Listing : 8 May 2002
Stock Name : IGBB
Stock Code : 5606

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Investment Bank Berhad
Public Bank Berhad

Management Discussion & Analysis

Dear Shareholders,

IGB Berhad (IGB or the Group) faced a challenging year in 2021. The Group is fundamentally strong and well-poised to achieve a growth trajectory while dealing with challenges amidst the Covid-19 global pandemic. This confidence stems from the organisation's proven capability of managing its diverse business interest to protect shareholders value while positioning the Group to seize opportunities presented by the new normal.

IGB is pleased to present this Management Discussion and Analysis (MD&A) that covers the period from 1 January 2021 to 31 December 2021. This MD&A offers our valued shareholders insights into the strategic initiatives carried out by the Group as well as its operating landscape, risk management and outlook.

BUSINESS OVERVIEW

The principal activities of the Group consist of property investment and management, owners and operators of malls and commercial buildings, hotel operations, property development, construction, the provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trusts.

Today, IGB is one of the largest listed property companies in Malaysia, and has a footprint which spans across Asia, Australia, the United States (US), and the United Kingdom (UK).

OPERATING LANDSCAPE

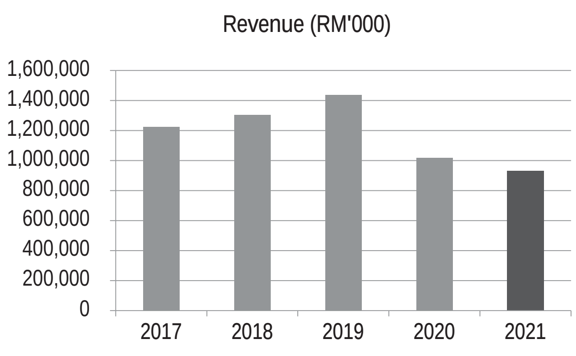
2021 proved to be yet another challenging year as the world battled the Covid-19 pandemic.

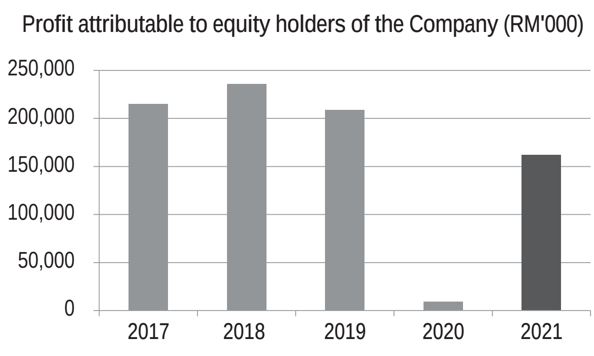
As the pandemic continued, people, businesses and nations have made strides towards improving methods in work and daily life, whilst managing the disease. Businesses were tasked to maintain or improve their operations to cover any negative impact stemming from the pandemic.

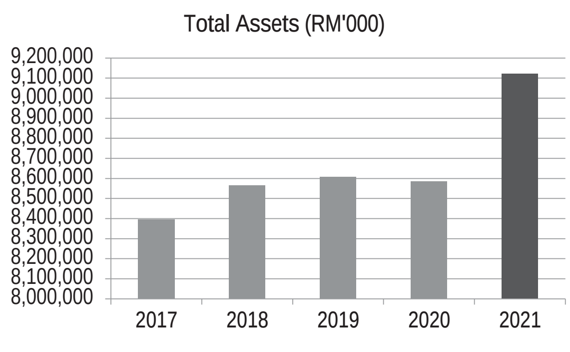
Although the global economy faced exceptional uncertainties amidst new waves of Covid-19 infections, the United Nations Department of Economic and Social Affairs reported an expansion of 5.5% in 2021, the highest growth rate in more than four decades.

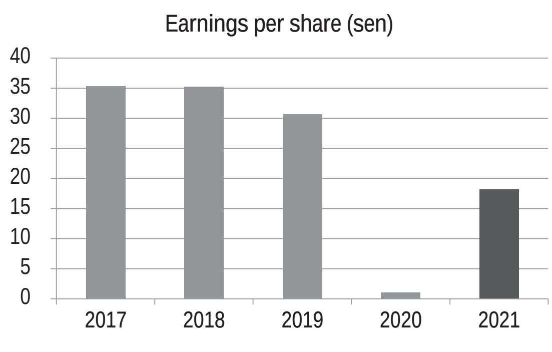
On the home front, the Department of Statistics Malaysia (DOSM) showed Malaysia's Gross Domestic Product (GDP) in a recovery momentum with a 3.1% growth in 2021.

KEY FINANCIAL HIGHLIGHTS









Management Discussion & Analysis
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FINANCIAL YEAR ENDED 31 DECEMBER		2017	2018	2019	2020	2021
Revenue	RM '000	1,222,250	1,302,010	1,436,479	1,016,417	930,053
Profit before tax	RM '000	491,319	480,591	463,099	147,663	351,405
Profit attributable to equity holders of the Company	RM '000	215,143	235,643	208,665	9,250	161,845
Issued share capital	RM '000	645,030	884,327	886,344	1,338,596	1,393,859
Capital and reserves attributable to equity holders of the Company	RM '000	2,710,768	3,435,006	3,614,372	3,611,760	3,840,996
Total Assets	RM '000	8,395,337	8,565,497	8,607,814	8,584,839	9,117,930
Earnings per share (basic)	sen	35.36	35.24	30.66	1.09	18.17
Net assets per share	RM	4.45	5.02	5.30	4.10	4.25
Gross dividend per ordinary share:						
- cash dividend	sen	2.0	2.0	1.0	-	15.0
- dividend-in-specie	sen	-	-	2.0	2.0	2.0
Share price as at 31 Dec	RM	2.96	2.48	3.61	2.58	1.96
Dividend yield	%	0.68	0.81	0.83	0.78	8.67
Total borrowings	RM '000	3,405,866	4,046,638	3,843,479	4,033,034	4,140,376
Net borrowings	RM '000	1,817,973	2,983,374	3,101,366	3,230,359	2,701,463
Net debt to Capital and Reserves attributable to equity holders of the Company	Times	0.67	0.87	0.86	0.89	0.70

REVIEW OF OPERATIONS

Property Development

The property market remained volatile due to various risk factors including the repeated Recovery Movement Control Orders (RMCOs) and the movement in prices of key building materials.

According to data from the National Property Information Centre (NAPIC), in the first half of 2021, Malaysia's property market transaction volume and value increased 21% and 32.1% respectively compared with the previous year.

Cognisant of this, we focused our efforts on existing developments including the management of co-living spaces, launching new construction project, and providing property management services for strata unit owners.

Our upcoming development in Wangsa Maju is currently in the planning phase and the approvals have been extended to 2022 due to the uncertainties faced in 2021. Development of D/Laman Kundang was launched and the project sold out in 2021. This project will be focused on construction phase in 2022 after delays resulting from the multiple RMCOs and other restrictions. We are also planning to begin a new phase of 38 units of double storey shop office units in Kundang Jaya in 4Q 2022. In September 2021, Tan & Tan Developments Berhad obtained approvals for Nova Pesona and Steady Paramount projects. Currently, we are in the process of arranging development charges and contribution charges for the Improvement Service Fund (ISF).

During the year, we sold all remaining units at Park Manor and reached 70% of units at Stonor 3. We resumed handing over the units at Stonor 3 in July 2021, and undertook minor rectification works.

Revenue from our Coliv @ Damai Residence (previously Co-living @ Damai Residence) was affected due to the closure of borders and a reduction in domestic activity. Before the pandemic, 70% of the revenue was derived from overseas tenants. Our overhead costs also increased in tandem with the pandemic preventive measures taken. We adopted new strategies in the year, such as providing prospective owners with virtual room viewing, promotional room rates, and getting existing tenants to share their experience with others via word of mouth. This resulted in an uptake of 18%.

Tan & Tan Homes, a division under Tan & Tan Developments Berhad, saw a decline in property rental and unit care. This was apparent during the lockdowns imposed throughout the year, where we observed people prioritising necessary expenditure. Once restrictions eased, we started receiving enquiries. To maintain our competitive edge, during the year, we elevated our online profile, embarked on email marketing and promotions on social media, while providing virtual walkthroughs for interested parties. Currently, Tan & Tan Homes manages 70 residential units in 5 properties. They are Stonor 3 @ Kuala Lumpur City Centre (KLCC), Desa Kudalari @ KLCC, Desa Angkasa @ U-Thant, Northpoint Residences @ Mid Valley City and G Residence @ Desa Pandan Kuala Lumpur. Tan & Tan Homes is also assisting to manage and maintain all unsold units in Stonor 3.

Management Discussion & Analysis
(continued)

As we close the year 2021, we are conservatively optimistic about the property market in making positive progress. The opening of international borders and travel will provide the much-needed boost for our existing and future developments, within the heart of Klang Valley.

Hotel Segment

a. *Asia*

Global tourism experienced a 4% increase in 2021 compared to 2020 but was still reeling the effects of Covid-19 throughout the year. This dampened the overall tourist arrivals in Malaysia since travel restrictions were in force during the first nine months of 2021. Tourist arrivals for the first eight months of the year were down by 90% compared to the same period in 2020.

In the first half of 2021, hotel bookings were severely impacted with occupancies averaging at 15% to 20% daily. Meetings, seminars, banquets were not permitted and dining at food and beverage (F&B) outlets were limited to two persons per table. Although the RMCO restrictions were relaxed in July, strict standard operating procedures (SOP) on hotel stays, banquet and restaurants were limited to 50% capacity.

The St Giles Boulevard located in MVC was closed in January 2021 to mitigate operational costs due to low demand and fixed operating costs. The closure allowed us to manage the excess hotel room capacity within MVC at a time of such uncertainties. The St Giles Boulevard will be re-opened when normalcy returns, and business travel starts to pick-up.

To enhance the low occupancy rates, we ran several promotional campaigns to increase bookings. However, the results were lackluster due to the inherent fear of travelling and infection during the pandemic. Notably, weekend stays, and ‘staycation’ packages did bring in some leisure business.

In addition, all hotels promoted their F&B offerings through online food delivery services and take-away. The hotels’ restaurants signed up with multiple food delivery service platforms and this brought in the additional revenue when the dine-in business was at a standstill.

In 2021, we completed the stalled renovation plans and upgraded the rooms at both the Cititel Mid Valley and St Giles Boulevard. The initial delays in 2020 was the result of work restrictions, insufficient manpower and delay in delivery of building materials.

The opening of the new St Giles Southkey (comprising 575 rooms) in Johor Bahru (JB) was postponed because of Covid-19. Construction and fit-out schedules were in disarray due to compliance to SOP and work restrictions imposed by the relevant authorities. Border crossing between Malaysia and Singapore was also restricted the entire year.

Following the ease of travel restrictions and the establishment of Vaccinated Travel Lane (VTL) facility, we anticipate a surge in cross border travel from the Singapore market, fueled by pent-up demand once border restrictions are lifted and it is deemed safe to travel.

The St Giles Makati in Philippines performed relatively well during the year despite the adverse conditions in the country brought about by the pandemic. The hotel promptly registered itself with the Bureau of Quarantine in June 2020 and was accredited as an approved facility offering quarantine services. This brought in immediate business from the Overseas Workers Welfare Administration when millions of Filipino workers who were working overseas were brought back to the country. Upon their return, the workers were required to quarantine for up to 14 days at various facilities in the Philippines. The St Giles Makati benefited from this over a period of eight months.

In November 2020, the St Giles Makati secured significant business from the Associated Marine Officer’s and Seamen’s Union of the Philippines. As shipping industry gained traction, all the seamen were recruited to resume but were required to be quarantined before certified to set sail. Again, the St Giles Makati benefited from this arrangement due to the accreditation with the Bureau of Quarantine. The hotel achieved an occupancy rate of 73.3% for the year 2021.

b. *Australia*

In Australia, The Tank Stream Hotel in Sydney faced stay home orders and border closures due to the pandemic. Although some restrictions were eased in the year, the confidence in business travel remained low. This was further fueled with new Covid-19 variants emerging and government imposing stay home orders.

The team then decided to shut down operations from June to October to manage operations costs. The hotel utilised government incentive schemes to retain employees and also encouraged the team to apply for “Disaster Relief” payments via the Federal Government scheme. By late October 2021, the hotel opened its doors once again with the further easing of restrictions. The hotel saw an increase in occupancy during the festive period, year-end functions, and last-minute corporate bookings. Albeit challenging conditions, the hotel managed its expenses and utilised all resources positively in 2021.

Moving forward, the hotel will work on managing its room inventory until the labor shortage eases to ensure the hotel yields occupancy rates according to its ability to service and turn rooms for guests. The hotel team will work closely with its labor suppliers and continue to utilise a full financial rolling forecast to ensure a positive result.

Management Discussion & Analysis
(continued)

c. *United Kingdom*

While 2021 was a definite improvement from the previous year, the UK hospitality industry was disproportionately affected by lockdown and movement restrictions in 2021. Hotels fully reopened in May. While the pandemic had the most impact, the political landscape with Brexit, the end of the war in Afghanistan, and migrants affected guest check-ins and its overall business.

St Giles London Hotel continued its partnership with Westminster City Council during the lockdown, offering available rooms to serve as accommodation for the Government's Severe Weather Emergency Programme, generating much-needed revenue. Pent up demand from the domestic market also drove majority of the bookings.

UK's high vaccination rate and the further relaxing of travel rules in September and October 2021 boosted travel confidence resulting in the strongest performance in 3Q 2021.

In December 2021, St Giles Heathrow Hotel secured a property buyout contract to accommodate asylum seekers. The increase in migrants and asylum seekers to the UK created an opportunity for St Giles to fuse business (consistent revenue) with its ethos of positively impacting the community.

At the same time, the introduction of amber listed countries provided a steady market for St Giles Heathrow's quarantine package promotion. The creation of Government Quarantine hotels for red listed countries, resulted in a reduction in supply of available hotel rooms for the market, allowing St Giles Heathrow to pick up bookings across all channels.

To increase guest check-ins, St Giles Heathrow created promotions across transient channels. The hotel offered semi-flexible rate for hesitant travelers, high-discount non-refundable flash deals for the rate-driven, travel-ready part of the market, and engaged with a new third party partner, Groupon, to expand its push to the staycation market without increasing marketing spend. The hotel also re-activated its Inspired Joy Guest Reward programme to help reduce cancellations.

We proceeded with the room renovation project at St Giles London Hotel, completing 97 additional rooms in Block B, in 3Q 2021. The remaining 116 rooms in Block B are scheduled for completion at the end of April 2022.

In 2021, we completed an overhaul of the Air Handling Units in the conference and reception areas at St Giles Heathrow Hotel and refurbished the elevators.

d. *New York*

Both the Tuscany and The Court continue to remain closed through 2021, and this may likely run through 2022. Market conditions in 2021 were not conducive to opening The Tuscany, and a major flood in February damaged the main lobby area and reinstatement works are still on-going.

In 2022, we are planning to dispose The Court in New York, and potentially The Tuscany. Following the release of tied-up equity in those properties, we will then re-commence our expansion search in the UK and Europe.

Property Investment and Management, Commercial Segment

IGB Commercial Real Estate Investment Trust (IGB Commercial REIT) was listed on the Main Market of Bursa Malaysia at a volatile time for the real estate market, on 20 September 2021. IGB Commercial REIT is a REIT established with the principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate used primarily for commercial purposes in Malaysia and overseas.

IGB Commercial REIT is the sixth largest Malaysian REIT and the largest standalone office REIT in Malaysia to date, with 10 properties valued at RM3.161 billion and a net lettable area of approximately 3.4 million sq. ft. As the largest standalone office REIT in Malaysia, IGB Commercial REIT offers a variety of offices within strategic locations that appeal to a wide range of tenants and businesses. We are in good standing with our tenants, and we offer a value proposition that keeps us at an edge amidst our competitors.

With so much unpredictability in 2021, IGB Commercial REIT remained resilient to withstand the various headwinds during the year. During the year however, our buildings have shown strong prospects, particularly after IGB Commercial REIT was listed. Our tenants are returning, renewing contracts and expanding their spaces.

Our strategy in retaining tenancies was to engage and have constant communication with tenants and taking the time to understand their challenges and needs. As our tenants and their varied businesses were affected differently during the year, through engagements, we were able to address their tenancy needs and retain their tenancy. In total, we managed to retain 78% of our tenants in 2021 compared with 66.3% in 2020.

With the 'new normal' becoming a norm, many tenants reconfigured their office spaces to offer singular workstations and spacious engagement areas to comply with the stringent SOP in place. This has given us fresh ideas, which will allow IGB Commercial REIT to remain at the forefront of trends suited to the needs of various tenants.

Management Discussion & Analysis
(continued)

Increased Committed Occupancy for Year 2022 as at 31 December 2021:

- Southpoint Properties – 94.2% (from current 72.1%)
- Menara IGB & IGB Annexe – 73.7% (from current 68%)
- Gardens South Tower – 81.4% (from current 80.2%)
- Centrepoint North – 83.3% (from current 77.8%)
- Centrepoint South – 84.0% (from current 82.4%)

New tenancies across our buildings during the year:

Building	Tenant	Size
Southpoint Properties	Shopee	76,482 sq. ft.
Centrepoint South	Copper Space	3,631 sq. ft.
GTower	Alur Bistari	1,496 sq. ft.
GTower	YMG (MM2H) Sdn Bhd	2,530 sq. ft.
Menara Tan & Tan	Yatiswara	2,200 sq. ft.
Menara Tan & Tan	Icon Ship Management	11,828 sq. ft.
Total		98,167 sq. ft.

With tenants' expectations constantly evolving, we adopted various strategies to maintain and grow our occupancy rate including embarking on partnership opportunities, participating in tenants' events, and prioritising safety and well-being across the board.

We will continue with our strategy of tenant retention, asset enhancement and tenant engagement. We believe in a long-term business partnership with our stakeholders. A healthy and safe working environment will remain a top priority as we navigate through 2022.

We will explore renewable energy enhancements where possible, to improve efficiencies and move towards sustainability. One of our plans is to increase electric vehicle charging stations in our buildings.

Property Investment and Management, Retail Segment

a. IGB Real Estate Investment Trust

2021 saw a significant impact to the retail and hospitality industries and IGB Real Estate Investment Trust (IGB REIT) was not spared. During the year, we focused on our people - employees, tenants, unitholders, and shoppers in dealing with Covid-19. We also prioritised our business and adopted strategies to protect our business while safeguarding our income flow.

The portfolio of retail tenants within Mid Valley Megamall (MVM) is focused on the middle to upper market in terms of the tenants, brands, and outlets. The Gardens Mall (TGM) on the other hand focuses on high-end tenants to meet the needs of our more affluent customers.

The retail sales and visitor footfall dropped considerably in both malls due to the imposition of government imposed Movement Control Orders (MCOs) since March 2020, and we understood that it would take time to see improvements.

We provided rental support and tailor-made programmes to help tenants stay in business. Where required, we also offered rent relief or adjustments on a case-by-case basis.

New Brands in 2021:

MVM

1. ABP Frozen Ah Boy Pasar
2. Don't Yell at Me
3. iTworld
4. ITSU
5. MyMaskHub
6. Genie by Getha
7. Mango
8. Yole
9. Aape
10. NALE - The Nasi Lemak Company
11. Birkenstock
12. Happy Lemon
13. Medifeet
14. Zirconia Jewellery
15. OldTown & Sedap Sedap
16. Felancy
17. Toplash
18. Dunlopillo
19. Bellolis
20. Hooga & Akemiuchi (AU)
21. MyTukar Retail Experience Store
22. MiX.STORE
23. eMart24
24. Kampung Banana Leaf
25 ZUS Coffee

Management Discussion & Analysis
(continued)

TGM			
1.	Bungkus Kaw Kaw	6.	Tiffany & Co
2.	BMS ROADTAX	7.	Powder Room by BookXcess
3.	Mitsuyado Seimen	8.	Rocku Yakiniku
4.	Penang Flavours	9.	Nostaloft
5.	Maxis	10.	Spenco

While the impact on the malls was significant, our teams kept a close eye on our tenant mix and ensured tenancy renewals were met. We continued all the upkeep, renovation, and enhancements needed while complying with the MCO's SOP. Over the months, we conducted cost reduction measures in our operating procedures and continued investment into asset enhancement initiatives as well as marketing and branding. Apart from these measures, we looked at avenues to reduce energy usage throughout the malls. Overall, we also monitored labour costs to maintain our efficiency.

The malls also employ several hybrid operational models depending on the severity of the lockdown. These includes certain services that will run on different operation hours to allow us to further manage costs.

The pandemic has undoubtedly reshaped the economy and the way we conduct our businesses and daily affairs. While it has accelerated the shift towards the adoption of technology and the sustainability agenda, on the other hand, it has also brought to the forefront prevailing issues in the labor market and social protection system.

We continue to operate with care and compassion, towards our people, our stakeholders, and the surrounding communities, as we support each other to surmount these challenges.

b. The Mall, Mid Valley Southkey (MVS)

MVS currently has a total of 324 tenants, with four anchor tenants - SOGO, Village Grocer, Golden Screen Cinemas and Mid Valley Exhibition Centre. Albeit dealing with a tough year, the mall maintains a host of international brands such as Swiss Watch Gallery & Michael Kors, Coach, Kate Spade, Swarovski, Chanel, Jo Malone London, Clinique, Yves Saint Laurent, JD Sports, Uniqlo, LEGO, Dyson, SportsDirect.com, MST Golf, Harvey Norman, MUJI 無印良品, and Toys'R'Us.

The rapidly evolving situation of the pandemic brought many uncertainties for businesses across the market. The weaker broad market economy affected consumer spending power which in turn impacted the retail sector.

During the financial year under review, targeted support was given to tenants by way of rental rebates and revision of the rental structure.

Some new store openings and expansion plans were also deferred due to the pandemic. Securing new and replacement tenants took a longer negotiation period due to the many uncertainties of the economy. Where possible we did our best to provide assistance and support to tenants to help get through the year.

The closure of the Singapore border has significantly impacted the retail business as well as footfall in the mall. During this time, retailers focused their efforts on e-retailing, based on the switch in consumers' shopping behaviour. Once restrictions were lifted, the sales throughout the mall began to improve from October 2021.

Despite a challenging year, MVS welcomed nine new tenants in 2021 from F&B, skincare, jewellery, fashion and consumer brands. As of 31 December 2021, occupancy is at 87.61%.

MVS New Tenants			
1.	Kedai Kopitiam Oriental Kopi	6.	WK Design
2.	TianSi Signature	7.	Eureka Snack Bar (Kiosk)
3.	Clinique	8	Hazukido (Kiosk)
4.	Vivo American Pizza & Panini	8.	Elianto (Kiosk)
5.	Felancy		

Management Discussion & Analysis
(continued)

Construction

The Group's construction projects continue to face challenges brought about by the pandemic in 2021. There was lower production in the manufacturing sector which resulted in a 30% increase in prices of raw materials. This in turn affected construction costs significantly.

Closure of international borders, freezing of foreign workers recruitment, frequent and prolonged MCOs and RMCOs coupled with stringent SOPs further delayed targeted completion dates of our projects.

a. Southpoint Properties, MVC

Southpoint Properties is a 55-storey tower comprising offices and residential units. During the year, on-going architectural as well as mechanical and engineering (M&E) works were completed. However, due to the pandemic, authority inspection and obtaining the certificate of completion and compliance were delayed and have been scheduled for completion by 3Q 2022.

b. St Giles Southkey, JB

The St Giles Southkey is a proposed 4-star hotel. Currently, 25 out of the 27 floors of hotel rooms have been handed over to the operator. The hotel is scheduled for the soft opening by mid-2022.

c. North Tower and South Tower, MVS JB

In 2021, all M&E and architectural works for typical floors at the North Tower were completed, while similar works in the South Tower were on-going. Authority inspection for the North Tower is planned to be held by 3Q 2022 and hand over to leasing by year end. For the South Tower, an external façade curtain wall was completed, making the building fully watertight.

Other Operating Segments

a. Water Treatment in China

The China Water Group was not spared from the impact of Covid-19 but proved its resilience during these challenging times. While the pandemic situation in China was under control in 2021, the supply chain for raw materials, mainly the transportation of chemicals, was affected during the lockdown in various China cities. As a contingency plan, alternative chemical suppliers were explored in the vicinity of the plants to ensure a continuous supply of chemicals.

In terms of operating revenue, the minimum guaranteed water volume for billing now ranges from 80% to 100% of our design-capacity. This provides a significant cushion on any adverse impact on our revenue in the event of a smaller water intake as a result of the economy slow down caused by the pandemic.

Wastewater treatment industry in China is concurrently facing new opportunities and challenges, while dealing with a period of systematic upgrading. The road ahead for wastewater treatment industry in China is bumpy but prospects remain bright.

b. Education

The IGB International School (IGBIS) faced a tough year as we battled another year with Covid-19. During the year, there was a decline in student enrolment as families returned to their home countries due to international travel restrictions. While many families hoped to return, the uncertainties surrounding Covid-19 have caused further setbacks for them. To help mitigate these issues, IGBIS offered Application Fee Rebates, Enrolment Fee Waivers, Lifetime Fee Freezes, among other things to attract new students into the school. To retain existing families, the school provided financial support through temporary tuition reductions or monthly installments to support financially impacted families, most of whom were Malaysians.

During the year, students and teachers continued with hybrid learning system that was adopted in 2019-2020. In 2021, the team also explored new technology and other tools to help give students the best learning experience while taking into account the wellbeing of students and staff.

Despite all these challenges, IGBIS managed to achieve its highest pass rate in 2021 for the Diploma Programme (DP) and Career Related Programme. We also achieved our highest DP average in the history of the school at 35.2. In 2021, we continue to send graduates to an impressive variety of post-secondary institutions in Asia, North America, and Europe.

As the pandemic prolongs, the private education sector will continue to be challenged. These challenges include the economic impact faced by families in Malaysia, extended international travel restrictions, competition, and increased costs. However, IGBIS is poised to stay resilient and adaptive to future headwinds.

Management Discussion & Analysis
(continued)

c. *New Ventures*

I. 18@Medini, Johor

The Group continues to wait for a suitable time to launch 18@Medini, a mixed development in Iskandar Malaysia, JB.

II. Chao Phraya River, Bangkok

This mixed-use development project on a 6-acre freehold land in Bangkok, Thailand fronting the Chao Phraya River is still in the planning approval stage. The Group and its joint venture partners have appointed consultants to assist in the drawing up of and submission of development plans to authorities for approval.

With the final capital contribution of THB50million, the project is deemed to have sufficient funds for the remaining project expenses up to full planning approval which is targeted for June 2022.

III. Blackfriars, London

The Group has disposed 50% of the equity interest in Black Pearl Limited (BPL) in October 2021.

MOVING FORWARD

We remain cautiously optimistic about the near future as markets, businesses, and the Group face another year with Covid-19.

According to the January 2022 World Economic Outlook report by International Monetary Fund, global growth will slow markedly in 2022 and 2023. The Malaysian economy on the other hand is projected to expand by 5.8% in 2022, as domestic and external demand recovers, according to the latest edition of the World Bank Malaysia Economic Monitor.

We continue to accelerate our efforts towards operating our local and international assets at optimal levels. We aim to improve our performance in areas that were hampered by the pandemic, while looking for opportunities to diversify our earning streams in 2022.

On this note, the Board of Directors and Senior Management team of IGB are confident that the Group will turn in a better performance compared in 2022, leveraging on improvement in consumer sentiment, recovery in retail sales and footfall, and reduced rental rebates.

RISK MANAGEMENT

The Board of IGB is responsible for making sure that a framework of risk management and internal controls is in place to ensure that as a business, we adhere to the highest standards of corporate governance. The Policy and Implementation Council assists the Board by overseeing the Group's overall strategy and risk framework through leveraging the expertise, experience, and knowledge of their members. They are in turn supported by the Group Strategy & Risk (GSR) division of IGB, which monitors and evaluates the effectiveness of the framework on an on-going basis.

IGB adopts a proactive approach to risk management and has in place the IGB Strategy & Risk Framework (Framework) which is based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Enterprise Risk Management (ERM) updated framework of 2017 – Integrating with Strategy and Performance. This Framework integrates Enterprise Risk Management with business strategies and processes, resulting in better information to support improved decision-making.

Risk management is not about eliminating risk but about mitigating unexpected operational surprises and losses, reducing performance variability, improving resource deployment, identifying and managing entity-wide risks, as well as increasing the opportunities available to the business. At IGB we believe that the best people to make decisions about business strategy and risks undertaken are those in the business units themselves. As such, the culture pertaining to strategy and risk within the organisation is one where the business units take ownership of their own strategies and risks.

We strongly believe that the Framework and the risk culture that currently thrives within our organisation, allows us to effectively implement risk management activities that not only manage significant business risks in a timely manner, but help us achieve our strategic objectives.

(a) Competition Risk

The needs of our consumer base have continued to evolve with the challenges posed by the Covid-19 pandemic resulting in the market having to find and deliver alternative and innovative products and services to meet these demands.

The Group recognises that it needs to continuously improve to remain relevant to protect the Group's earnings and market position. To this end, we have continued to engage with our communities through both traditional and online mediums. Throughout the year, we have prioritised the health and safety of our customers and tenants through the implementation of preventive measures at all of our properties, online property viewings and hybrid learning at IGBIS.

Management Discussion & Analysis
(continued)

We have also continued to support tenants at our properties through appropriate and targeted action plans including conditional rental support along with waiver of late payment interest to eligible tenants as well as integrating flexibility into our leases to aid tenants during this period and drive tenant retention.

Despite the current initial signs for potential economic and business recovery, we continue to monitor the situation closely and will take appropriate and timely actions to mitigate any further impact on the Group's operations and financial performance whilst regularly reviewing the strategies and risks of the Group to ensure we are headed in the right direction.

Moving forward, the Group remains committed to staying relevant and will continue to monitor the market and introduce innovative and industry-leading offerings to maintain its market share.

(b) Human Capital Risk

Human capital is a critical factor in driving the sustained growth of our business. As such, the Group works hard to attract, retain and develop the right people who will positively contribute to our growth. It is also important that an environment that supports and empowers our employees is cultivated as we believe that people who are given an opportunity to actively drive change and who are invested in our future will help us continue to be an industry leader amongst our peers. To this end, we regularly review, assess and update our human capital development programmes and employee benefits. Employees are also competitively remunerated through our practice of compensation benchmarking.

We also recognise that succession planning is crucial if we want to build a sustainable business, and as such make it a priority to identify and develop successors for key management roles. This is done through offering structured training that provides exposure, empowerment and support from the organisation within a determined timeline.

Through these efforts, we strive to minimise the risks associated with human capital management, supporting our journey towards building a sustainable business for generations to come.

(c) Legal & Regulatory Risk

The Group is subject to laws and regulations in countries in which we operate. These include those relating to occupational health and safety, employment, data privacy, anti-corruption, tax, accounting, and technical regulations, amongst others.

To ensure that the Group is up to date and in compliance with new laws or regulatory developments, we engage legal, financial and tax experts in the countries in which we have a presence. We also have in place a framework which not only allows us to monitor and identify any new laws or regulatory obligations that apply to us, but ensures that all business units comply with them in their day-to-day operations.

Our teams are committed to working hard to comply with all regulations that apply to our business units and work to manage any changes which may impact our business in a timely manner.

(d) Information Technology (IT) & Cyber Security Risk

A breach or failure of the Group's IT systems could disrupt our operations, resulting in a breach of compliance obligations, cause reputational damage, and expose us to financial/data loss.

To mitigate these threats, the Group IT department has established policies and procedures to manage IT security risks. They have worked to ensure that they are relevant, preventive and detective together with recovery measures in place. The Group IT department also monitors the health of all systems and performs contingency planning for disruptions to critical systems and processes.

This year, to further mitigate IT security risks, we have deployed a Privileged Access Management solution to manage key users' activities to safeguard our data. We have also made plans for a Cybersecurity team to focus solely on cybersecurity matters and will be fully functional in 2022.

For 2022, Cybersecurity team will be focusing on educating users on cybersecurity and safety measures while using company's assets and accessing data. This will be as part of our Cybersecurity roadmap to safeguard IGB Berhad's assets and data.

(e) Crisis Management Risk

The Group takes the safety and security of our communities extremely seriously. With the Covid-19 pandemic bringing unique and unprecedented challenges, we have worked closely with the authorities to adopt preventive measures to minimise any risk of outbreaks.

The Group's Business Continuity Management Framework has also set guidelines which have been used for the development and adoption of Business Continuity Plans by each business unit. The Business Continuity Plans incorporate detailed Emergency Response Plans for each operational site and Business Recovery Plans for each function of the business unit. A centralised Group Crisis Management & Communication Plan has also been incorporated for timely communication reporting of any disruptive events.

Management Discussion & Analysis
(continued)

We work very closely with the police and all government enforcement authorities to ensure that we receive timely information and intelligence on potential threats so that we are able to prepare and take preventive measures where required. We also continually invest in the training of our emergency response and security teams.

The Crisis Communications Team from the Group Corporate Communications Division also monitors social media for any news that may pose risks to the Group's reputation.

(f) Health & Safety Risk

The Group takes the health and safety of our communities very seriously. Any health and safety incidents that occur on any of the Group's properties may result in varying degrees of injuries, including the loss of life. These events are extremely unfortunate, and not only directly impact our community, but from a business stand point, can lead to a loss of confidence in our business and impact our reputation. These in turn will affect the profitability and long-term sustainability of our business.

Safety, Health and Environment teams have been established within each business. The teams oversee all health and safety matters within each business unit and work to ensure that our health and safety policies are kept up to date and incorporated into our daily operations. Our teams also track all health and safety incidents that occur within our properties, and ensure that they are thoroughly investigated, with all necessary follow up actions taken.

Regular safety briefings, trainings, and inspections are also carried out to ensure compliance with the Occupational Safety and Health Act, and to manage safety risks within our properties. Fire drills are also held annually to ensure that all employees and tenants are familiar with escape routes as well as the actions needed to be taken in the event of an emergency.

During the year, we have continued to maintain stringent measures to address the health and safety risk posed by the Covid-19 pandemic through equipping our staff with face masks, hand sanitisers and training on standard operating procedures for managing Covid-19 related incidents. On top of the existing preventive measures (thermal scanners, face mask requirements, social distancing markers, sanitising stations, etc), we have further implemented additional measures during the year including going cashless at our carparks, entry checks on MySejahtera status as well as installation of air purifiers at elevators throughout our properties.

Profile of Directors

TAN LEI CHENG
(Malaysian, female, age 65)
Non-Independent Non-Executive Chairman

Appointed	:	20 September 2000
Board Committee(s)	:	A member of Policy and Implementation Council (PIC)
Academic/ Professional Qualification/ Working Experience	:	Tan Lei Cheng holds a Bachelor of Commerce from University of Melbourne, Australia and a Bachelor of Law from King's College, London (LLB Hons), England. She was admitted to the English Bar in 1983. She is a member of the Lincoln's Inn and the Young Presidents' Organisation (Gold), Malaysia Chapter. She has more than 40 years experience in the property industry and corporate sector. She was Chief Executive Officer of Tan & Tan Developments Berhad (Tan & Tan) from March 1995, a property development company that was listed on Bursa Malaysia Securities Berhad. Following the completion of the merger between IGB Corporation Berhad (IGBC) and Tan & Tan on 8 May 2002, she assumed the role of Executive Chairman and Chief Executive Officer of Goldis Berhad (Goldis) (now known as IGB Berhad, which took over the listing of Tan & Tan). Following her retirement on 31 December 2016, she assumed the role as Non-Executive Chairman of Goldis. After the privatisation of IGBC by IGB on 16 March 2018, she remains as Non-Executive Chairman of IGB.
Other Directorships	:	Listed Issuer: ▪ IGB REIT Management Sdn Bhd, the Manager of IGB Real Estate Investment Trust (IGB REIT) and IGB Commercial Real Estate Investment Trust (IGBCR) Public Companies: ▪ Tan & Tan ▪ Dato' Tan Chin Nam Foundation

LEE CHAING HUAT
(Malaysian, male, age 68)
Senior Independent Non-Executive Director

Appointed	:	8 December 2014 (redesignated as Senior Independent Non-Executive Director on 30 August 2018)
Board Committee(s)	:	Chairperson of Audit Committee (AC), and a member of Nomination Committee (NC) and Remuneration Committee (RC)
Academic/ Professional Qualification/ Working Experience	:	Lee Chaing Huat is a fellow member of Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants. He started his career as an auditor in 1971 with Messrs. Hanafiah Raslan & Mohamad/Touche Ross, Malaysia before joining the financial sector in 1980. He has wide banking experience having worked with several banks – The Chase Manhattan Bank (now known as JP Morgan Chase Bank) and Kwong Yik Bank Berhad and thereafter RHB Bank Berhad when Kwong Yik Bank Berhad merged with DCB Bank Berhad in 1997. In 2004, he joined Hong Leong Credit Berhad as Group Chief Financial Officer and later Hong Leong Bank Berhad as Chief Operating Officer/Head of Business Banking Division. In December 2005, he started his own private management consultancy company.

Profile of Directors
(continued)

DAUD MAH BIN ABDULLAH @ MAH SIEW WHYE
(Malaysian, male, age 60)
Independent Non-Executive Director

Appointed	:	15 January 2003
Board Committee(s)	:	Chairperson of RC, and a member of AC and NC
Academic/ Professional Qualification/ Working Experience	:	Daud Mah holds a Bachelor of Science (Econs) degree from the London School of Economics and Political Science and a Master in Business Administration majoring in Finance from Wharton School, University of Pennsylvania. He is a member of the Institute of Chartered Accountants of England and Wales and the Malaysian Institute of Accountants. His working experience commenced with Coopers & Lybrand, London from 1984 to 1989. After completing his Masters in Business Administration in 1992, he returned to Malaysia to join The Boston Consulting Group. He co-founded Kumpulan Sentiasa Cemerlang Sdn Bhd, a licensed fund management company in 1995 and became its Chief Executive Officer (CEO) on 1 April 2010. He stepped down as CEO on 8 August 2019 and as a director on 30 December 2019.

DATO' DR. ZAHA RINA BINTI ZAHARI
(Malaysian, female, age 60)
Independent Non-Executive Director

Appointed	:	1 June 2018
Board Committee(s)	:	Chairperson of NC, and a member of AC and RC
Academic/ Professional Qualification/ Working Experience	:	Dato' Dr. Zaha Rina holds Bachelor of Arts (Honours) degree in Accounting and Finance from Leeds Metropolitan University, United Kingdom, a Master in Business Administration from University of Hull, United Kingdom and a Doctorate in Business Administration from University of Hull, United Kingdom focusing on capital markets research and specialising in derivatives. She has more than 20 years experience in the financial, commodities and securities industry and the development of the Malaysian Capital Market which includes managing a futures broking company. She is experienced in global financial markets both conventional and Islamic as well as technical knowledge of mergers and acquisitions in insurance and Takaful companies. She is an independent board member in Financial Institutions and licensed by the Securities Commission Malaysia for corporate advisory services. She is a member of Appeals Committee of Bursa Malaysia Berhad. She was Consultant to Financial Technologies Middle East based in Bahrain for the set up of Bahrain Financial Exchange launched in 2009. Prior to this, she was with Royal Bank of Scotland Coutts in Singapore from 2007 to 2008, Chief Executive Officer of RHB Securities Sdn Bhd from 2004 to 2006, Head of Exchanges, managing the operations of Kuala Lumpur Stock Exchange (KLSE), Malaysian Exchange of Securities Dealing and Automated Quotation, Malaysia Derivatives Exchange and Labuan International Financial Exchange in 2003 before KLSE was demutualised in 2004 and renamed as Bursa Malaysia Securities Berhad.
Other Directorships	:	Listed Issuers: ▪ Hibiscus Petroleum Berhad ▪ Manulife Holdings Berhad *(Chairman)* ▪ Keck Seng (Malaysia) Berhad ▪ Pacific & Orient Berhad Public Companies: ▪ Manulife Investment Management (M) Berhad *(Chairman)* ▪ Mizuho Bank (Malaysia) Berhad *(Chairman)* ▪ Pacific & Orient Insurance Co Berhad *(Chairman)*

Profile of Directors
(continued)

DATO' LEE KOK KWAN
(Malaysian, male, age 56)
Independent Non-Executive Director

Appointed	:	25 February 2022
Board Committee(s)	:	A member of AC, NC and RC
Academic/ Professional Qualification/ Working Experience	:	Dato' Lee Kok Kwan holds a Bachelor of Business of Administration (First Class Joint Honours in Economics) and a Master in Business Administration from Simon Fraser University, Canada. Dato' Lee was Deputy Chief Executive Officer of CIMB Group prior to his appointment to the boards of CIMB Group Holdings Berhad and CIMB Bank Berhad. His areas of responsibilities included Treasury, the Sales & Trading businesses of the Group in interest rates, credit, foreign exchange, bonds, equity, commodities and their derivatives, investments, corporate and transaction banking and debt capital markets, which he developed since joining CIMB in 1996, and has since grown the businesses to be one of the largest financial markets operations in ASEAN. Prior to joining CIMB, Dato' Lee had more than eight years of markets and banking experience in the Canadian banking industry. He was Treasury Portfolio Manager responsible for interest rates and optionality risk and return for a leading Canadian bank and was a member of its Senior Asset-Liability Management Committee. Dato' Lee is a member of the Board of Trustees of the Capital Markets Development Fund and Chairperson of the Bond and Sukuk Information Platform (BIX Malaysia). He holds directorships in various other companies.
Other Directorships	:	Listed Issuer: ▪ CIMB Group Holdings Berhad Public Companies: ▪ CIMB Bank Berhad ▪ Cagamas Holdings Berhad ▪ RAM Rating Services Berhad

DATO' SERI ROBERT TAN CHUNG MENG
(Malaysian, male, age 69)
Group Chief Executive Officer (GCEO)

Appointed	:	8 December 2014
Board Committee(s)	:	A member of PIC
Academic/ Professional Qualification/ Working Experience	:	Dato' Seri Robert Tan has vast experience in property development, hotel construction, retail design and development as well as corporate management with more than 30 years experience in the property and hotel industries. After studying Business Administration in the United Kingdom, he was attached to a firm of chartered surveyor for a year. He had developed a housing project in Central London before returning to Malaysia. His stint in the property industry began with IGB Corporation Berhad (IGBC) in 1995 when he was appointed Joint Managing Director and subsequently redesignated to Group Managing Director in 2001. He was involved in various development projects carried out by IGB Group, in particular Mid Valley City. From inception to the realisation of Mid Valley Megamall (MVM) and The Gardens Mall (TGM), he was actively involved in every stage of their developments. He is instrumental to the development and success of MVM and TGM, and more importantly, in retaining their positions as prime shopping hotspots in the Klang Valley. Following the delisting of IGBC on 16 March 2018, he was appointed as GCEO of IGB Berhad on 30 March 2018. Dato' Seri Robert Tan was the recipient of "The Edge Malaysia Outstanding Property CEO Award 2019".
Other Directorships	:	Listed Issuers: ▪ IGB REIT Management Sdn Bhd, the Manager of IGB REIT and IGBCR ▪ Wah Seong Corporation Berhad *(Non-Executive Chairman)* Public Companies: ▪ IGBC ▪ Tan & Tan ▪ Yayasan Tan Kim Yeow

Profile of Directors
(continued)

TAN BOON LEE
(Malaysian, male, age 58)
Alternate Director to Dato' Seri Robert Tan Chung Meng/Deputy GCEO (DGCEO)

Appointed	:	30 August 2018
Board Committee(s)	:	A member of PIC
Academic/ Professional Qualification/ Working Experience	:	Tan Boon Lee holds a Bachelor of Economics from Monash University, Australia and a Master in Business Administration from Cranfield School of Management, United Kingdom. He joined IGB Corporation Berhad (IGBC) as Executive Director in June 2003 as well as assumed the role of Chief Executive Officer of Tan & Tan Developments Berhad (Tan & Tan) from January 2008 until he relinquished the post in January 2019. After the privatisation of IGBC on 16 March 2018, he was appointed DGCEO of IGB Berhad on 1 June 2018 and alternate to Dato' Seri Robert Tan on the Board of IGB on 30 August 2018. He has more than 20 years experience in the property and hotel industry, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He was President of Malaysian Association of Hotel Owners from 2002 to 2004.
Other Directorships	:	Listed Issuer: ▪ IGB REIT Management Sdn Bhd, the Manager of IGB REIT and IGBCR Public Companies: ▪ IGBC ▪ Tan & Tan ▪ Dato' Tan Chin Nam Foundation

TAN MEI SIAN
(Malaysian, female, age 38)
Alternate Director to Tan Lei Cheng

Appointed	:	7 December 2020
Academic/ Professional Qualification/ Working Experience	:	Tan Mei Sian graduated from the London School of Economics and Political Science with a Bachelor of Science in Economics. She was previously an Engagement Manager at Oliver Wyman, specialising in financial services strategy and risk management consulting, having worked with major financial institutions in the United States, United Kingdom, Netherlands, China, Taiwan, Hong Kong, Singapore, Malaysia, Thailand and Australia. She was a non-independent executive director of Goldis Berhad (has been renamed as IGB Berhad on 20 March 2018) from 18 May 2016 to 30 August 2018. After the privatisation of IGB Corporation Berhad by IGB, she assumed the role of the Head of GSR and the ExCo Chairman of Property Investment (Commercial) Division on 1 June 2018.
Other Directorships	:	Listed Issuer: ▪ IGB REIT Management Sdn Bhd, the Manager of IGB REIT and IGBCR Public Company: ▪ Tan & Tan *(Alternate Director)*

Other disclosures

1. Except for Tan Lei Cheng, Dato' Seri Robert Tan Chung Meng, Tan Boon Lee and Tan Mei Sian, none of the Director has any family relationship with any Directors and/or major shareholders of IGB.
2. None of the Directors has any conflicts of interest with IGB other than the related party transactions as disclosed in the Corporate Governance Overview Statement of this Annual Report.
3. None of the Directors has been convicted of any offence (other than traffic offences) within the past 5 years.
4. None of the Directors has been imposed with public sanction or penalty by the relevant regulatory bodies during FY2021.
5. Details of attendance of Board and Board Committees by each Director held in FY2021 are contained in the Corporate Governance Overview Statement.
6. Details of shareholdings held by each Director are contained in the Shareholding Statistics of this Annual Report.

Profile of Management

CHAI LAI SIM
Malaysian, female, age 61)
Group Chief Financial Officer (GCFO)

Appointed	:	1 June 2018
Academic/ Professional Qualification/ Working Experience	:	Chai Lai Sim is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. She has over 30 years of experience in audit, corporate finance, capital management strategy including treasury, financial accounting and taxation in property development, commercial and retail property investment and hospitality industries. She began her career as an articled student with Coopers & Lybrand (now known as PricewaterhouseCoopers) before joining Tan & Tan Developments Berhad (Tan & Tan) as Group Financial Controller in 1993. Following the completion of the merger between Tan & Tan and IGB Corporation Berhad (IGBC) in 2002, she was appointed Senior Group General Manager of Group Finance and subsequently as GCFO of IGBC. After the privatisation of IGBC by IGB Berhad on 16 March 2018, she was appointed as GCFO of IGB.

ANTONY PATRICK BARRAGRY
(British/Permanent Resident of Malaysia, male, age 70)
Chief Executive Officer (CEO) of IGB REIT Management Sdn Bhd (Manager of IGB Real Estate Investment Trust (IGB REIT) and IGB Commercial Real Estate Investment Trust (IGBCR))

Appointed	:	1 September 2012
Academic/ Professional Qualification/ Working Experience	:	Antony Barragry holds a Diploma in Architecture from the University of Sheffield. He is a member of Real Estate And Housing Developers' Association Malaysia and The International Real-Estate Federation. He is a qualified architect with more than 40 years of international experience in the design, development and operations of mixed-use developments. His prior work experience includes Jebel Ali Hotel development in Dubai, Putra World Trade Centre in Kuala Lumpur and Kempinski Ciragan Palace Hotel in Istanbul. His career with IGB group commenced with Renaissance Kuala Lumpur Hotel in 1993; then, as Project Director for phase 1 of Mid Valley City, including Mid Valley Megamall; and subsequent, appointed Executive Director of Mid Valley City Sdn Bhd in 2002, where he spearheaded the development of more than 6 million square feet of commercial space in Mid Valley City's phase 2 (The Gardens Mall and The Gardens Hotel & Residences), phase 3 (Southpoint Mid Valley, which is currently under construction) and phase 4 (Northpoint). He was also Project Director for the design and construction of St Giles Hotel-Heathrow, London, and Pangkor Island Beach Resort upgrade in 2004 (which is presently undergoing redevelopment work and will be converted into luxury villas). He was Chief Executive Officer of Mid Valley City Gardens Sdn Bhd from January 2008 until he relinquished the post in September 2012. He was appointed CEO of IGB REIT Management on 1 September 2012.

CHUA SENG YONG
(Malaysian, male, age 59)
Executive Assistant to GCEO/ExCo Chairman - Hotel Division

Appointed	:	1 January 2019
Academic/ Professional Qualification/ Working Experience	:	Chua Seng Yong obtained a Bachelor of Economics degree from Monash University, Australia in 1985 and a Master in Business Administration from Cranfield School of Management, United Kingdom in 1991. He has more than 30 years of experience in property, construction, retail and hospitality industries and started his career in 1985 as the accountant in YBH Group which was involved in property development and retail of industrial diesel and petroleum products. He joined Tan & Tan Developments Sdn Bhd as the Accounts Controller in 1988 and held various positions within the group in both hospitality and property development division. His last position was Group Accountant before being seconded to IGB Corporation Berhad (IGBC) in 1994 as Financial Controller. He was appointed Executive Assistant to Group Managing Director and alternate to Dato' Seri Robert Tan on the Board of IGBC in 1999. Following the delisting of IGBC, he assumed the present position as Executive Assistant to GCEO.

Profile of Management
(continued)

LIM GIK CHAY
(Malaysian, male, age 60)
Executive Director of Ensignia Construction Sdn Bhd (Ensignia Construction) - Group Construction Division

Appointed	:	1 January 2007
Academic/ Professional Qualification/ Working Experience	:	Lim Gik Chay holds a Bachelor of Sciences in Civil Engineering from University of Memphis, United States. He is a graduate member of the Institution of Engineers, Malaysia. He has over 30 years of experience in construction, project management, design and development in various commercial, residential and high rise projects. He was involved in Singapore condominium construction work prior to joining IGB Corporation Berhad (IGBC). In 1994, he joined IGBC as Project Engineer involved in the construction of Renaissance Kuala Lumpur Hotel and New World Hotel. Upon completion of the hotels, he was assigned as Construction Manager for the construction of entire Mid Valley City; group projects such as Desa Damansara Condominium, U-Thant Residence, Seri Ampang Hilir Condominium, Cendana Condominum, G Residence; redevelopment of Pangkor Island Beach Resort; St Giles Hotel at Makati, Philippines and The Mall, Mid Valley Southkey, Johor Bahru. He was appointed Executive Director of Ensignia Construction since 2007 to oversee construction projects of the Group.

TAN YEE SENG
(Malaysian, male, age 42)
Chief Executive Officer (CEO) of Tan & Tan Developments Berhad (Tan & Tan) - Property Development Division

Appointed	:	1 January 2019
Academic/ Professional Qualification/ Working Experience	:	Tan Yee Seng holds a professional Diploma of Architecture (Royal Institute of British Architects, Part 2) from University of East London, United Kingdom. His prior work experience includes being part of the pre-opening team member of GTower, an integrated offices and hotel building, where he oversaw the coordination of base building, fit out and operations. He was also involved in the aesthetic realisation of The Gardens Mall (TGM) while working at Ensignia Construction Sdn Bhd where he was a Design Architect. There he used his training to create and fine tune the facades and key elements of TGM and Mid Valley Megamall. He has also been a design architect at Eric Kuhne Associates in London where he worked on several large mixed-use proposals. He joined IGB Corporation Berhad as Senior General Manager in 2010; appointed Head of Property Development in 2017; and CEO of Tan & Tan on 1 January 2019.
Public Company Directorship	:	Tan & Tan

JAMES LOO HOOI GUAN
(Malaysian, male, age 62)
Chief Executive Officer (CEO) of Cititel Hotel Management Sdn Bhd (CHM)

Appointed	:	1 January 2020
Academic/ Professional Qualification/ Working Experience	:	James Loo holds a Certificate from Cornell University's Executive Program in Hospitality Management in collaboration with the National University of Singapore. His 40 years of experience in the hospitality and tourism industry include 14 years with Shangri-La Hotels & Resorts with an extensive portfolio in Sales Marketing covering East Asia, Europe and North America. He also held senior position at Sutera Harbour Resort in Kota Kinabalu, Sabah as Senior Vice President - Operations. Concurrent with the position, he was also appointed as a Member of the Sabah Tourism Board, contributing to tourism initiatives and activities in the state of Sabah. He joined CHM in 2000 and has spearheaded the successful opening of several hotels in the Group including Cititel Mid Valley (Year 2000), St Giles Boulevard (Year 2005), MiCasa All Suite Hotel (Year 2010) and is currently leading the pre-opening team at St Giles Southkey, Johor Bahru.

Profile of Management
(continued)

TAN MEI SIAN
(Malaysian, female, age 38)
Head of Group Strategy & Risk (GSR)/ExCo Chairman - Property Investment (Commercial) Division

Please refer to description under the heading **Profile of Directors** in this Annual Report.

WONG KHIM CHON
(Malaysia, male, age 62)
Deputy Chief Executive Officer (CEO) of IGB REIT Management (Manager of IGB REIT and IGBCR)

Appointed	:	1 June 2021
Academic/ Professional Qualification/ Working Experience	:	Wong Khim Chon holds a Master of Business Administration from University of Strathclyde, Glasgow, Scotland, a Bachelor of Engineering (Hons) in Civil Engineering from University of Malaya, and a Certified Diploma in Accounting and Finance of The Association of Chartered Certified Accountants, United Kingdom. He has over 35 years of experience in the real estate industry in areas of building and civil construction, property development, project management and property management. He began his career with Hong Leong Property Management Co. Sdn Bhd and later with Guobena Sdn Bhd, both wholly-owned subsidiaries of Guocoland Berhad (formerly, Hong Leong Property Berhad), started as management trainee in 1984 and worked his way up as General Manager developing various building types from residential, industrial, high-rise condominiums, commercial offices, hotel to government projects, both in Malaysia and Singapore. Thereafter, in 1997, he joined Taraf Wijaya Sdn Bhd as General Manager, overseeing projects in Cameron Highlands, Ipoh and Bangi. From 1998 to 2002, as Managing Partner of Manifold Alliance Sdn Bhd, he was responsible in overseeing the management of project portfolio which included housing and industrial projects in Johor, township development in Sepang, Hulu Langat and Port Dickson. He then moved to Great Eastern Life Assurance (M) Berhad as Head of Property, overseeing the acquisition and management of investment properties as well as branch offices from 2002 to 2008. Subsequently from 2008 until 2010, he joined IGB Corporation Berhad (IGBC) to head its Group Property Management (GPM) division and was tasked in managing the commercial assets of the group in Mid Valley City and Kuala Lumpur Central Business District. He was then attached with Hap Seng Land Sdn Bhd, the property arm of Hap Seng Consolidated Berhad as Senior General Manager, from 2010 until 2014, where he headed the property management and leasing department in addition to overseeing the sales and marketing department for commercial and residential properties in the property development business unit. Between January 2015 and July 2018, he was Executive Director and CEO of AmREIT Managers Sdn Bhd, the manager of listed AmFIRST Real Estate Investment Trust. He was appointed Senior Group General Manager (GPM division) of IGBC in 2018; and appointed CEO of IGB Property Management Sdn Bhd and Head of GPM of IGB Berhad on 1 January 2019. He relinquished the posts on 31 May 2021 to assume the role of Deputy CEO of IGB REIT Management on 1 June 2021. He also served as the Vice Chairman of the Management Board of the Malaysian REIT Managers Association in 2016.

Other disclosures

1. Except for Tan Mei Sian and Tan Yee Seng, none of the Management has any family relationship with any Directors and/or major shareholders of IGB.
2. None of the Management has any conflicts of interest with IGB other than the related party transactions as disclosed in the Corporate Governance Overview Statement of this Annual Report.
3. None of the Management has been convicted of any offence (other than traffic offences) within the past 5 years.
4. None of the Management has been imposed with public sanction or penalty by the relevant regulatory bodies during FY2021.

Top 10 Properties by Value

held by IGB Berhad Group as at 31 December 2021

	Location/Address	Tenure	Age of Building (Years)	Description/Existing use	Date of Acquisition/ Revaluation	Group Net Book Value At 31 Dec 2021 RM'000
1	1, Persiaran Southkey 1, 80150 Johor Bahru	Leasehold expiring 2100	3	The Mall, Mid Valley Southkey, Johor Bahru	3-9-2013	1,341,133
2	Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur	Leasehold expiring 2120	4	27 office levels with 2 levels of retail within a 59-storey building known as Menara Southpoint	28-12-2004	558,740
3	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2103	15	The Gardens Mall	28-12-2004	448,125
4	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	22	Mid Valley Megamall	17-12-1999	333,137
5	199, Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	13	32-storey office building known as GTower	31-1-2002	264,473
6	Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur	Leasehold expiring 2104	22	646-room Cititel Hotel	31-12-2011	260,540
7	Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur	Leasehold expiring 2120	-	Southpoint Residences under construction within a 59-storey building known as Menara Southpoint	28-12-2004	226,926
8	97-99 Pitt Street Sydney, Australia	Freehold	7	281-room The Tank Stream Hotel, Sydney	6-7-2011	195,201
9	207 Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	28	26-storey office building known as Menara Tan & Tan	31-1-2002	181,035
10	No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur	Freehold	10	28-storey office building known as Hampshire Place Office	31-1-2002	179,999

Corporate Governance Overview Statement

IGB Berhad (IGB) recognises that it has responsibilities to its shareholders (SHs) and stakeholders as well as to the environment and the communities in which it operates. IGB has developed and, on an ongoing basis, maintains sound transparent policies and practices to meet the specific business needs of IGB and its subsidiaries (Group). The board of directors of IGB (Board or Directors) has ultimate authority over, and oversight of, IGB and are fully committed to continuous improvement in IGB's corporate governance (CG) practices in discharging its responsibilities to all stakeholders of IGB and protecting the interests of SHs.

The IGB's governance framework, as summarised in this Corporate Governance Overview Statement (CGOS), ensures that IGB is effectively managed, the regulatory requirements are met, and IGB's culture of corporate integrity is reinforced. This CGOS with specific reference to the application of each practice set out in the Malaysian Code on Corporate Governance (MCCG), and where applicable, other relevant rules and provisions in the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the Companies Act 2016, provides an insight of key governance practices of IGB.

For the financial year ended 31 December 2021 (FY2021), save as stated in this CGOS, IGB has complied with the core principles of CG laid down by MCCG and also, in all material respects, with the best practices that underpin the principles of MCCG. Where IGB's practices vary from any MCCG best practices, IGB has provided explanation for such deviation and details of the alternative practices. IGB would strive to continuously enhance its governance arrangements to reflect changing conditions and emerging sound practices, as appropriate.

IGB's key corporate policies referred to in this CGOS (or a summary of them) are available on IGB's website at www.igbbhd.com under the menu item "Governance". These documents are periodically reviewed and enhanced to take account of changes in the legislative or regulatory requirements and governance practices to ensure their effectiveness and appropriateness.

This CGOS is current as at 25 February 2022 and has been approved by the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Practice 1.1
The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its SHs and other stakeholders are understood and met.

IGB adopts the principle that an effective Board is one constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the key senior executives (Management or Officer).

The Board comprises 6 members. All members of the Board except Group Chief Executive Officer (GCEO) are Non-Executive Directors (NEDs). Of the 5 NEDs, 4 of them are Independent NEDs (INEDs), thus providing for a strong and independent element on the Board. The Board is headed by Tan Lei Cheng (TLC) (Board Chairman), who is a non-INED (NINED). She is joined on the Board by Lee Chaing Huat (LCH) (Senior INED), Daud Mah bin Abdullah (DMA) (INED), Dato' Dr. Zaha Rina binti Zahari (DDZR) (INED), Dato' Lee Kok Kwan (DLKK) (INED) and Dato' Seri Robert Tan Chung Meng (DSRT) (GCEO). Each Director is appointed on the strength of his/her calibre, experience and stature. Together, the Directors from diverse professional and personal backgrounds provide a collective range of skills and expertise which are of vital relevance to the direction and management of the Group. The key information regarding Directors is set out in this Annual Report (AR) under the heading **Profile of Directors**, which cover academic and professional qualifications, Board Committees (BCs) served on (as a member or chairman), date of first appointment as a Director, directorships both present and those held in other listed entities, and other principal commitments.

The Board is committed to effectively representing and promoting IGB, and thereby adding long-term value to SHs. The Board is accountable to SHs for the business conduct, performance, operations and overall governance of the Group. This includes protecting the Group's assets and SHs' interests and enhancing the value of SHs' investment in IGB. In discharging their duties and responsibilities, all Directors are expected to act and have acted in the best interests of IGB.

The Board has a Charter (last updated on 27 August 2021) that sets out the mandate, responsibilities and procedures of the Board and BCs, including the matters reserved for the Board's decision and approval. The fiduciary duties and responsibilities of the Board include:

- guiding the strategic business directions of the Group, including promoting sustainability with attention to environmental, social and governance (ESG) aspects and balancing them with the interests of various stakeholders;
- monitoring financial performance, including approval of the full year and quarterly financial results of IGB;
- overseeing the conduct of business of the Group;
- reviewing and approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- overseeing, reviewing and monitoring systems of risk management, internal controls and ethical and legal compliance, which includes reviewing procedures to identify the main risks associated with the businesses of the Group and the implementation of appropriate systems to manage those risks;
- ensuring measures relating to CG, financial regulations and other required policies are in place and enforced;
- determining and authorising the dividend amounts to SHs; and
- ensuring that SHs and the market are fully informed of all material developments relating to the Group.

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In the discharge of its functions, the Board is supported by 4 BCs which also serve to ensure that there are appropriate checks and balances. These BCs are Policy and Implementation Council (PIC), Audit Committee (AC), Nomination Committee (NC) and Remuneration Committee (RC). Each of the BCs save for PIC is chaired by INEDs. Membership of the various BCs is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective BCs. Whilst these BCs have the authority to examine matters within their mandates, the BCs report to the Board with their decisions and/or recommendations as the ultimate responsibility for final decision on all matters lies with the entire Board. The activities of BCs are described in the CGOS. The composition of each BC is also reviewed as and when there are changes to Board membership. Where appropriate, changes are made to the composition of BCs, with a view to ensuring that there is an appropriate diversity of skills and experience, and fostering active participation and contributions from BC members. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the IGB's Constitution as the Board sees fit.

Practice 1.2
A Chairman of the board who is responsible for instilling good CG practices, leadership and effectiveness of the board is appointed.

Board Chairman is TLC, a NINED. Board Chairman leads the Board in its collective oversight of IGB and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions among Board members and Management on strategies, business operations, enterprise risk and other plans of the Group, and spearheads IGB's drive to promote, attain and maintain good standards of CG.

Practice 1.3
The positions of Chairman and CEO are held by different individuals.

The positions of Board Chairman and GCEO are held by 2 different individuals to maintain effective checks and balances. There is a clear separation of the roles and responsibilities of Board Chairman and GCEO. Board Chairman leads the Board to ensure its effectiveness on all aspects of its role. GCEO, also a member of PIC, assumes the responsibilities of executing the Group's strategies and plans in line with the direction of the Board, overseeing the Group's operations and driving the Group's businesses and performance towards achieving the Group's visions and goals. In carrying out his tasks, GCEO, is supported by Deputy GCEO (DGCEO), Tan Boon Lee (TBL) who is also his alternate on the Board, as well as divisional heads of the relevant key business and function units. GCEO, by virtue of his position as a Board member, also functions as the intermediary between Board and Management, as well as provides close oversight, guidance, advice and leadership to Management. The segregation of duties ensures an appropriate balance of power and authority and provides a healthy professional relationship between Board and Management, with clarity of roles and robust oversight as they deliberate on the business activities of the Group.

The financial authority of the Board, PIC, GCEO and DGCEO is explicitly provided in the Group's authority matrix – approval limits for a range of transactions, including but not limited to investments, operating and capital expenditures as well as arrangements in relation to cheque signatories. Appropriate delegation of authority and approval sub-limits are also provided at Management-level to facilitate operational efficiency.

Practice 1.4
The Chairman of the board should not be a member of the AC, NC or RC.

Board Chairman is not a member of the AC, NC or RC.

Practice 1.5
***The board is supported by a suitably qualified and competent company secretary to provide sound governance advice, ensure** adherence to rules and procedures, and advocate adoption of CG best practices.*

The Board is supported by Group Company Secretary (GCS), Tina Chan Lai Yin, a Fellow of the Institute of Chartered Secretaries and Administrators. GCS has overall responsibility for the corporate secretarial administration matters and is directly accountable to the Board on all matters to do with the proper functioning of the Board. This includes supervising, monitoring and advising on governance matters and compliance by the Group with all legislation, rules and guidelines and disclosure requirements of various regulatory bodies, coordinating Board business and providing a point of reference for ensuring good information flow within the Board and its BCs, and between NEDs and Management, and performing such other duties of GCS, as required under the laws and regulations or as specified in the MMLR, or as required by Board Chairman or Directors (or any of them), as the case may be. GCS works synergistically with Management in ensuring that necessary internal controls and procedures are in place so that regulatory compliance can be measured and monitored. In order to play an effective advisory role to the Board, GCS remains informed of the latest regulatory changes, evolving industry developments and best practices in CG through continuous training. The appointment and removal of GCS is a decision of the Board as a whole.

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Scheduled periodic meetings of the Board and BCs represent the main platform by which IGB's performance and conduct are monitored. Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable BC meetings in order to discharge their obligations. Board and BC meeting dates for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and schedule these dates into their respective calendars. When exigencies prevent a Director from attending a

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Board/BC meeting in person, such Director can participate by audio or video conference. If a Director is unable to attend a Board/BC meeting, he/she may provide his/her comments to the Board Chairman or the relevant BC chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and BCs may also make decisions by way of written resolutions. Directors may raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

To ensure that Directors are well placed to discharge their duties effectively, they are provided with meeting materials in advance of the Board and BC meetings containing sufficient information to enable informed discussion of all agenda items. Meeting materials, both digital and printed copies, are generally sent to Directors at least 5 business days (unless in unavoidable circumstances) prior to the date set for meetings to enable Directors to review the information on items of discussion and to obtain such details and explanations where necessary. However, papers containing price sensitive information may be tabled at the meetings themselves or discussed without any papers being distributed. Members of Management who can provide additional insight into the matters at hand would be present at the relevant time during the Board or BC meeting.

In addition to scheduled meetings, the Board may also hold ad-hoc meetings as required by business imperatives or particular circumstances. At each scheduled Board meeting, the Board is apprised of the Group's financial and operational performance, including quarterly financial results and business outlook (following AC's review of the same at its meeting which is typically scheduled before the Board meeting), decisions made or salient issues discussed by the BCs, risks and mitigation measures, regulatory and compliance updates, as well as mandate sought by Management, including, where applicable, relevant budgets, business plans and forecasts. Consistent with their fiduciary duties, Directors should act objectively in the best interest of IGB. As such, any Director who has or appears to have a direct/deemed interest that may conflict with a subject under discussion by the Board or BC shall declare his/her interest and recuse himself/herself from the information flow and discussion of the subject matter. He/she will also abstain from any decision-making on the subject matter. Every Director has complied with this standing policy, and where relevant, such compliance has been duly recorded in the meeting minutes or written resolutions. Directors are also expected to maintain confidentiality of the deliberations of the Board and BCs. All proceedings of Board and BC meetings are duly recorded in the minutes of each meeting and circulated promptly to every Board or BC member for their comments prior to confirmation of the minutes. The attendance of Directors at the Board and BC meetings held during FY2021 is disclosed in the Appendix.

The Directors have separate and independent access to Management and they are entitled to request from Management additional information to make informed decisions. The Directors, either individually or as a group, may at IGB's expense seek independent professional advice where appropriate, to discharge his/her/their duties effectively.

It is incumbent on the Board to ensure they are current and Directors should always be learning to increase their collective effectiveness. The Board ensures that its members have access to appropriate education programmes to stay updated on relevant developments, and to enhance their skills and strengthen their participation in Board/BC deliberations. GCS keeps Directors informed of the series/talks organised by regulatory bodies as well as facilitates the organisation of in-house training/development programmes. Directors are also provided with timely briefings on all material developments in laws, regulations and accounting standards periodically at Board/BC meetings. Directors may also attend other relevant trainings of their choice in connection with their duties as Directors. IGB maintains a record to track Directors' attendance at training and professional development courses. Details of the seminars/webinars that Directors attended during FY2021 are set out in the Appendix.

Practice 2.1
The board has a charter which is periodically reviewed and published on the company's website. The board charter clearly identifies –
- *the respective roles and responsibilities of the board, BCs, individual directors and management; and*
- *issues and decisions reserved for the board.*

The Board's functions are governed and regulated by its Charter (last updated on 27 August 2021), Constitution, MMLR and various applicable legislation. The Charter sets out the respective authority, functions, responsibilities and processes of the Board, BCs, Management and those matters expressly reserved for the Board, and those delegated to BCs and Management. The Charter is reviewed on a regular basis to enhance its processes and procedures and ensure alignment with new requirements and regulations.

As described above, the Board is responsible for the governance of IGB as well as provides leadership in shaping the strategic direction of the Group. The Board fulfils its mandate at regularly scheduled meetings and as warranted by particular circumstances. BC members are chosen for the skills and experience they can contribute to the respective BCs. Each BC is composed of members of the Board save for PIC with 4 out of 6 members are Directors of the Group. The objective, remit and powers of each BC are established in the Charter. Topics of discussion and frequency of meetings will vary depending on each BC's terms of reference (ToR) and the portfolio's complexity. BC meeting minutes are included as part of the Directors' meeting materials to keep Directors updated on each BC's activities. The role, function, performance and membership of each BC is reviewed on an annual basis as part of the Board's performance-assessment process. The board evaluation performed in FY2021 showed that all BCs had effectively discharged their function.

Whilst the Board oversees the strategic plan and direction of the Group, GCEO has full executive responsibilities over the business directions and the strategy implementation of the Group. To ensure the business and operational efficacy is maintained without compromising the standard of CG, the scope of, and limitations to GCEO, DGCEO and Management delegated authority is clearly documented and cover areas such as operating and capital expenditures.

Practice 3.1
The board establishes a Code of Conduct and Ethics (CCE) for the company, and together with management implements its policies ***and procedures, which include managing conflicts of interest*** *(COI), preventing the abuse of power, corruption, insider trading and money laundering. The CCE is published on the company's website.*

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(I) Directors' Code of Ethics (Code)

IGB has in place a Code (last updated on 27 August 2021). The objective of the Code is to ensure that Directors, other stakeholders and the broader community can be confident that the Group conducts its affairs honestly and in accordance with ethical values and practices. The Board is guided by the Code in discharging its oversight role effectively. The Code requires all Directors to observe high ethical business conduct, honesty and integrity and to apply these values to all aspects of the business and professional practice of IGB and act in good faith in the best interests of IGB and SHs.

All employees of the Group are required to abide by the Employee Code of Conduct, which sets out the behaviour and conduct expected of all employees and provides guidance on issues including prohibition of bribery, management of COI and anti-corruption.

(II) Group Anti Bribery and Corruption (ABC) Policy

IGB, since its inception has always been committed to conduct its business and operations premised on the concepts of transparency, integrity and accountability, in compliance with the applicable laws and regulations while adopting the highest standards of professionalism, honesty, integrity and ethics.

In line with this commitment, IGB has formalised an ABC Policy to encourage a culture of integrity and transparency in all of the Group's activities. The policy which adheres to the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, generally set out the responsibilities of IGB, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key ABC principles that apply to all interactions with the Group's customers, business partners, and other third parties in both the public and private sector, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks. In relation to these guidelines, Directors and Management are required to make quarterly declaration of gifts, entertainment and hospitality, given to and received from third parties to the Integrity officer of IGB.

There were zero instances of bribery, corruption and fraud reported during the year.

(III) Dealing with COI

The Charter provides Directors with guidelines for complying with their obligations to take all reasonable steps to manage COI. GCS solicits information from Directors every quarter in order to monitor potential COI. Directors are expected to be meticulous in their disclosure of any material personal or family contract or relationship. As described in Practice 1.6, in respect of matters in which a Director or his/her associates have an interest, direct or indirect, where applicable, abstain from voting and recuse himself/herself from any discussion on the matter.

(IV) Related party transaction (RPT) and recurrent RPT (RRPT)

IGB has established controls and reporting measures for RPT/RRPT to ensure all transactions involving, among others, Directors, major SHs and persons connected with them are undertaken on normal commercial terms and will not be prejudicial to the interests of IGB and its SHs. Management has been kept informed of the disclosure procedures for RPT/RRPT, who would ensure that transactions with related parties (RPs) would be entered into after taking into account the pricing and contract rates, terms and conditions, level of service and expertise required, and the quality of products and services provided, when compared to prevailing market prices and rates, industry norms and standards, as well as general practices, adopted by service providers of similar capacities and capabilities generally available in the open market.

All RPT/RRPT entered into by the Group with RPs are maintained in records by IGB and reviewed by AC at its quarterly meetings to ensure that such transactions are conducted on an arm's length basis and are not prejudicial to the interests of SHs. It is also in the scope of Group Internal Audit (GIA) to review RPT/RRPT entered into by the Group to ascertain the guidelines and procedures established to monitor that RPT/RRPT have been complied with. The review will include the examination of the nature of the transactions and its supporting documents or such other data deemed necessary to the AC. If a member of AC has an interest in a transaction or arrangement, he/she is to abstain from participating in the review and recommendation process in relation to that transaction or arrangement.

At the Twenty-First Annual General Meeting of IGB on 1 June 2021 (21^{st} AGM), a general mandate under paragraph 10.09(2) of the MMLR for the Group to enter into RRPT with RPs had been obtained from SHs. Based on the actual amount transacted from the date of the 21^{st} AGM up to the date of this CGOS, the actual value of RRPT has not exceeded the estimated value by 10% under the mandate. The details of RRPT entered into by the Group with RPs during FY2021 pursuant to the mandate are disclosed in the Appendix.

On 25 February 2022, IGB announced its intention to seek SH approval for new and renewal of existing RRPT (RRPT Mandate) at its Twenty-Second AGM to be held on 30 May 2022 (22^{nd} AGM). The RRPT that have been entered into and will be entered into by the Group with the RPs are necessary for its business and are intended to meet the ordinary and usual course of business needs at the best possible terms. These RRPT are likely to occur on a frequent and recurrent basis from time to time. In addition, these transactions may be constrained by time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek SH approval on a case-by-case basis before entering into such transactions. The RRPT Mandate will eliminate the need to convene general meeting (GM) and/or to make announcement separately for the entry by the Group into such transactions. This will reduce the associated expenses, improve

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administrative efficiency and allow resources to be channelled towards attaining other corporate objectives. Directors who have interests in the RRPT Mandate have abstained from all Board deliberations and voting and would ensure that they and any person connected with them would also abstain from voting on the RRPT Mandate at the 22nd AGM of IGB. The details of the RRPT Mandate are set out in Part B: Circular to Shareholders – RRPT Mandate (Circular).

AC had reviewed the Circular, and having considered, among others, the nature of RRPT to be made were intended to meet the ordinary and usual course of business needs of the Group and likely to occur with some degree of frequency and such transactions to be undertaken at arm's length and on normal commercial terms consistent with IGB's usual practices and policies, as well as the procedures and processes established to regulate RRPT, was satisfied that adequate processes and controls were in place for monitoring, tracking and identifying RRPT in a timely and orderly manner.

(V) Dealing in securities

Directors and Management while in possession of material information must refrain from dealing in IGB securities or communicate such information to another person(s).

As a general principle, Directors and Management will be notified of the closed trading period by an internal memorandum, which sets out prohibitions against dealing in IGB securities during the period beginning one month before the date of the announcement of the full year or quarterly results respectively, and ending immediately after the announcement of the relevant results. Directors and Management are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of IGB, and to be mindful of the law on insider trading.

Each Director or Officer is to give written notice to GCS of his/her acquisition of IGB securities or of changes in the number of securities which he/she holds, or in which he/she has an interest, within 3 market days after such acquisition or changes in interest. All dealings in IGB securities by Directors and Management will be announced via the regulatory information service (BursaLINK). The interests in IGB securities of Directors are shown in Shareholding Statistics in this AR.

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

IGB has a Group Whistleblowing Policy and Procedures (GWPP). GWPP provides an avenue for employees and third parties to raise concerns or observations in confidence to the Group, about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices; and any other conduct that may cause financial or non-financial loss to the Group or damage to its reputation. All whistleblower reports are addressed to the Whistleblowing Committee (WBC) comprising the Heads of GIA, Group Human Capital and Group Legal, who are responsible for the administration, implementation and overseeing compliance with the GWPP, and to investigate, or determine the appropriate corrective or remedial actions that may be warranted in consultation with GCEO or Senior INED. A whistleblower is assured confidentiality of identity, to the extent reasonably practicable. This includes protecting the whistleblower from harassment, repercussions, retribution and victimisation that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith.

There have been no incidents reported or complaints submitted pertaining to whistleblowing for FY2021.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.
The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.
Strategic management of material sustainability matters should be driven by senior management (SM).

The Board is cognisant that the formation of healthy CG culture also hinges on the sound management of ESG-related risks and opportunities. Accordingly, the Board ensures IGB has the right governance processes in place to provide proper ESG oversight, monitoring and support of IGB's strategy development and execution.

The Board assumes the overall responsibility for integrating sustainability considerations into IGB's strategic decisions with support from PIC with the assistance of senior representatives from the operations management, finance and strategy and risk functions. PIC with the support of Group Strategy and Risk (GSR) plays a leading role in developing the Group's sustainability objectives and strategies as well as monitoring and driving sustainability performance and responsible business practices.

Practice 4.2
The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

The Group has made strides in recent years in addressing ESG-related risks and opportunities that have a strategic significance to the Group's business activities (strategy, operations, risk management, and corporate culture). As disclosed in the annual reporting under the heading Sustainability Statement, IGB is transparent about how sustainability is embedded in the Group's business and the progress the Group is

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making in terms of reaching its sustainability goals in the areas of environmental (energy efficiency, water management, waste management), social (security and occupational health and safety, customer engagement, human capital management) and governance (compliance risk, corporate risk management, bribery and corruption, whistleblowing). Through monitoring efforts during the year, IGB continues to identify areas for improvement at the Group's portfolio of properties.

IGB's initiatives are a testament to its continuous effort towards sustainability and the creation of value. IGB would continually work on and improve upon ESG performance by engaging with stakeholders and understanding emerging sustainability issues affecting the Group's business.

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Board oversight includes advising Management on IGB's strategy, and ensuring improved long-term value for all stakeholders. To do so Directors will have to understand how ESG issues can affect that strategy, and be in a position to assess and address both challenges and opportunities. Directors to enhance their ESG competence by attending programs, peer-to-peer discussions or engage outside experts to provide guidance to the Board, as necessary.

Practice 4.4
Performance evaluations of the board and SM include a review of the performance of the board and SM in addressing the company's material sustainability risks and opportunities.

IGB's overall goal is to ensure value creation and long-term sustainability and success of the Group. The Board sets performance targets with emphasis on both short and longer-term quantifiable goals, and reviews the achievements of the Group against the targets set to determine the overall performance taking into consideration qualitative factors such as business environment, regulatory landscape and industry trends. In addition, the Board determines value creation to the amount of value-add contributed by the individual, including but not limited to cost-saving ideas and novel initiatives which have the potential of increasing the performance of IGB and it is measured based on the financial benefit/cost-savings which IGB receives as a result of the value-add contributed by the individual Director or Officer.

Practice 4.5 (Step Up)
***The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically,** including the integration of sustainability considerations in the operations of the company.*

As described in Practice 4.1 above, PIC is in charge of overseeing sustainability matters of the Group – identification, assessment, and disclosures of such risks, and these data flow into the boardroom to ensure the discussion is well informed.

During the year, GIA had conducted a review of the Group's ESG approach and the reporting of key metrics. The recommendations included disclosure of information, targets, metrics and also improvement to ESG practices and policies.

Practice 5.1
The NC should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the NC and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

The Board recognises that Board renewal is a continuous process and one that is essential for ensuring the Board has the appropriate diversity of talent, gender, expertise and experience, skills needed in the strategic direction and planning of the businesses of the Group.

The Board alongside NC undertake an annual review to assess the Board composition with the aim of configuring a diverse board set up that is effective and competent in discharging its duties and responsibilities.

NC, having conducted an annual review of the Board composition (expertise, experience and diversity) against the strategic direction of IGB, was of the view that the Board has an optimal blend of skills in terms of backgrounds, experience and knowledge in business and general management, expertise relevant to the Group's business, and that the contribution and performance of each Director continued to be valuable and effective. The integrity and professionalism of the Directors have allowed them to discharge their responsibilities with due care and diligence. NC was, however, mindful of the need for board refreshment and future succession, which would be considered against the Group's evolving business model and the changing governance landscape. In this regard, NC would review the structure, size, balance and diversity of the Board annually and, as and when circumstances require, propose any changes to the Board to complement IGB's objectives and strategies.

The Board noted NC's views and would seek to introduce greater diversity as it progressively reviews the composition of the Board and its BCs. The most recent example of this was the appointment of an additional INED with expertise in the area of corporate banking, on 25 February 2022.

Practice 5.2
At least half of the board comprises independent directors (IDs). For Large Companies, the board comprises a majority IDs.

The Board presently comprises 6 members, 4 of whom are INEDs or 66.67% of Directors being independent.

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Practice 5.3
The tenure of an ID does not exceed a term limit of 9 years. Upon completion of 9 years, an ID may continue to serve on the board as a non-ID.
***If the board intends to retain an ID beyond 9 years, it should provide justification and seek annual SH approval through a 2-tier voting** process.*

No INEDs serving beyond 9 years save for DMA having served on the Board since 2003 has informed the Board that he will not be seeking re-election at the 22nd AGM.

Practice 5.4 (Step Up)
The board has a policy which limits the tenure of its IDs to 9 years.

The presence of INEDs provides objectivity and independent judgment to the decision-making process of the Board. The 4 INEDs are independent from Management and IGB's major SHs and/or any of its affiliates, and are not involved in the day-to-day management of the Group, nor do they participate in any of its business dealings. They are actively involved in the various BCs, providing guidance, unbiased, independent and objective views, advice and judgement to various areas such as performance monitoring, enhancement of governance and controls so as to safeguard the interests of SHs and stakeholders to ensure that the highest standards of conduct and integrity are maintained by IGB.

The independence of INEDs is assessed annually by NC/Board. INEDs are required to complete the independence checklist, declaring their independence and disclosing any relationships or appointments which would impair their independence to the Board.

NC is also responsible for determining the independence of NEDs on an annual basis. In its review for FY2021, NC (each member recused himself/herself when his/her independence was tabled for assessment) had endorsed in its recommendation to the Board that the INEDs remained objective and independent, evidenced by their ability to demonstrate the values and principles associated with independence during Board/BC discussions such as impartiality, objectivity and consideration of the interests of IGB and its SHs, and they had and would continue to provide their input to the Board in discharging their responsibilities in an independent manner with integrity and competency.

The Board (without participation by related INEDs) had ascertained that LCH, DMA and DDZR remained independent in conduct, character and judgement and they have performed their oversight role effectively and understood their responsibilities to stakeholders by prioritising IGB's and SHs' best interests. As mentioned above, all INEDs did not have any material pecuniary relationship or transactions with the Group. Each of the 3 INEDs has provided an annual confirmation of independence to the Board. DLKK who was appointed on 25 February 2022 has provided confirmation to Bursa Securities that he fulfilled the independence criteria under the MMLR.

Whilst the MCCG recommends to have a policy limiting the tenure of INEDs to just 9 years without any further extension, the Board takes the view that as long as the INED is able to confirm in good faith that he/she remains independent not only pursuant to the criteria of independence as defined in the MMLR but practically also remains critical and independent in thinking, such INED may continue to serve on the Board for a cumulative period of 12 years as per the mandatory tenure limit for INEDs under the enhanced MMLR. For INED beyond the 9-year tenure and whose continued appointment as an ID must seek SHs' approval through a two-tier voting process.

In FY2021, none of the INEDs had any business relationship with IGB, its related companies, its substantial SHs or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the INED's independent business judgement in the best interests of IGB.

Practice 5.5
Appointment of board and SM are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Appointments of new Directors to the Board are the responsibility of the full Board on NC's recommendation. There are formal, considered and transparent procedures for appointments of potential candidates for the office of Director. The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard to the benefits of diversity on the Board. NC's recommendation pays particular attention to the mix of expertise, experience, perspectives, skills, diversity and other qualities of existing Directors, and how the candidate's attributes will balance and complement those qualities and address any potential skills gap in light of the evolving strategic directions of IGB. NC shall also assess the fitness and propriety of the candidate, taking into account his/her track record. Other considerations include, but not limited to background, gender and age.

At every AGM one-third of the Directors shall vacate office (1/3-rotation rule) and new Directors shall submit himself/herself for re-election at AGM immediately following his/her appointment (First-time re-election rule) pursuant to IGB's Constitution. The Board expects Directors to communicate to Board Chairman or GCEO, in advance of each annual re-election, confirmation of his/her desire to stand for re-election. Board Chairman shall refer such offer to NC for review. NC refers to the results of the individual assessments conducted via the annual board performance-assessment. NC also assesses Directors based on their roles and contributions to the Board and BCs, independence of view in respect of decision-making, adequacy of training and time commitment by Directors. NC's review and recommendation will be presented to the Board for determination whether the Director's offer should be accepted or rejected. Pursuant to the 1/3-rotation rule, DDZR will retire and submit herself for re-election at the 22nd AGM. As described in Practice 5.3 above, DMA has indicated his intention to step down from the Board to take effect immediately following the conclusion of the 22nd AGM. DLKK, being newly appointed on 25 February 2022 shall be subject to the First-time re-election rule.

Corporate Governance Overview Statement
(continued)

NC (with the Board's concurrence and without participation by DDZR) had assessed DDZR's commitment, competency, performance and contribution to the Board, and satisfied that DDZR would be able to continue exercising independent judgement to provide input to the Board in discharging her responsibilities in an independent manner with integrity and competency. DLKK has to stand for re-election pursuant to the First-time re-election rule. Information about DDZR and DLKK is provided in this AR under the headings Notice of 22nd AGM and **Profile of Directors**.

Talent development and succession planning are key priorities to the Board in ensuring a high-performing Management, which contributes to the Group's sustainability and competitiveness. The Group recruits and promotes individuals based on merit, performance and capability. Employing the right people for the right job is critical to the Group being able to meet its business objectives. The selection process for appointments will have regard for the need to maintain an appropriate mix of skills, experience, expertise and diversity and therefore, ensuring that individuals appointed to relevant senior positions within the Group have the appropriate fitness and propriety to discharge their prudential responsibilities on appointment and during the course of their appointment.

RC met on 24 November 2021 to consider the renewal of service contract of GCEO. Having assessed his performance, RC had recommended to extend his contract with all other materials terms and conditions unchanged from his current service contract, with which the Board approved.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, ***management or major SHs. The board utilises independent sources to identify suitably qualified candidates.***
If the selection of candidates was based on recommendations made by existing directors, management or major SHs, the NC should ***explain why these source(s) suffice and other sources were not used.***

As described in Practices 5.1 and 5.5 above, NC will regularly review the existing attributes and competencies of the Board in order to determine the desired experienced or expertise required to strengthen or supplement the Board. NC is in charge of making recommendations to the Board regarding the identification and selection of directors for appointment and re-appointment.

As part of the search and nomination process for new directors, NC will identify the relevant or desired skills and experience which candidates should possess and may engage search consultant to source for potential candidates if required, as well as leverage on business and other contacts. Directors may also make suggestions. Nominations, regardless of the source of the recommendation, are openly discussed and objectively evaluated by NC before any appointment is made. The candidate is evaluated and selected, taking into account his/her track record, capabilities and such other relevant experience, and the degree to which they complement the skillset of the existing Board members and whether or not, the candidates can commit sufficient time given their other roles and activities, and in the case of INEDs, actual and perceived independence from the major SHs and Management. After completion of the selection and nomination process, names of the qualified persons will be proposed to the Board for approval.

This is the approach taken by NC in November 2021 on the selection and nomination for an independent director position. NC had evaluated the suitability of a few candidates for the position. The nominations came from various sources, including those within the personal network of the Board members. In its assessment of the candidates, NC had considered relevant personal qualities during the selection process, including the person's expertise, professional qualifications, integrity, reputation and independence with respect to all the requirements of Bursa Securities. After debate and deliberation, having due regard to DLKK's credentials and professional background, NC held the view that his vast experience could add value to IGB through new perspectives and input, and he complements the expertise and knowledge of the other Directors and Management. This was followed by face-to-face open-ended interview by the NC Chairman, in addition to e-mail and telephone conversations among NC members before making their recommendations to the Board. With the consent of the Board, DLKK was appointed INED effective 25 February 2022.

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and ***reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and*** *to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.*

While the final decision on the appointment of a new Director lies with the Board itself, as described in Practice 5.6, the NC plays an important role in identifying and vetting the potential candidates for directorships. The Board had considered that DLKK with his specialised expertise, knowledge and talent, and work experience, has both an independent and complementary effect, within the boardroom context.

NC has proposed that DDZR, an INED, being eligible and having consented to act, be re-elected at the 22nd AGM. The Board had focused on DDZR's commitment, competency, performance and contribution to the Board, and was satisfied that DDZR would be able to continue exercising independent judgement to provide input to the Board in discharging her responsibilities in an independent manner with integrity and competency, and recommended the re-election of DDZR as INED at the 22nd AGM.

Practice 5.8
The NC is chaired by an ID or the senior ID.

In accordance with its ToR, NC must have at least 3 NEDs, be comprised of a majority of INEDs, and be chaired by an INED. NC comprises 4 INEDs.

Corporate Governance Overview Statement
(continued)

The role of NC is to make recommendations to the Board on all board appointments, having regard to the composition and progressive renewal of the Board, the development of a process for evaluating the performance of the Board, BCs and individual Directors including the independent status of NEDs, and Board and Management succession planning generally. Chair of NC continues to lead NC to assist the Board in fulfilling their responsibilities on the yearly board performance-assessment exercise as described in Practices 5.1, 5.4, 5.5 and 6.1. of this CGOS.

Practice 5.9
The board comprises at least 30% women directors

As at 25 February 2022, the proportion of women employed by IGB was, Board @ 33.3%, and Management @ 46.1%.

Practice 5.10
The board discloses in its AR the company's policy on gender diversity for the board and SM

The Board takes cognisance of gender diversity but primarily focused on merit, in the context of skills, experience and personal attributes that are needed for the Board and Management to be effective.

Currently, there is diversity policy in the Group Employee Handbook.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or ***will influence board composition.***
For Large Companies, the board engages independent experts at least every 3 years to facilitate objective and candid board evaluations.

The Board has in place a formal process to annually assess the effectiveness of the Board, BCs and individual Directors. The review, which is conducted internally, requiring each Director to objectively assess his/her personal performance and collectively, the performance of the Board as a whole and its BCs. Directors are allowed to individually express their personal assessment and make comments of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. The evaluation of the Board's performance as a whole deal with matters on the board composition and processes, board decision-making and meeting processes and board responsibilities in relation to strategies and direction, accountability and oversight, risk management and internal controls and standards of conduct. BCs' evaluation deals with the efficiency and effectiveness of each BC in assisting the Board. Individual Directors' assessment cover topics which include, among others, the Director's attendance, preparedness, candour, participation and contribution. The independence of each INED is also considered as part of this process. Based on the responses to the questionnaire returned by each Director, a consolidated report is prepared by GCS. The results of the evaluation will be reviewed by NC and shared with the Board. Action plans will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board and BCs.

The last performance evaluation was carried out on 25 February 2022 in respect of FY2021. In its assessment, NC (each member recused himself/herself when his/her performance was tabled for assessment) took into consideration the Directors' attendance, contribution and participation at Board and BC meetings, Directors' individual evaluations, the intrinsic values demonstrated by INEDs and the overall effectiveness of the Board in steering and overseeing the conduct of the Group's businesses, and concluded that the Board as a whole and its BCs have performed well with the individual's creditability to add value to the Board and BC deliberations and exercise objective judgement in decision-making processes, and each Director has given sufficient time and attention to the affairs of IGB and has been able to discharge his/her duties as a Director effectively notwithstanding he/she may have multiple listed company board representations and/or other principal commitments.

NC had also reviewed the current Board size and composition appropriate to the efficient governance and management of IGB as described in Practice 5.1. NC was satisfied that the Board as presently constituted has an appropriate mix of expertise, skills, experience and diversity that enable the Board to discharge its mandate effectively with a balanced exchange of views, robust deliberations and debates among Board members and to provide effective oversight over Management.

The Board had considered NC's views, and concurred that each Director has continued to perform effectively and demonstrated commitments to his/her role, including commitment of time to the Board, and where relevant BC responsibilities; the Board has an appropriate mix of skills, personal attributes and experience that would allow the Directors individually, and the Board collectively, to discharge their duties effectively and efficiently; INEDs have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and act in the best interests of IGB and SHs, thereby enabling balanced and well-considered decisions to be made; and the size of the Board was appropriate with sufficient diversity without interfering with efficient and effective decision making.

The Board, in consultation with NC, was satisfied that the Board has met its performance objectives for the year under review, and an external facilitator was not necessary considering the Board size and composition and the regular meetings held by the Board and BCs.

Corporate Governance Overview Statement
(continued)

Practice 7.1
The board has remuneration policies and procedures (RPP) to determine the remuneration of directors and SM, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The RPP should appropriately reflect the different roles and responsibilities of non-EDs, EDs and SM. The policies and procedures are periodically reviewed and made available on the company's website.

IGB recognises that its people are one of its key assets. The professional growth and development of its people are central to achieving IGB's mission and strategy. With this in mind, IGB supports levels of remuneration and compensation necessary to attract, motivate, reward and retain quality personnel required to effectively lead and manage the operations and growth of the Group, at a competitive cost. IGB strives to ensure that remuneration packages reflect the relevant duties and responsibilities, are fair and equitable incorporate rewards clearly and measurably linked to performance both on an individual and on a corporate basis and reflective of market conditions for talent.

Through RC, the Board has established a formal RPP for Directors and Management. The RPP is structured to ensure that the compensation offered by IGB is competitive and will attract, retain and motivate Directors and Management, and for Directors to be good stewards of IGB and for Management with the required experience and expertise to run the Group successfully. Guided by the RPP, RC with the endorsement of the Board, reviews on a periodic basis the NED fees and meeting allowances and remuneration components of GCEO, DGCEO and Management. In its deliberation, RC will benchmark against relevant industry and take into consideration industry practices to ensure that the remuneration and employment conditions are competitive.

NED fees are based on each Director's level of responsibilities on the Board and its BCs, and are benchmarked against market practices. Board Chairman and AC Chairman are paid a higher fee compared with members of the Board and of such BC in view of the additional responsibilities carried by those appointments. NEDs are also paid sitting fees for attending meetings of the Board and BCs. GCEO and DGCEO do not receive any fee nor meeting allowance as they are salaried executives of IGB. Directors are entitled to be reimbursed by IGB for reasonable travelling, accommodation and other expenses that they may incur whilst travelling to or from meetings of the Board or BCs. None of the NEDs has a service contract with IGB.

In establishing the remuneration structure of GCEO, DGCEO and Management, IGB adopts a remuneration system that is responsive to the market elements and performance of IGB as well as the individual. The remuneration of GCEO, DGCEO and Management comprises base salary, performance bonus and other benefits based on their respective service/employment contracts with IGB. RC reviews the remuneration of GCEO, DGCEO and Management annually taking into account variety of factors, such as general economic and market conditions; particular circumstances such as changes in the scope and responsibility of the role; salary levels for comparable roles at peer companies; and individual performance. The performance bonus is linked to and determined based on achievement of IGB's key qualitative and quantitative financial, operational and strategic measures in the year.

Directors and Management are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in the discharge of their duties while holding office as Directors and Management of IGB. Directors and Management shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

Practice 7.2
The board has a RC to implement its RPP including reviewing and recommending matters relating to the remuneration of board and SM. The RC has written ToR which deals with its authority and duties and these terms are disclosed on the company's website.

In accordance with its ToR, RC must have at least 3 NEDs, be comprised of a majority of INEDs, and be chaired by an INED. RC comprises 4 INEDs.

RC has oversight of the RPP in the context that these policies and practices fairly and responsibly reward individuals having regard to performance. No Director or Officer is involved in the deliberation and decision in respect of his/her own individual fees/remuneration.

As described in Practice 7.1 above, the remuneration packages for Directors and Management are reviewed and approved annually by RC and the Board respectively. To ensure the competitiveness of IGB's remuneration levels, the levels are benchmarked against its peer group and industry generally. The last performance evaluation for Directors and Management was carried out on 24 November 2021. RC had considered the quantum of NED fees and meeting allowances, and recommended the NED fees (in respect of FY2021) be revised upwards by 30%, while the meeting allowance (in respect of year 2022) remained status quo, which had been endorsed by the Board and to be submitted for SHs' approval at the 22nd AGM.

In determining the annual remuneration package for GCEO, DGCEO and Management, RC had, in arriving at its decision, considered the performance of IGB, the individual performances and responsibilities as well as comparative compensation benchmarks within the industry, and applied its judgement in determining the annual salary increment and bonus quantum for GCEO, DGCEO and Management.

Practice 8.1
There is detailed disclosure on named basis of the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind (BIK) and other emoluments.

Corporate Governance Overview Statement
(continued)

Details of each individual Director's remuneration paid and payable at IGB-level, and Group-level in respect of FY2021 are set out in the table below:

IGB-level	Remuneration[d] RM	BIK[e] RM	Fee RM	Meeting Allowance RM	Total RM
TLC	-	7,680	262,000	30,000	299,680
DSRT	4,768,592	38,356	-	-	4,806,948
LCH	-	480	143,000	34,500	177,980
DMA	-	480	130,000	33,500	163,980
DDZR	-	480	130,000	34,000	164,480
DLKK[a]	-	-	-	-	-
TBL[b]	2,799,308	20,929	-	-	2,820,237
TMS[c]	908,372	12,094	-	-	920,466
Total	8,476,272	80,499	665,000	132,000	9,353,771

Group-level	Remuneration[d] RM	BIK[e] RM	Fee RM	Meeting Allowance RM	Total RM
TLC	-	7,680	392,000	55,000	454,680
DSRT	9,098,464	38,356	-	-	9,136,820
LCH	-	480	143,000	34,500	177,980
DMA	-	480	130,000	33,500	163,980
DDZR	-	480	130,000	34,000	164,480
DLKK[a]	-	-	-	-	-
TBL[b]	2,799,308	20,929	130,000	10,000	2,960,237
TMS[c]	1,266,930	12,094	-	-	1,279,024
Total	13,164,702	80,499	925,000	167,000	14,337,201

Notes:
[a] *Appointed on 25 February 2022*
[b] *Alternate Director to DSRT*
[c] *Alternate Director to TLC*
[d] *The amount disclosed includes base salary, bonuses, token of appreciation, fixed allowances and EPF contribution*
[e] *The amount disclosed includes car, driver, club membership, mobile communication device and expenses and season parking pass*

Practice 8.2
The board discloses on a named basis the top 5 SM's remuneration component including salary, bonus, BIK and other emoluments in bands of RM50,000.

The Board is of the view that, given the confidentiality and sensitivity of staff remuneration matters, the competition for talent in the Group industry and the importance of ensuring stability and continuity of business operations of the Group with a competent and experienced Management, it is in the best interest of IGB not to disclose the remuneration of its top 5 Officers (who are not Directors or GCEO or DGCEO), on a named basis but in bands of RM50,000, and such disclosure is sufficient for providing transparency to SHs without prejudicing the interests of SHs.

The remuneration paid to the top 5 Officers in bands of RM50,000 for FY2021 are as follows:

Remuneration Bands	No. of Senior Executive	Salary[a]	BIK[b]	Total
Between RM600,000 – RM650,000	1	99.62%	0.38%	100%
Between RM650,000 – RM700,000	1	99.35%	0.65%	100%
Between RM800,000 – RM850,000	1	98.58%	1.42%	100%
Between RM850,000 – RM900,000	1	97.55%	2.45%	100%
Between RM2,100,000 – RM2,150,000	1	99.24%	0.76%	100%

The aggregate remuneration paid to the top 5 Officers of IGB for FY2021 was RM5,111,235.

Notes:
[a] *The amount disclosed includes base salary, bonuses, token of appreciation, fixed allowances, leave pay, gratuity and EPF contribution*
[b] *The amount disclosed includes driver, tolls, club membership, mobile communication devices and expenses and season parking pass*

Corporate Governance Overview Statement
(continued)

Practice 8.3 (Step Up)
Companies are encouraged to fully disclose the detailed remuneration of each member of SM on a named basis.

The non-disclosure of the remuneration of Management on a named basis does not compromise the ability of IGB to meet with the requirement of having good CG as the RC, comprising exclusively of INEDs, reviews the remuneration package of such Officers who are remunerated based on their roles and responsibilities to ensure that they are fairly remunerated. RC also takes reference from market practices in the formulation and review of the Management's remuneration.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Practice 9.1
The Chairman of AC is not the Chairman of the board.

In accordance with its ToR, AC must have at least 3 members and comprised only INEDs. AC comprises 4 INEDs, and is chaired by LCH, the Senior INED. LCH is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and the Malaysian Institute of Accountants (MIA).

Practice 9.2
AC has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least *3 years before being appointed as AC member.*

Under AC's ToR (last updated on 27 August 2021), where a firm has been appointed as the external auditor (EA) of IGB, any partner of the audit firm and/or its affiliates must not serve or be appointed as a Director, including as a member of AC until at least 3 years after he/she ceases to be a partner of that firm. None of AC members are former partners of the incumbent EA, PricewaterhouseCoopers PLT (PwC).

Practice 9.3
AC has policies and procedures to assess the suitability, objectivity and independence of the EA to safeguard the quality and reliability ***of audited financial statements.***

AC monitors and reviews the effectiveness of the external audit process for the financial statements of IGB and undertakes a detailed review of the audit plan and audit results report. Any concern with the effectiveness of the external audit process will be reported to the Board. No concerns were raised in respect of IGB Financial Statements FY2021.

AC is tasked with the annual assessment process on the performance and quality of EA and their independence, objectivity and professionalism. Following this year's evaluation using a questionnaire-based internal review as well as input from Group Chief Financial Officer (GCFO) who has constant contact with the PwC team throughout the year, AC was satisfied with PwC's technical competency in terms of their skills, execution of audit plan, reporting and overall performance. PwC has provided a confirmation of their independence to AC that they were and had been independent throughout the conduct of the audit engagement in accordance with the provisions of By-Laws on Professional Independence of MIA and their firm's requirements for the audit of IGB Financial Statements FY2021. The Board endorsed AC's recommendation for the re-appointment of PwC as EA for FY2022 to be submitted for SHs' approval at the 22nd AGM. The statement of EA's responsibilities on IGB Financial Statements FY2021 is set out in this AR under the heading Independent Auditors' Report.

AC has reviewed the non-audit fees paid to PwC during FY2021, and was satisfied that given the nature and extent of non-audit services provided, neither the independence nor the objectivity of PwC have been compromised by the provision of such non-audit services. An analysis of fees paid to PwC, including a breakdown of fees for non-audit services, is disclosed in Notes to the Financial Statements of this AR.

Practice 9.4 (Step Up)
AC should comprise solely of IDs.

AC comprises solely of INEDs, and as such there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently.

Practice 9.5
Collectively, the AC should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the AC including the financial reporting process.
All members of AC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

AC members collectively have relevant expertise and experience in financial management and are appropriately qualified to discharge their responsibilities.

AC is responsible for the oversight and monitoring of IGB's financial reporting and accounting policies, the Group's risk management processes and internal controls, the procedures established to regulate RPT/RRPT, including ensuring compliance with the provisions of MMLR, the GIA's function, including its resources, audit plans and the scope and effectiveness of GIA process and the independence and objectivity of EA on an annual basis.

Corporate Governance Overview Statement
(continued)

AC has explicit authority to investigate any matter within its ToR. AC has full access to, and the cooperation of SM and reasonable resources, including access to external consultant, internal and external auditors, to enable it to discharge its responsibilities properly. AC generally holds a scheduled meeting at least once every quarter and on such other occasions that necessitate their involvement.

During FY2021, AC reviewed the quarterly and full-year financial results of IGB before recommending to the Board for approval on the release of the quarterly results and the financial statements, as well as annual audit plans from the external and internal auditors to ensure that the scope of the plans have covered sufficiently the audit of the financial statements and internal controls of IGB. AC has met separately with the EA, without the presence of Management twice in FY2021, to discuss and to confirm that they had full access to and received cooperation and support from Management. In the review of IGB Financial Statements FY2021, AC has discussed with GCFO the accounting principles that were applied and considered the clarity of key disclosures in the financial statements. AC also reviewed the key audit matters as reported by EA for FY2021. Tasks performed by AC during FY2021 are described in greater details under the heading Audit Committee Report in this AR.

AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants. Updates on developments in accounting and governance standards are presented by EA at AC meetings. Details of the seminars/webinars that AC members attended during FY2021 are set out in the Appendix.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

The Board recognises the importance of a sound system of risk management and internal controls to safeguard the SHs' interest and the Group's assets. The Board affirms its responsibility for IGB's system of risk management and internal controls, and for reviewing the adequacy and effectiveness of IGB's risk management and internal control systems, including financial, operational, compliance and information technology (IT) controls on an annual basis.

The Board has established an IGB Strategy and Risk Framework (last updated on 25 February 2022) (Framework). The Framework integrates the enterprise risk management with business strategies and processes, thus providing IGB a holistic and consistent process for the continuous identification of key risks, management and monitoring of risks as well as quarterly reporting of the risks to the Board. The Framework has been communicated in meetings to all heads of business units.

PIC, together with the Head of GSR, assists the Board to oversee, review and update the Framework to ensure its adequacy and effectiveness on the business, with internal controls in place to manage risks including but not limited to finance, operations, compliance and IT. IGB identifies these risks through a risk register with specific internal controls in place to manage or mitigate those risks. The key risks are highlighted and discussed by the Board on a quarterly basis. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems of IGB. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to the AC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors are also reviewed by the AC.

Each year, in consultation with PIC, AC and GIA, the Board assesses the adequacy and effectiveness of risk management and internal controls of the Group. Based on the system of internal controls and Framework established and maintained by IGB, the audits conducted by internal and external auditors, reviews performed by PIC with the support of the Head of GSR, and the receipt of assurance from GCEO and GCFO, the Board with the concurrence of AC, was satisfied that the Group's internal controls and risk management systems put in place during FY2021 were adequate and effective to address the material financial, operational, compliance and IT risks faced by the Group.

IGB's approach to risk management and internal controls as well as the management of key business risks is set out in this AR under the heading Statement on Risk Management and Internal Control which has been reviewed by PwC.

Practice 10.3 (Step Up)
The board establishes a Risk Management Committee, which comprises a majority of IDs, to oversee the company's risk management framework and policies.

As described in Practices 10.2 and 10.3, PIC assists the Board to oversee the Group's overall strategy and risk framework with their expertise, experience and knowledge of the business, and is supported by GSR division, who monitors and evaluates the effectiveness on an on-going basis. PIC meets quarterly or as often as determined is necessary, to apprise the adequacy and effectiveness of IGB's risk management framework and policies.

The IGB culture pertaining to strategy and risks is one of ownership, whereby the business units themselves take ownership of their strategies and risks. They identify and evaluate strategies and risks to ensure the implementation of strategic plans and mitigation actions are in place and aligned with the Framework. Business units will monitor and measure performance of strategic plans, their mitigation actions before submitting strategy and risk reports every half year.

Corporate Governance Overview Statement
(continued)

Practice 11.1
The AC should ensure that the IA function is effective and able to function independently.

Practice 11.2
The board should disclose:
- *whether IA personnel are free from any relationships or COI, which could impair their objectivity and independence;*
- *the number of resources in IA department;*
- ***name and qualification of the person responsible for IA; and***
- *whether the IA function is carried out in accordance with a recognised framework.*

IGB has in place an adequately resourced GIA Department (GIAD) to support the Board through AC in discharging its duties and governance responsibilities of maintaining a system of internal controls, procedures and processes for safeguarding SHs and the Group's assets. GIA is independent of the functions and activities that it audits and operates under an audit charter mandated by AC which gives it unrestricted access to review all activities and the Group's documents, records, properties and personnel, including access to AC. The head of GIA, Christine Ong May Ee, who has a Bachelor of Accountancy (Hons.) (Singapore), Certified Internal Auditor (USA), Certified Risk Management Assurance (USA), Fellow of the Chartered Accountants Australia and New Zealand, Fellow of the Institute of Internal Auditors (IIA) (Malaysia) and Chartered Accountant (Malaysia), reports directly and functionally to AC and administratively to GCEO. To ensure that IA are effectively performed, GIAD recruits and employs suitably qualified staff with the requisite skills and experience, and such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. As at 31 December 2021, GIA has 9 personnel in the team. GIA subscribes to, and is in conformance with, the International Standards for the Professional Practice on Internal Auditing (Standards) set by the IIA Inc and has incorporated these Standards into its audit practices. On an annual basis, every staff signs a declaration of his/her adherence to the IIA Code of Ethics.

GIA adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessment by GIA and key risks identified by Management, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance policies, procedures and regulatory responsibilities of the Group. GIA also performs investigations and ad-hoc reviews as and when the need arises, or when requested by Management.

AC reviews and deliberates on the issues highlighted by GIA in the audit reports along with audit recommendation as well as Management's responses and action plans to rectify these issues. The AC chairman also meets with the head of GIA from time to time as necessary to discuss any matters of concern.

The scope of GIA reviews is carried out in accordance with the yearly plans prepared by GIA and approved by AC. During FY2021, GIA conducted its audit reviews based on GIA 2021 Plan and issued multiple reports covering all levels of operations within the Group, and monitored the status of management action plans resulting from audit findings to ensure completion and reports progress each quarter to AC. A total of 41 audit reports (including progress reports and special reports) were issued by GIAD for the assignments conducted on the Group, and most findings were rated satisfactory while some required improvements relating to control weaknesses, compliance shortcomings, and documentation anomalies whereby all gaps had since been addressed. GIA assesses the adequacy and effectiveness of the risk management processes and procedures as part of its scope of audit. Details of GIA functions and activities are disclosed in this AR under the heading Audit Committee Report and Statement of Risk Management and Internal Control.

Apart from the usual IA function, GIA's other responsibilities include managing the feedback processes and attending the Group Tender Committee meetings. The Head of GIAD is a member of WBC for the Group.

In accordance with the Standards, an external quality assessment review (QAR) of GIAD is conducted at least once every 5 years by qualified, independent reviewer. A QAR of GIA function was performed by Crowe Governance Sdn Bhd in October 2020. The review had concluded that GIAD was in conformance with the Standards. The next review would be due in year 2025.

AC has reviewed the independence and performance of the GIA function and was satisfied that the GIA function was independent, adequately resourced and effective in performing its functions, and had appropriate standing within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Practice 12.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

IGB is committed to providing SHs and other relevant stakeholders with timely communication regarding any matters that may impact or influence the investment performance of the Group. All material information such as corporate announcements, quarterly financial results, ARs and circulars are communicated on a timely basis via announcements through the BursaLINK. IGB's website is regularly updated to contain the archives of portfolio descriptions, corporate announcements, quarterly financial results, ARs, circulars, corporate polices, media statements and relevant news clippings. SHs are able to elect to receive communications from, and send communications to IGB and its share registry electronically. The 'Contact' page on IGB's website provides the email address for contacting IGB and the share registry.

Corporate Governance Overview Statement
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Other than publicly released announcements and its corporate website, IGB also provides a specific investor relations contact investor-relation@igbbhd.com through which SHs and the investment community are able to ask questions and receive responses in a timely manner. As part of IGB's active investor relations programme, IGB conducts regular briefings for other stakeholders from the wider investment community, such as analysts and media representatives, in conjunction with the release of IGB's results and business updates. Information that is price-sensitive or that may be regarded as undisclosed material information about the Group is not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

To address stakeholders' concerns and expectations, the website also contains a facility feedback@igbbhd.com for SHs to direct queries to IGB. Designated personnel have been assigned to attend or respond to enquiries from SHs and investment community.

Practice 12.2
Large Companies are encouraged to adopt integrated reporting based on a globally recognised framework.

The Board strives to disclose all matters in an open and transparent manner such that stakeholders can make informed decisions. An overview of the Group's business and operations, discussion and analysis of the financial results and financial condition, review of operating activities, discussion on identified and anticipated or known risks including ESG-related risk management, and forward-looking statements comprising trends and the inclusion of the business review are included in this AR under the heading Management Discussion and Analysis and Sustainability Statement.

The Board recognises the benefits of having an integrated report, which establishes integrated thinking and reporting that is designed to support sustainable business and financial stability. IGB is currently undertaking assessment on the methodology and framework before embarking into integrated reporting.

Practice 13.1
Notice for an AGM should be given to SHs at least 28 days prior to the meeting.

IGB has been issuing notices to the SHs 28 days prior to AGMs. The notice sets out the business to be transacted at AGM with explanatory notes for each resolution proposed to enable SHs to make informed decisions in exercising their voting rights. Any SH who is not able to attend AGM is allowed to appoint up to 2 proxies to vote on his/her behalf at the meeting through proxy forms sent before the proxy submission cut-off time. SHs are invited to submit questions before the AGM. This helps IGB to understand SHs' issues and concerns and to address key areas of SHs' feedback.

Practice 13.2
All directors attend GMs. The Chair of AC, NC, Risk Management and other committees provide meaningful response to questions addressed to them.

Where possible, all Directors will attend GMs, particularly the Board Chairman and chairperson of each BC to facilitate engagement with SHs and to address any relevant questions and concerns raised by SHs. The EA will be available to answer SHs' questions on the conduct of the audit, and the preparation and content of the Independent Auditors' Report.

As described in Practice 13.3 below, all Directors attended the virtual 21st AGM held last year save for TLC who had a Covid-19 (C19) vaccination appointment.

Practice 13.3
Listed companies should leverage technology to facilitate –
- *voting including voting in absentia; and*
- *remote SHs' participation at GMs*

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Due to the C19 restrictions and advisories issued by the relevant government authorities and the related safe distancing measures that were in effect at the relevant time, the proceedings of the 21st AGM of IGB on 1 June 2021 was conducted in a fully virtual manner through live streaming from the broadcast venue. SHs and proxies were able to log in and participate remotely, as well as pose questions/clarifications on the relevant agenda items as well as information on the Group's operations via the technology platform provided by the share registry, Tricor Investor & Issuing House Services Sdn Bhd. The AGM, chaired by DDZR, in the presence of members of the Board, was participated by 224 SHs and proxies. The voting results were displayed live on-screen, uploaded on the BursaLINK and made available on IGB's website after the AGM. The minutes was uploaded to IGB's website within 5 days from the date of the AGM.

IGB recognises the increased risk of cyber-attacks and hence places high importance on cyber security in the organisation. In order to maintain integrity and availability of the data environment, IGB has an IGB's Group Cybersecurity and IT Acceptable Use Policy. These policies define the technical controls and security configurations that users and IT administrators are required to implement, as well as provide users with policies and guidelines regarding the acceptable use of the Group's technology equipment and email. The Group IT Department strives to continuously strengthen the IT infrastructure, ensuring that personal data are used or maintained in a responsible manner, and heighten the Group's ability to monitor any potential cyber-attacks and threats to breach of data. In FY2021, the Group has deployed critical cybersecurity software including ransomware protection, log management and privilege access management across key systems as well as patched system vulnerabilities highlighted from the previous year's cyber security posture assessment by the cybersecurity consultant firm Firmus Sdn Bhd. A cyber risk awareness training was also organised for directors and key personnel of the Group whilst a training portal is being developed for all employees of the Group.

Corporate Governance Overview Statement
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Practice 13.4
The chairman of the board should ensure that GMs support meaningful engagement between the board, SM and SHs. The engagement ***should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. SHs should also be provided with sufficient opportunity to pose questions during the GM and all*** *the questions should receive a meaningful response.*

GMs of IGB are the principal forum for dialogue and interaction between the Board and SHs. The Board encourages active SH participation at the GMs and opportunity is given to every SH to interact with Directors and Management, to ask questions on the relevant agenda items and to communicate their views or seek information on IGB matters. Prior to voting at an AGM or any other GM, the voting procedures will be made known to the SHs to facilitate them in exercising their votes. At an AGM, each distinct issue is proposed as a separate resolution and put to vote by way of electronic polling. An independent scrutineer is appointed to validate the vote tabulation procedures. Results of the poll voting (votes cast for or against or abstain from voting, and their respective percentages) are displayed live on-screen to SHs immediately at such AGM or GM, and also announced in a timely manner after the meetings via the BursaLINK and posted on IGB's website.

Practice 13.5
The board must ensure that the conduct of a virtual GM (fully virtual or hybrid) support meaningful engagement between the board, SM and SHs. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the GM and interactive participation by SHs. Questions posed by SHs should be made visible to all meeting participants during the meeting itself.

As mentioned in Practice 13.3 above, IGB hosted its 21st AGM in full virtual proceedings, where the meeting was conducted via live streaming and online voting. SHs were given opportunity to communicate their views and to raise pertinent questions to the Directors and to participate effectively in and vote at the AGM.

Given that Malaysia and other countries in the world have yet to transition from a pandemic to an endemic due to the emergence of new variants to the SARS-CoV-2 virus, the Board has decided to conduct the 22nd AGM as a virtual event similar, as it did with the 21st AGM. This measure is intended in particular to avoid health risks for SHs, employees, external service providers as well as Board members.

The 22nd AGM will be held on 30 May 2022. Details of how SHs will be able to join, vote and submit questions in advance of the virtual AGM can be found in the Notice of 22nd AGM accompanying Virtual AGM Guide as set out in this AR. Should SHs wish to have a printed copy of AR, they may also submit a request via email to IGB at corporate-enquiry@igbbhd.com.

Practice 13.6
Minutes of GM should be circulated to SHs no later than 30 business days after the GM.

Minutes of GMs (including substantial and relevant comments or queries from SHs, and responses from the Board and Management) are posted on IGB's website within 5 business days upon conclusion of the proceedings.

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Appendix

Attendance of Directors at Board, BCs and AGM in FY2021

	Board	AC	NC	RC	PIC	AGM	EGM
Number of meetings held during FY2021	4	4	3	2	4	1	1
TLC	4	4[d]	3[d]	2[d]	4	-	1
LCH	4	4	3	2	N.A.	1	1
DMA	4	4	3	2	N.A.	1	1
DDZR	4	4	3	2	N.A.	1	1
DLKK[a]	-	-	-	-	N.A.	-	-
DSRT	4	4[d]	2[d]	1[d]	4	1	1
TBL[b]	4	N.A.	1[d]	1[d]	4	1	1
TMS[c]	3	3[d]	N.A.	N.A.	3[d]	1	1

Notes:
[a] *DLKK was appointed as INED on 25 February 2022*
[b] *TBL is an alternate Director to DSRT*
[c] *TMS is an alternate Director to TLC*
[d] *Attendance by invitation*

Continuing Professional Development

In FY2021, all Directors had attended or participated in one or more of the following seminars/webinars which they have individually or collectively considered as relevant and useful to enhance their business acumen and professionalism in discharging their duties to IGB:

Training Focus	Seminars/Webinars
ESG	▪ Iclif Executive Education Centre: Nominating and Remuneration Committees - Beyond box-ticking and enhancing effectiveness ▪ PricewaterhouseCoopers (PwC): PwC 24th Annual Global CEO Survey ▪ Securities Commission Malaysia (SC): Audit Oversight Board - Conversation with Audit Committees ▪ Securities Industry Development Corporation (SIDC): Directors as Gatekeepers of Market Participants ▪ SIDC: Emerging and Current Regulatory Issues in the Capital Market ▪ SIDC: Integrating ESG in Fundamental and Financial Analysis ▪ SIDC: Sustainable and Responsible Investment - Paving the way for profitability through sustainability ▪ SIDC: Risk Oversight and Compliance - Action plan for board of directors ▪ Trident Integrity Solutions Sdn Bhd (TIS): Awareness Briefing on the Malaysian Anti-Corruption Commission Act 2009 (MACCA) Section 17A and Adequate Procedures ▪ TIS: The Role of Directors and Senior Management in keeping the Group Anti-Corruption System Strong
Economics, Finance and Accounting	▪ Bank Negara Malaysia (BNM) and SC: JC3 Flagship Conference - Sustainability as a business strategy for financial institutions; JC3 outcomes and implications of financial institutions; Sustainable finance for the private sector ▪ Bursa Malaysia and Maybank: Invest Malaysia Kuala Lumpur 2021 - Rebuilding a sustainable economy - economic reform ▪ CHK Consultancy Sdn Bhd (CHK): Get Ready for the Current Global Financial Crisis ▪ CHK: Covid-19 Pandemic - The Black Swan Theory and Butterfly Effect on world economy ▪ Kuala Lumpur Business Club (KLBC) Dialogue Session with Datuk Syed Zaid Albar (Chairman of SC): Towards a More Sustainable Economy ▪ Malaysian Industries Development Finance (MIDF) Berhad: Conversation Session with Dato' Charon bin Mokhzani (Group MD of MIDF) and Datuk Seri Amir Hamzah Azizan (CEO of Employees Provident Fund) - Economic development and relevant public policies ▪ Sage 3 Sdn Bhd and Leaderonomics: Rethinking Balance Sheet ▪ Tricor Training Academy: Detecting Financial Frauds & Business Transformation

Corporate Governance Overview Statement
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Training Focus	Seminars/Webinars
Industry	▪ CHK: Covid-19's Impact on Trade ▪ Financial Institutions Directors' Education (FIDE) - Bursa Malaysia Forum: Restructuring Distressed SMEs/Budget 2022 ▪ FIDE: Dialogue with Governor of BNM - Opportunities and challenges to cross-border investments and trade ▪ International Malaysian Society of Maritime Law - Maritime and Insolvency Talk ▪ KLBC and France-Malaysia Business Council of MEDEF International: France-Malaysia Business Outlook and Opportunities ▪ KLBC Dialogue Session with HE Roland Galharague, Ambassador of France to Malaysia-France: The Gateway to EU Trade and Investment post-Brexit ▪ MIDF: Conversation with Mr Adrian Ong (CEO of Mr D.I.Y) - Strategy to drive growth, deliver value and achieve operational efficiencies amidst the current global pandemic ▪ SME Lighthouse and Tunku Abdul Rahman University College: Financing, Funding & Grants for SMEs in Turbulent Times
Internet of Things	▪ Firmus Sdn Bhd: Cyber Risk Awareness ▪ Infocomm Media Development Authority of Singapore and Informa Tech: Redefining Tech for a Better Future ▪ KLBC Dialogue Session with YB Dato' Sri Mustapa bin Mohamed (Minister in the Prime Minister's Department) (Economy): ▪ MyDIGITAL & Rangka Tindakan (Blueprint) Ekonomi Digital Malaysia ▪ SIDC: Digital Transformation and the Rise of Gig Economy

RRPT Mandate

At its 21st AGM in 2021, IGB obtained a general mandate for the Group to enter into RRPT with RPs. The following table sets forth the RRPT entered into by the Group with RPs during FY2021 pursuant to the mandate:

Transacting Parties	RRPT Nature	Actual Value FY2021 RM	Estimated Value RM	Interested RPs
IGB Real Estate Investment Trust (IGB REIT)[1]	Retail leases, car parks and related services	3,140,249		DSRT[a] TLC[b] TBL[c] TMS[d] Pauline Tan Suat Ming (PTSM)[e] Tony Tan Choon Keat (TTCK)[f] Tan Chin Nam Sdn Bhd (TCNSB)[g] Tan Kim Yeow Sdn Bhd (TKYSB)[h] Wah Seong (Malaya) Trading Co. Sdn Bhd (WSTSB)[i] Elizabeth Tan Hui Ning (ETHN)[j] Daniel Yong Chen-I (DYCI)[k] Gabrielle Tan Hui Chween (GTHC)[l]
	Receipt of chilled water and liquefied petroleum gas	4,778,361		
	Provision of upgrading, repair and maintenance works	368,489		
	Provision of information system services and products	406,975		
	Provision of tenant sales verification audit and special review	149,050		
	REIT management fee	29,154,574		
	TOTAL	37,997,698	60,000,000	
Wah Seong Corporation Berhad group of companies (WSCB Group)[2]	Commercial leases, car parks and related services	717,307		
	Purchase of building materials and related products/services	14,969		
	TOTAL	732,276	3,000,000	
WTSB group of companies (WSTSB Group)[3]	Commercial leases, car parks and related services	388,473		
	Purchase of building materials, audio equipment, electrical equipment/appliances and related products and services	554,933		
	Receipt of installation and maintenance of light boxes, panels, signage, etc. and advertising	61,188		
	Provision of information system services and products	-		
	TOTAL	1,004,594	50,000,000	

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Transacting Parties	RRPT Nature	Actual Value FY2021 RM	Estimated Value RM	Interested RPs
Subsidiaries of IGB ▪ Cititel Hotel Management Sdn Bhd (CHM)[4] ▪ Tan & Tan Realty Sdn Bhd (TTR)[5] ▪ GTower Sdn Bhd (GTower)[6]	Commercial leases, car parks and related services	295,776		DSRT[a] TLC[b] TBL[c] TMS[d] PTSM[e] TTCK[f] TCNSB[g] TKYSB[h] WSTSB[i] ETHN[j] DYCI[k] GTHC[l]
	Provision/receipt of management consultancy and support services	4,409,204		
	Provision of information system services and products	64,575		
	TOTAL	4,769,555	10,000,000	
Pavilion Projects Sdn Bhd (PPSB)[7]	Receipt of renovation/makeover works	-		TBL[c]
	TOTAL	-	10,000,000	

Notes:

Principal Activities of Transacting Parties

[1] IGB REIT is a real estate investment trust with principal investment policy of investing, directly and indirectly, in a diversified portfolio of income producing real estate used primarily for retail purposes in Malaysia and overseas.
[2] The principal activities of WSCB Group are investment holding and provision of management services to its subsidiaries; specialised pipe coating and corrosion protection services; engineering, procurement and construction of gas compressors and process equipment; renewable energy and infrastructure materials and services.
[3] The principal activities of WSTSB Group are investment holding, trading in construction and building materials and other related products/services.
[4] The principal activity of CHM is hotel management services.
[5] The principal activity of TTR is property investment.
[6] The principal activity of GTower is property investment holding.
[7] The principal activities of PPSB are interior furnishing works and general trading.

Interested RPs

[a] DSRT is GCEO and Non-Independent Executive Director (NIED) of IGB; Managing Director of IGB REIT Management Sdn Bhd (IGBRM) (the Manager of IGB REIT); Non-Independent Non-Executive Chairman of WSCB; a director of certain subsidiaries within IGB Group, WSTSB Group and TKYSB Group; a major SH of IGB and WSCB; a major unitholder (UH) of IGB REIT; a substantial SH of TKYSB; the father of ETHN and GTHC; and a brother of PTSM and TTCK.
[b] TLC is Non-Independent Non-Executive Chairman of IGB; NINED of IGBRM; a director of certain subsidiaries within IGB Group, TCNSB Group and WSTSB; and a sister of TBL.
[c] TBL is DGCEO and alternate to DSRT on the Board of IGB; NINED of IGBRM, a director of certain subsidiaries within IGB Group, TCNSB Group and WSTSB Group; a brother of TLC; the spouse of Low Su Ming and the father of Tan Pei Jun, both of whom are substantial SHs of PPSB.
[d] TMS is alternate to TLC on the Board of IGB; NIED of IGBRM; and a director of certain subsidiaries within IGB Group and WSTSB Group.
[e] PTSM is a director of TKYSB Group; a major SH of IGB and WSCB; a major UH of IGB REIT; a substantial SH of TKYSB; the mother of DYCI; and a sister of DSRT and TTCK.
[f] TTCK is a director of TKYSB Group; a major SH of IGB and WSCB; major UH of IGB REIT; a substantial SH of TKYSB; and a brother of DSRT and PTSM.
[g] TCNSB is a major SH of IGB and WSCB; a major UH of IGB REIT; a substantial SH of WSTSB; and a person connected to TLC, TBL and TMS.
[h] TKYSB is a major SH of IGB and WSCB; a major UH of IGB REIT; a substantial SH of WSTSB; and a person connected to DSRT, PTSM, TTCK, ETHN, DYCI and GTHC.
[i] WSTSB is a major SH of IGB and WSCB; a major UH of IGB REIT; a substantial SH of CHM and TTR; and a person connected to DSRT, PTSM, TTCK, TCNSB and TKYSB.
[j] ETHN is a NIED of IGBRM; a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of GTHC.
[k] DYCI is a director of certain subsidiaries within IGB Group; a director of WSTSB Group; alternate to PTSM on the board of TKYSB Group; and a son of PTSM.
[l] GTHC is a director of certain subsidiaries within IGB Group; a daughter of DSRT; and a sister of ETHN.

Audit Committee Report

AUDIT COMMITTEE (AC) ROLE

The AC is led by Mr Lee Chaing Huat, an Independent Non-Executive Director (INED) who is not the Chairman of the board of directors of IGB (Board or Directors).

The terms of reference (ToR) of AC with effect from 27 August 2021 is in line with the best practices recommended in the Malaysian Code on Corporate Governance (MCCG). The ToR has adopted Practice 9.2 of MCCG, where a firm appointed as the external auditor (EA) of IGB, any partner of the audit firm and/or affiliates must not serve or be appointed as a Director, including as a member of AC until at least 3 years after he/she ceases to be a partner of that firm. None of AC members are former partners of the incumbent EA, PricewaterhouseCoopers PLT (PwC).

Currently, the AC comprises 4 members, all of whom are INEDs, and as such there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently. AC members collectively have relevant expertise and experience in financial management and are appropriately qualified to discharge their responsibilities. The annual review of the composition and performance of AC, including members' tenure, performance and effectiveness as well as their accountability and responsibilities, was duly assessed via the annual board performance-assessment. Based on the evaluation for FY2021, the Board was satisfied that AC has continued to show strong performance over the years, and AC members, as indicated in their profiles, have sound judgement, objectivity, independent attitude, management experience, integrity, knowledge of the industry, and financially literate. With balanced diversity of skills and experience, they have discharged their functions, duties and responsibilities, supporting the Board in ensuring that IGB uphold appropriate corporate governance (CG) standards.

AC is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, risk management processes and internal controls, the governance processes, and the audit process of IGB, as well as the process for monitoring compliance with laws and regulatory requirements as it relates to financial matters.

AC has authority to investigate any matter within its ToR which can be viewed on IGB's website www.igbbhd.com, full access to and co-operation of the management and full discretion to invite any Director or management to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The internal and external auditors have unrestricted access to the AC.

This AC Report (ACR) provides a summary of the activities carried out by AC during the year to 31 December 2021 (FY2021) and to the date of this ACR in conducting its affairs and discharging its responsibilities.

This ACR is current as at 25 February 2022 and has been approved by the Board.

AC MEETINGS

AC meetings in 2021 were pre-arranged in August 2020 together with the Board and other Committee meeting schedules. The schedule of business considered by AC covered the key areas within its remit and is supported by information provided by management, external and internal auditors. Meeting materials, both digital and printed copies, are sent to AC members at least 5 business days (unless in unavoidable circumstances) prior to the date set for meetings to enable ample time for members to review the information and to obtain such details and explanations where necessary.

4 AC meetings were held during FY2021 which were attended by all AC members. Group Chief Executive Officer (GCEO) attended all meetings as requested by AC to facilitate direct communication and to seek clarification on audit issues as well as to solicit information in relation to the Group's operations. The meetings were also attended by Group Chief Financial Officer (GCFO), Senior Group General Manager (Finance and Administration), Head of Group Strategy and Risk (GSR), Head of Group Internal Audit (GIA) and Group Company Secretary, upon invitation, to brief and provide comprehensive explanation on their respective reports. AC also had 2 private sessions with EA to enquire about management's co-operation, their sharing of information as well as discuss the results of the audit and any other observations they may have during the audit process and regarding risk management issues, without the presence of management.

AC ACTIVITIES

Throughout 2021, the AC executed various strategies and actions to discharge its duties and responsibilities effectively. Principal activities performed during FY2021 and to the date of this ACR are as follows:

(a) Financial Reporting

(i) Evaluated on an ongoing basis the appropriateness, adequacy and efficiency of accounting policies and procedures, compliance with generally accepted accounting principles and overall accounting standards, as well as any related changes discussed and resolved any significant or unusual accounting issues. Introduced measures that, in the AC's opinion, would enhance the credibility and objectivity of financial statements and reports prepared about the Group's affairs.

Audit Committee Report
(continued)

(ii) Reviewed the quarterly financial results of IGB for 4Q2020, 1Q2021, 2Q2021 and 3Q2021, which were announced to Bursa Malaysia Securities Berhad (Bursa Securities) immediately after the Board's approvals, respectively on 26 February 2021, 28 May 2021, 27 August 2021 and 26 November 2021, and IGB Financial Statements FY2020 (AFS2020) which were announced to Bursa Securities on 12 April 2021. AC concluded that the quarterly results and AFS2020 complied with the applicable Malaysian Financial Reporting Standards (MFRS) and regulatory requirements, and presented a true and fair view of IGB's financial performance.

(iii) Noted significant changes and amendments to MFRS and other regulatory requirements that could affect the financial reporting of the Group.

(iv) Reviewed AFS2020, and concluded that AFS2020 complied with the applicable MFRS.

(v) Reviewed the declaration of interim cash dividend of 10 sen per ordinary share and a share distribution of 2 sen per ordinary share (on the basis of 10.36 treasury shares for every 1,000 ordinary shares held), which were paid and credited on 24 December 2021, and interim dividend of 4.3% per annum (based on the issue price of RM3.28 per redeemable convertible cumulative preference shares) (RCCPS) for the 6-month from and including 2 September 2020 up to and including 1 March 2021, and the 6-month from and including 2 March 2021 up to and including 1 September 2021, which were paid to the holders of RCCPS on 26 March 2021 and 30 September 2021 respectively after the approval of the Board.

Subsequent to FY2021, AC had at its meeting on 25 February 2022, reviewed the financial reporting checklist FY2021 completed by GCFO, and assessed by GCEO, and obtained their assurance, in making its recommendation to the Board, that adequate processes and controls were in place for an effective and efficient process in preparation of IGB Financial Statements FY2021 (AFS2021) and, in all material respects, AFS2021 complied with the applicable MFRS as well as disclosure provisions of the Bursa Securities' Main Market Listing Requirements, and fairly present the results of the operations, cash flow and financial position of the Group. AC had also reviewed the 4Q2021 results and the proposed early full redemption of RCCPS.

(b) External Audit

(i) Reviewed EA's audit report of AFS2020 setting out their comments and conclusions on the significant auditing and accounting issues highlighted, including management's judgements, estimates and/or assessments made, and adequacy of disclosures in the financial statements.

(ii) Reviewed, with both EA and management, the audit approach and methodology applied, and in particular of those key audit matters included in the year end EA's report.

(iii) Reviewed EA's Audit Plan 2021 for the Group, encompassing the planned scope and timing for the year's audit and other examination including the evaluation of internal control systems, to the extent performed as part of the external audit.

(iv) Considered whether the extent of reliance on internal audit by EA was appropriate and whether there were any significant gaps between internal and external audits.

(v) Obtained assurance from EA that their independence has not been impaired.

(vi) Reviewed, in consultation with management, the terms of engagement of PwC for the audit of AFS2021 in respect of cost, scope and performance, upon confirmation of their independence and objectivity including non-audit services related to tax consultancy, prior to tabling for the Board's approval.

(vii) Conducted bi-annual private sessions with EA without the presence of management on 26 February 2021 and 26 November 2021 to apprise on matters with regard to the audit and financial statements. No major concerns were highlighted by EA and they had received full support and cooperation from management.

Subsequent to FY2021, AC carried out the following duties at its meeting on 25 February 2022:

(i) Reviewed the results of EA's audit report on the conduct of AFS2021, the audit findings together with recommendations, including key audit matters.

(ii) Reviewed and deliberated on key audit issues pertaining to the audit of AFS2021.

(iii) Evaluated EA's performance and effectiveness, quality of communication and interaction and its independence and objectivity, on the basis of AC meetings and a questionnaire-based internal review. Based on the assessment for FY2021, AC was satisfied with EA's technical competency in terms of their skills, execution of audit plan and reporting and overall performance. Requisite assurance was sought and provided by EA that internal governance processes within PwC demonstrate and support the firm's independence. With this, AC had recommended for the endorsement of the Board on the re-appointment of PwC as EA for 2022. The Board had at its meeting on 25 February 2022 approved AC's recommendation for shareholders' (SHs) approval to be sought at the Twenty-Second Annual General Meeting of IGB (22nd AGM) on the re-appointment of PwC as EA of the Group for FY2022.

Audit Committee Report
(continued)

(c) Internal Audit (IA)

The Head of GIA is Christine Ong May Ee, who holds the following qualifications - Certified Internal Auditor (USA), Certified Risk Management Assurance (USA), Fellow of the Chartered Accountant Australia and New Zealand, Fellow of the Institute of Internal Auditors (IIA) (Malaysia), Chartered Accountant (Malaysia) and Bachelor of Accountancy (Hons.) (Singapore). She is assisted by a team of suitably qualified and experienced internal auditors. The Head of GIA reports to AC functionally to maintain its independence. To ensure that IA are effectively performed, GIA department (GIAD) recruits and employs suitably qualified staff with the requisite skills and experience, and such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. As at 31 December 2021, GIA has 9 personnel in the team.

The GIA function assists AC in discharging some of its duties and responsibilities, as an integral part of the governance framework. The GIA function provides AC with risk-based independent and objective assurance, advice and insight on the adequacy and effectiveness of internal controls, risk management and governance processes of the Group. The GIA carries out its responsibilities in conformance to the International Standards for the Professional Practice of Internal Auditing as confirmed by a quality assurance review conducted by Crowe Governance Sdn Bhd in October 2020. The GIA function also engages in quality improvement programs on an on-going basis to ensure that IA activities keep up with the latest developments in the internal auditing practices.

The GIA function carries out audit engagements based on the annual plan which is approved by AC. Upon completion of each audit engagement, a report is issued to management who are responsible for ensuring that corrective actions are taken on weaknesses in risk management, controls and governance highlighted in the report within a reasonable time frame. GIA follows up with management on the status of implementation of all audit recommendations every 3 months until all recommendations have been implemented and addressed.

Other than planned assurance engagements that have been included in the GIA's plan, GIA also conducts ad hoc special reviews as and when the need arises or when a significant change in risk has been identified. The scope of these engagements is discussed with management and reported to AC for their approval. All reports issued for such engagements are communicated to the relevant members of management and AC.

The GIA function also provides advisory services to management in the areas of risk management, sustainability and business continuity. In addition, the Head of GIA is a member of the Whistleblowing Committee for IGB Group. She also manages the Feedback channel for IGB.

The following is a summary of GIA's work reviewed and/or approved by AC during FY2021 and to the date of this report:

(i) Reviewed and approved at AC meeting on 19 November 2020, the IA 2021 Plan to ensure adequate scope and coverage of key risk areas and processes in the operations, compliance with regulations and internal controls of the Group. The planning for the audit involved a risk-based approach which emphasised on effective planning and scoping of the audit to suit the size and activities of functional areas and to concentrate audit resources on operational areas that are exposed to a greater degree of risk.

(ii) Reviewed and approved at AC meeting on 26 November 2021, the IA 2022 Plan and IA Charter.

(iii) Reviewed GIA reports on the effectiveness and adequacy of internal controls, risk management and governance process of the Group. A total of 41 audit reports (including progress reports and special reports) were issued by GIAD for the assignments conducted on the Group during the year. The audit engagements covered high-level reviews in the areas of CG, operational audits on internal controls of the operations of the divisions in the Group, risk management, special review on Environmental, Social and Governance, cybersecurity self assessments. AC engaged with management on issues and recommendations raised in the audit reports and obtained assurances that all weaknesses were addressed by management promptly. AC has directed management to rectify and improve on internal control and workflow processes promptly and ensure that internal controls continue to operate effectively at all times.

(iv) Monitored the corrective actions taken on outstanding audit issues through progress reports based on submissions by management on the status of implementation of audit recommendations, to ensure that control weaknesses have been addressed.

(v) As part of the audit process, GIA reviewed related party transactions (RPT) in the areas covered under the audit to ensure that proper reporting and approvals have been obtained and that the transactions were conducted at arm's length basis.

(vi) A summary of the 20 and 2 IA reports issued for IGB Real Estate Investment Trust (IGB REIT) and the newly listed IGB Commercial Real Estate Investment Trust (IGBCR) respectively and the minutes of AC meetings were submitted to the AC by IGB REIT Management Sdn Bhd (IGBRM), as they are the main contributors to the Group's operations. AC was satisfied that the independent board of directors of IGBRM has provided adequate oversight over the operations and financial performance of IGB REIT and IGBCR.

AC is generally satisfied with the GIA's quality of service and sufficiency of resources provided, professional scepticism, quality of communication and interaction, independence and objectivity.

The total cost incurred by GIA division for FY2021 was RM1,368,069.74.

Audit Committee Report
(continued)

(d) Risks and Control Environment

The Board has assigned oversight of the Group's strategic risk management function to the Policy and Implementation Council (PIC) whose responsibilities include, among others, assisting the Board in undertaking the supervisory role in risk management activities of the Group, determining the strategic approach to risk and setting the risk appetite, understanding the significant risks and ensuring the adequacy and reliability of the risk management processes and system of internal controls. Each divisional head will be responsible for the risk at the business unit who will report directly to the Head of GSR, who in turn will report to PIC/GCEO. The GIA function, as part of their audit review, provides objective assurance to AC that the management has its strategy and risk framework and risk management policies and procedures in place.

Based on the controls and regulation checklist FY2021 completed by the relevant divisional heads, as well as information and explanations by management and discussion with EA on the results of their audit, AC was generally satisfied with the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, rules, directives and guidelines. No significant irregularity or deficiency in internal controls came to the attention of AC during FY2021.

An overview of the state of internal controls in the Group, which includes the risk management and key internal control processes is described in greater details in this Annual Report (AR) under the heading Statement on Risk Management and Internal Control (SORMIC).

(e) RPT

During FY2021, the Group entered into recurrent RPT (RRPT) as disclosed in the Corporate Governance Overview Statement (CGOS) contained in this AR. AC reviewed, on a quarterly basis, the RRPT entered into by the Group with related parties (RPs), tracked against their mandated thresholds. AC was satisfied that all transactions were in the best interest of the Group, whereby the terms concluded were fair, reasonable and based on commercial viability, and were therefore not deemed detrimental to the interests of minority SHs, and monitoring procedures to regulate such transactions were appropriate and sufficient.

Subsequent to FY2021, AC had at its meeting on 25 February 2022, reviewed the circular in relation to the proposed new RRPT (with IGBCR) and renewal of existing RRPT (with IGB REIT and other RPs) (RRPT Mandate) to be sought at the 22nd AGM, and having considered, among others, the nature of RRPT to be made were intended to meet the ordinary and usual course of business needs of the Group and likely to occur with some degree of frequency and such transactions to be undertaken at arm's length and on normal commercial terms consistent with the Group's usual practices and policies, as well as the procedures and processes established to regulate RRPT, was satisfied that adequate processes and controls were in place for an effective and efficient process in the monitoring, tracking and identifying RRPT in a timely and orderly manner. The details of the RRPT Mandate are set out in the Circular to Shareholders – RRPT Mandate.

(f) Annual Reporting

AC had at its meeting held on 25 February 2022 reviewed the ACR and SORMIC, and recommended to the Board for inclusion in this AR.

Continuing Professional Development

During the year, AC members attended various seminars and webinars to better understand their roles as well as to enhance their knowledge to efficiently discharge their duties as Directors. Details of the training that they attended during FY2021 are set out in the Appendix of the CGOS.

Statement on Risk Management and Internal Control

The Board of Directors (Board) of IGB Berhad (IGB) is pleased to present the Statement on Risk Management and Internal Control (Statement). This Statement is prepared pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR) and in accordance with the guidelines as set out in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC Guidelines).

This Statement does not cover associates, joint ventures or listed subsidiary companies as the internal control systems of these companies are managed by the respective management teams.

The Board of IGB maintains its overall responsibility to ensure a framework of risk management and internal controls is in place for continued high levels of corporate governance. The Policy and Implementation Council (PIC) assists the Board to oversee the Group's overall strategy and risk framework with their expertise, experience and knowledge of the business, and is supported by the Group Strategy & Risk (GSR) division of IGB, which monitors and evaluates the effectiveness of the framework on an on-going basis.

Risk Management Framework

IGB adopts the "IGB Strategy & Risk Framework" (Framework) which is based on the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Enterprise Risk Management (ERM) – Integrating with Strategy and Performance framework and is designed to integrate risk and strategy within the operations of the organisation.

The Framework itself is a set of principles organized into five interrelated components:

1. Governance and Culture: Governance sets the organisation's tone, reinforcing the importance of, and establishing oversight responsibilities for enterprise risk management. Culture pertains to ethical values, desired behaviours, and understanding of risk in the entity.

2. Strategy and Objective-Setting: Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

3. Performance: Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.

4. Review and Revision: By reviewing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.

5. Information, Communication, and Reporting: Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization.

The Risk Management Framework is reviewed annually by GSR and updates are presented to PIC and the Board to ensure its adequacy as more robust methodologies are introduced.

Risk Management

IGB's robust risk management is not designed to eliminate risks but to mitigate unexpected operational surprises and losses, reducing performance variability, improving resource deployment, identifying and managing entity wide risks and also increasing the range of opportunities.

The IGB culture pertaining to strategy and risks is one of ownership, whereby the Business Units themselves take ownership on their strategies and risks. They identify and evaluate strategies and risks and implements strategic plans with mitigation actions aligned with the Strategy & Risk Framework. Business Units will monitor and measure performance and submit strategy and risk reports every half year to GSR.

GSR maintains the database for IGB's Business Units' strategies and risks and monitors updates. Business Unit's escalation of risks of new and existing investments, strategies or opportunities are reviewed by GSR to ensure that exposures are within the approved risk appetite. The Board assesses the adequacy and effectiveness of internal controls on an annual basis. Management are responsible to ensure that risk management activities are implemented effectively to manage significant business risks in a timely manner. Group Internal Audit reviews the risk management process for comprehensiveness and effectiveness.

During the financial year, GSR has specifically assessed the risks arising from the Covid-19 pandemic, its potential impact on the operations and finances of IGB, as well as the mitigating actions implemented or to be implemented by the Business Units. The risks, impact and mitigating actions have also been reviewed by the PIC during their meetings held in the financial year. Highlights of the salient risks and corresponding mitigating actions by IGB have been further detailed in the Management Discussion & Analysis section of the Annual Report.

Statement on Risk Management and Internal Control
(continued)

Business Continuity Plan

In order to provide contingency plans and recovery processes to respond and recover in the event of a disaster, each business unit of IGB has established a Business Continuity Plan (BCP). The BCP incorporates detailed Emergency Response Plans for each operational site, a Crisis Management & Communication Plan, and a Business Impact Analysis to ensure Business Recovery Plans are established for prompt restoration of mission critical systems. Aspects of the BCPs were immediately activated during the Covid-19 pandemic and announcement of movement control orders by the Government. The BCPs are reviewed annually to ensure adequacy for operational response and recovery.

Anti-Bribery & Corruption Policy

IGB has established the IGB Group Anti Bribery and Corruption Policy (ABC) in line with the requirements of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 specifically regarding the corporate liability provision on commercial organisations for corruption committed by persons associated with it. The ABC applies to all employees and directors of companies under the IGB Group.

The ABC enshrines the principles of a zero-tolerance approach against any and all forms of bribery and corruption as well as provides guidance to employees on dealing with improper solicitation, bribery and other corrupt activities that may arise in the course of executing or undertaking their professional duties, obligations and responsibilities.

Risks in relation to bribery and corruption are assessed as part of the risk management process at each business unit before being reviewed by the PIC.

The ABC is reviewed at least once every three years for effectiveness by the Head of Group Legal who has been appointed as the Integrity Officer.

Whistleblowing Policy

IGB has implemented the IGB Group Whistleblowing Policy and Procedures (WPP). The WPP is intended to encourage and facilitate employees and stakeholders who have or may have genuine concerns in relation to any alleged, suspected or actual serious acts of misconduct or illegal activity to disclose or report such acts or activities.

The WPP addresses the commitment by IGB towards maintaining the highest standards of ethical conduct, fairness, and transparency as well as the requirement for all IGB Group employees to conduct themselves with the highest level of accountability, integrity, and professionalism, at all times.

The WPP undertakes that all disclosures and reports by whisleblowers will be treated with the strictest of confidence and be promptly fully investigated. The WPP also provides assurance that no action will be taken against any employee who discloses or reports any alleged, suspected or actual serious acts of misconduct or illegal activity in good faith. The WPP further complements the ABC whereby protection and confidentiality commitment of the WPP also applies to the ABC.

Cyber Security

Recognising the increasing role of digitalisation and data security in our business, IGB has in place the IGB Group Cybersecurity Policy and the IT Acceptable Use Policy which help to define the technical controls and security configurations that users and IT administrators are required to implement, as well as provide users with policies and guidelines regarding the acceptable use of the Group's technology equipment and email.

Internal Control Processes

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues. It has delegated to Management the implementation of the system of internal controls in the operation of the Business Units in the Group.
The main pillars of the framework for internal control include:

Organisation & Structure

- Continued maintenance of defined lines of reporting, responsibility and delegated authorities
- Clear and structured boundaries of authority that form a framework of leadership and accountability within the group
- Instil control-conscious and risk management culture and ensure proper tone at the top for an effective control environment

Statement on Risk Management and Internal Control
(continued)

Anticipation & Accountability

- Regular consortium of all Heads of Business Units to raise and review any and all significant risks and opportunities related to known and emerging changes in the operational and regulatory landscape
- Construction of annual operating budgets and capital expenditure plans by all Business Units, reviewed and approved by the Group Chief Executive Office (GCEO) and the Board
- Transparent assessment of performance against approved budgets, with reporting of discrepancy or variance to the Board
- Regular reporting updates of all significant issues, accounting statuses and legal developments to the Board for up-to-date visibility

Compliance & Training

- Standardization and distribution of operating policies and procedures in line with internal controls, industry best practices and the relevant laws and regulations; to be reviewed regularly and approved by Management
- Ongoing investment in training and guidance of staff to ensure they are competent and motivated to excel in their responsibilities, improving retention rate of strong talent
- Maintenance of clear guidelines for conducting hiring, termination and annual performance appraisal processes that uphold a reputation of corporate integrity

The Group Internal Audit (GIA) function provides further independent assurance on the adequacy and effectiveness of the risk management and internal control systems as part of their audit review. All reports are brought to the attention of the Board through the Audit Committee (AC).

The Board, with the recommendation of the AC, has reviewed the effectiveness of the Group's system of risk management and internal controls. There were no significant internal control aspects that would have resulted in any material losses, contingencies, or uncertainties that would require disclosure in the Group's annual report.

The Board has received assurances from the GCEO and the Group Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects.

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement. Their limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement has been approved by the Board and is current as at 25 February 2022.

Sustainability Statement

OVERVIEW

IGB Berhad (IGB or the Group) is pleased to provide an overview of how we approach sustainability in the different aspects of our business. As an investment holding company, we have a diverse portfolio comprising property investment and management, owner and operator of malls and commercial buildings, hotel operations, property development, construction, engineering services for water treatment plants, education and management of real estate investment trust.

We are committed to driving positive impact to create long-term value for our shareholders through our business. This Sustainability Statement highlights our efforts and progress in managing the Environmental, Social and Governance (ESG) perspectives in our business operations throughout the year in review.

The content of this Sustainability Statement focuses primarily on activities carried out by the entities of the Group within the financial year ended 31 December 2021. It has been prepared in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements. Where applicable, data from previous financial years were included for comparison.

We will continue to enhance the disclosure of our sustainability performance on a progressive basis.

OUR SUSTAINABILITY COMMITMENT AND STRATEGY

The Group has, since its inception, been mindful of building a business that will thrive and grow in harmony with the environment. This is reflected in our vision of *Creating and Managing Spaces that Work Now and the Future* and guided by our four core values of *Integrity, Innovation, Quality* and *Sustainability*.

This vision has been our North Star and guides many of the Group's business developments and ventures. Our commitment to embracing sustainability is linked to our core values that drive our corporate culture and form the underlying principle underpinning every aspect of our business.

PRESERVE THE ENVIRONMENT
by ensuring we implement measures that protect the planet

PROTECT OUR COMMUNITIES
by continuously reaching out and supporting our *Rakyat* where necessary

EXPAND THE CIRCULAR ECONOMY
by ensuring green technology and embarking on resource recovery efforts such as recycling and waste management

BUILD BUSINESS SUSTAINABILITY
by driving towards robust business model benefitting all stakeholders

STRIVE FOR A SAFE & MEANINGFUL WORKPLACE
by proritising health and safety measures for our employees

STRENGTHENING TALENT
by enhancing specialist skills and knowledge to elevate talent within our industry

In previous years, our discourse on our sustainability statement across the Group covered Economic, Environment and Social (EES) aspects. Moving forward from 2021, the Group has aligned the sustainability approach to reflect the three elements of ESG in a clearer way. The Economic aspect remains an important component which will be detailed under the Management Discussion and Analysis section of this annual report.

ENVIRONMENT	SOCIAL	GOVERNANCE
Emphasis on conservation efforts and application of environmentally-friendly tools and technologies	Foster stable relationships while creating value for our stakeholders	Adhere to highest standards of governance and be a responsible corporate citizen

Sustainability Statement
(continued)

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Our governance oversight structure is headed by IGB's Board of Directors (the Board) who oversee the Group's sustainability strategies and initiatives. This sets the tone at the top to ensure that the strategies and initiatives are adopted and implemented.

The Board is supported by Sustainability Committees set up within each business unit. The committees comprise staff who work closely with the heads of each business to drive sustainability within the organisation. The Board is regularly updated on key matters relating to sustainability during the year.

MATERIAL MATTERS

We assess our material sustainability matters against the changing operating landscape on a regular basis to identify and prioritise the ESG factors that are of importance to our business and our stakeholders. The following are deemed material to the sustainability of the Group:

Material Sustainability Matters	Description & Impact
Human capital management	We believe workplace diversity and inclusivity are entrenched in fair employment practices. Employees are key to the organisation's growth and progress. We work to ensure employees are engaged, fairly remunerated and given opportunities to strengthen skills and competencies, so that they can contribute towards achieving the aims of the organisation.
Health and safety	The Group prioritises not only employee safety and accident prevention, but also the safety and health of tenants, suppliers, and the larger community. Apart from instituting health and safety measures, we conduct regular audits, reviews, assessments and training to upgrade and strengthen safety measures as a matter of priority.
Energy conservation	We endeavour to minimise environmental impact from our businesses with effective energy management. This is done through internal controls and monitoring mechanisms that track and manage emissions from the consumption of energy.
Water management	Effective water management is an important part of business sustainability as water is a finite and shared resource. We have implemented internal controls and monitoring mechanisms to manage water consumption. Our initiatives include raising awareness on water conservation and improving data collection on water use.
Waste management	We look at the use and waste treatment that promotes the sustainable management of resources and energy that is safe for the environment. In managing costs while being environmentally conscious, we look at the recovery and reuse of resources as a contributing factor to decrease consumption of raw materials, reduce waste and improve energy efficiency, while contributing towards a greener environment.
Enriching Communities	We are committed to contributing to a better society and ensuring that our business operations create a positive impact on local communities.
Security	We are committed to ensuring the safety and security of our employees, tenants and the community by taking proactive measures and collaborating with enforcement agencies.

Sustainability Statement
(continued)

ENGAGING OUR STAKEHOLDERS

Our stakeholders are identified based on the impact and involvement our business has on them. It is important to us that we engage our stakeholders on an ongoing basis to understand their concerns. As such, a critical part of this process is the collation of feedback from both our internal and external stakeholders. Despite the challenging year under review, where relevant, we utilised digital means of communications instead of face-to-face meetings.

Summary of Stakeholder Feedback Channels

Internal Stakeholders

Stakeholders	Engagement Channels
Board of Directors	• Board of Directors meetings • Emails and Messenger applications for smartphones
Senior Management	• Regular Senior Management Meetings (SMM) • Emails and Messenger applications groups for smartphones • Messenger application groups on Crisis Management
Employees	• Regular employee engagement sessions conducted by senior management • Annual employee surveys and performance appraisals • Feedback received via email • Feedback received at exit interviews

External Stakeholders

Stakeholders	Engagement Channels
Investors & Media	• Announcements and news releases filed with Bursa Malaysia Securities Berhad and issued to analysts and media • Annual General Meeting • Dedicated Investor Relations webpage with announcements and reports relating to our financial results and annual reports • Engagement of key institutional investors through regular meetings
Tenants	• Regular feedback and engagement sessions • Partnership and participation in tenant's events
Customers	• Regular feedback/surveys by customers • On-ground events and activities • Engagement through various social media platforms
Local Communities	• Engagement through on-ground activities • Planned activities and visits to local charitable organisations • Engagement through various social media platforms • Industry training programme and internships
Suppliers and Contractors	• Regular engagement with contractors and suppliers on areas relating to quality, health & safety, and sustainability
Government Agencies & Regulators	• Regular dialogue with Government agencies • Participation in stakeholder consultations organised by Government agencies

ENVIRONMENT STEWARDSHIP

As a Group with businesses across a variety of industries, it is our responsibility to be mindful of how our business decisions can have an impact on our environment. As a business, we make efforts to reduce our impact on the environment and do our part to protect the vital environmental ecosystem.

We remain steadfast in our commitment to sustainable development and seek to operate in a way that minimises environmental harm. During the year under review, we have undertaken various initiatives and established internal targets to ensure that our environmental footprint is well-managed and comply with regulatory requirements.

Sustainability Statement
(continued)

Incorporating Green Aspects in our Operations

We look to increase the incorporation of green building designs, materials and techniques into our property development and construction projects as part of our efforts to improve our green rating and support the development of sustainable designs.

In our construction business, we look at ways to implement green features in our existing and new projects such as water-efficient system and rainwater harvesting methods. We use the Industrialised Building System (IBS) to improve quality, increase productivity and boost efficiency. We also adopt the use of unitised glass facade system as one of the IBS components where all the glass panels are fabricated off-site to reduce construction waste and control quality better.

We also highlight the green features in a Green Guide which we give to residents of the buildings so that they too are informed of the sustainability features incorporated, and will be encouraged to practice being green in their own home improvement initiatives.

We have also embarked on reducing paper usage across our organisation and rely instead on digitised scans for documents such as contracts, asset records, budgets, and other vital documentation. All these materials are uploaded and saved on a shared drive that can be easily accessed by the relevant employees. Where printing is required, we set a default duplex printing rule which automatically reduces approximately 10% of paper usage. Used paper and any collection of used materials from maintenance activities are segregated for recycling instead of being disposed of as normal waste.

Sustainable Water Conservation

Water conservation is an increasingly important aspect of consideration that the Group seeks to adopt within its various businesses. We have initiated water conservation programmes that impact ways of using water responsibly within our operations.

The new St Giles Southkey Hotel is expected to be launched in mid-2022, a delay from its expected launch in 2021 due to the pandemic. Upon its launch, the hotel will incorporate water dispensers at all guest room floors to minimise the use of single-use plastic water bottles that are typically placed in hotel rooms. It is estimated that at least half a million plastic water bottles are used per hotel per year. The water dispenser installation is certified safe for drinking with filtration up to 0.5 microns and compliant with NSF/ANSI 53 standards. In addition to our contribution to a greener environment, this will also result in cost savings. St Giles Southkey will be the first of our hotels to have this water dispenser installation and we are looking at implementing the same to all the other hotels within our portfolio on a progressive basis.

Stonor 3 Kuala Lumpur, our residential development in KLCC, was awarded the Gold GreenRE Certification in the Residential Category. The development scored well in the Water Efficiency category, covering fittings, usage monitoring and irrigation system, and landscaping. GreenRE is the leading green building certification tool developed by the industry for the industry in Malaysia, which focuses on six pillars of sustainability in assessing particular buildings or township projects.

We have made inroads in the water conservation efforts at all our businesses. For the year under review, we completed several upgrades to our water system where we readjusted water flow from 0.60MPa (Megapascal Pressure Unit) to 0.30MPa at all self-closing faucets in all common toilet hand basins in Menara Tan & Tan. This resulted in reduced water flow from 2.5 litres per minute to 1.9 litres per minute. In GTower, we adjusted the flushing systems in all toilets and urinals to optimise water usage.

We also improved water quality with the installation of a BACFREE water filtration system in Southpoint Properties, Centrepoint North and Centrepoint South.

Table 1: Annual Water Consumed and Saved

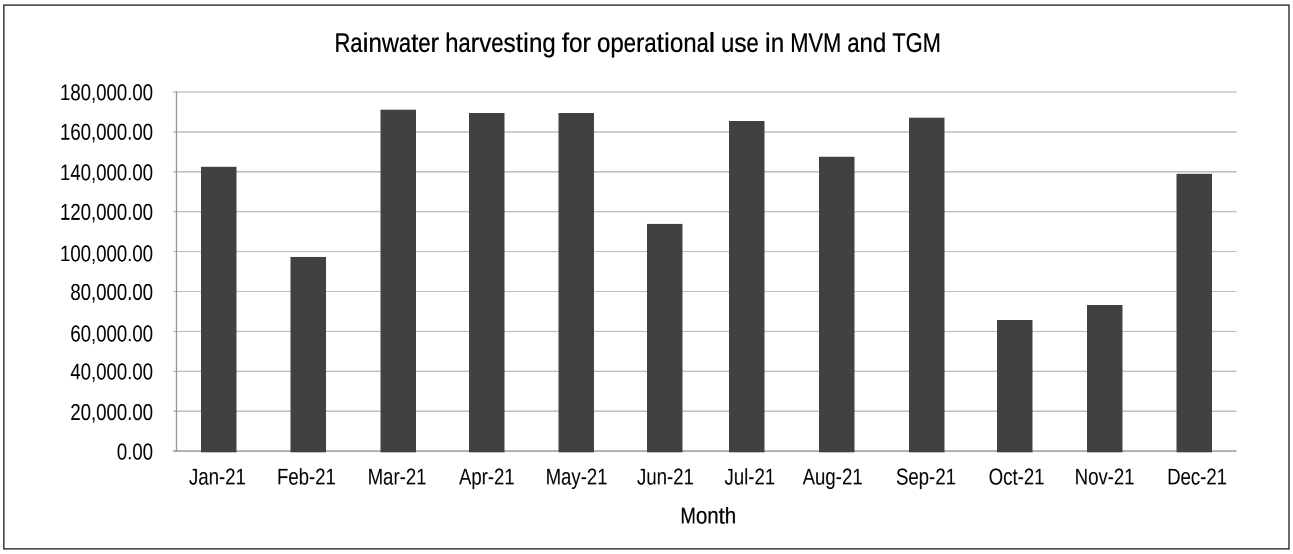
Building		2020 (m^3)	2021 (m^3)	% Change
Malls	Mid Valley Megamall	324,397	256,734	(21)
	The Gardens Mall	232,194	199,363	(14)
Golden Triangle Offices	GTower	92,292	66,420	(28)
	Menara Tan & Tan	26,697	18,930	(29)
	Hampshire Place Office	33,156	14,080	(57)
Mid Valley City Offices	Southpoint Properties	39,718	38,472	(3)
	Gardens South Tower	26,052	28,151	8
	Gardens North Tower	19,539	18,639	(4)
	Menara IGB & IGB Annexe	10,015	5,984	(40)
	Centrepoint North	12,537	6,343	(49)
	Centrepoint South	12,932	8,504	(34)

Sustainability Statement
(continued)

In total the malls and office buildings recorded up to 20% reduction in water consumption. While there is a reduction in water consumption in 2021, it must be highlighted that this was during the Covid-19 movement control order (MCO) which heavily reduced footfalls into malls and office workers were working from home.

In 2021, rainwater harvesting systems were installed in Mid Valley Megamall (MVM) and The Gardens Mall (TGM) to store rainwater for operational use. In total, 1,613,000 litres of rainwater were harvested, which was then used for all external watering.

Table 2: Monthly Rainwater Collection



In the China Water Group wastewater treatment plants (WWTP), we take cognisance of China's carbon and carbon neutrality goals which has increased in priority and profile. Our focus remains on ensuring the quality issue of the WWTP through adherence and compliance with the Industry and Nationals Standards and Practice. We have established the quality assurance procedures and continue to ensure ongoing reviews and inspection of the procedures as well as to conduct online monitoring of the quality of water discharged.

All plants are currently operating under the Class A category, with a combined daily capacity of 75,000m3. The team also ensures that the land surrounding the plants are free from industrial waste and polluted air, and the river water is clean for aquatic life to flourish. The team is targeting an increase in tariff for all plants next year.

Waste Management Efforts

The Group is committed in expanding the circular economy by embarking on resource recovery efforts, especially on recycling and waste management efforts, to reduce the diversion of waste to landfills. Waste generated by our construction business is disposed to approved authorities for onward recycling efforts.

In Coliv @ Damai Residence, we advocate recycling as a co-living value to be practised by the residents so that they can live together and enjoy the benefits of communal living through shared spaces. We placed three recycling bins for cans, paper and plastic on various floors to make it easy for them to access and recycle. These efforts were also supplemented with educational initiatives together with the set-up of a donation space so that residents could donate instead of throwing away their unwanted items indiscriminately. On average, 1,825 kg worth of recyclable waste was collected and channelled to the relevant recycling centres during the year in review.

The advocacy of recycling has also led to resident-initiated endeavours such as composting project whereby horticulture waste (such as vegetable peelings) could be easily turned into compost for gardening needs. These efforts have gone a long way not only to reduce unwanted waste but also to encourage residents to be self-sufficient through setting up a herb and vegetable garden. We continued with efforts to encourage ongoing waste and recycling activities by ensuring adequate number and access to recycling bins.

Sustainability Statement
(continued)

The summary of recyclable waste collected in 2021 for offices and malls is as below:

Table 3: Offices Recycled Waste Collected

Building	2020 (kg)	2021 (kg)
GTower	8,067	4,553
Menara Tan & Tan	1,691	1,229
Southpoint Properties	1,869	2,404
Gardens North Tower	1,998	1,658
Gardens South Tower	1,875	4,125
Menara IGB & IGB Annexe	89 (September-December 2020) recycle bins relocated to loading area	380.6
Centrepoint North	137 (September-December 2020)	356
Centrepoint South	194 (September-December 2020)	280

In MVM and TGM, we measured the volume of waste disposed by the number of pulls of standard-sized bins performed by the waste disposal contractor. Each bin measures 20 cubic yards. At a conversion of two tonnes per pull, the total amount of waste disposed from 2016, when we first started our sustainability reporting is as follows:

Table 4: Malls Annual Volume of Waste Disposed (2016 to 2021)

Year	Total Pulls	Total Tonnes	Change in Total Pulls (%)
2016	2,547	5,094	Base Year
2017	2,273	4,546	(10.8)
2018	2,087	4,174	(8.2)
2019	2,096	4,192	0.4
2020	1,711	3,422	(18)
2021	1,246	2,492	(27.2)

MVM and TGM have also actively carried out food composting efforts since 2012 which have continued unabated except during the period of March to May 2021 due to the MCO. The volume of food composted from 2016 to 2021 is set out below.

Table 5: Malls Annual Volume of Food Composted (2016 to 2021)

Year	Kg	% Change
2016	4,957	Base Year
2017	4,968	0.2
2018	2,827	(43.1)
2019	3,725	31.8
2020	2,518	(32.4)
2021	1,088	(56.8)

Energy Savings Initiatives

The Group continues to incorporate energy-saving designs and other features to reduce resource consumption and increase operational efficiency. We have made good progress in switching light fittings across our developments to energy-efficient lighting such as T5, PLC and light-emitting diodes (LED) for both standard lighting and specialised lighting. Together with this, we made a conscious effort to switch off lights at all vacant levels and cut down the timeframe when the lights are switched on at the lobby and toilets by two hours daily. This has resulted in energy savings as well.

We also installed LED downlights in all elevators and lift lobbies on the Ground Floor, Mezzanine Floor, Carpark CP1 and CP2 in Menara Tan & Tan which resulted in energy savings in running the elevators and lighting up the lift lobbies. We also retrofitted the existing water-cooled package unit cooling system to a chilled water plant cooling system, which is expected to achieve savings in electricity consumption.

Sustainability Statement
(continued)

We installed inverters on condenser water pumps in Southpoint Properties which result in energy savings from variable-speed operation based on load demand. At Menara IGB & IGB Annexe, the air-cooled chiller system was converted to a district cooling system which can also save electricity consumption.

A circuit separation on ceiling cove lights and downlights for all tenant lift lobbies and staircase lightings was installed to allow us to switch off a portion of the downlights and the cove lights after office hours in Centrepoint North and Centrepoint South. Additionally, we regulated the air conditioning air handling unit (AHU) fan motor speed to optimise airflow delivery to all air-conditioned spaces.

Coliv @ Damai Residence had motion sensor lighting installed in common areas such as the car park, lobby, lift lobby and balcony so that the lights only come on when there is movement. All lifts also come with a sleep mode feature to conserve energy when not in use. We made it easier for residents of Coliv @ Damai Residence who are keen to participate on the energy savings path and who opt for electric vehicles by fitting four charging stations, as well as providing bicycle racks for residents to encourage less fuel use.

We have made sound efforts to reduce the total energy consumed in the two malls that we operate. Energy makes up the highest cost for MVM and TGM, accounting for approximately 48% of the total operating cost for 2021. The electricity expenses for 2021 dropped to RM21.7 million from RM29.4 million in 2020. There was a 10% discount from Tenaga National Berhad for the year under review, amounting to a total of RM2.38 million.

Table 6: Electricity Consumption

Building		2020 (kwH)	2021 (kwH)	% Change
Mid Valley City Malls	Mid Valley Megamall	36,117,612	29,301,702	(19)
	The Gardens Mall	31,286,852	26,165,122	(16)
Golden Triangle Offices	GTower	7,514,346	6,456,788	(14)
	Menara Tan & Tan	2,905,528	2,502,098	(14)
	Hampshire Place Office	2,090,859	2,119,267	1
Mid Valley City Offices	Southpoint Properties	6,091,862	5,418,253	(11)
	Gardens South Tower	2,145,762	1,981,057	(8)
	Gardens North Tower	1,988,801	1,830,997	(8)
	Menara IGB & IGB Annexe	1,207,359	954,702	(21)
	Centrepoint North	742,363	628,019	(15)
	Centrepoint South	1,120,050	709,495	(36)

We remain committed to adopting innovative ways to continually reduce our energy consumption and monitor total electricity consumed on a monthly basis. This way, we are able to monitor any fluctuations in electricity usage and can investigate and take the steps needed to address any unusual increases.

SOCIAL WELLBEING

We aim to deliver sustainable value to our communities as it strengthens our social license to operate and be a responsible corporate citizen. As a conscientious organisation, we are mindful of our impact and influence on our communities and our people. We place a high value on the aspects of being connected and engaged through investing social value in the communities in which we operate, providing safety and a conducive work environment for our people, and working collaboratively with our partners and vendors, as well as our customers.

Health and Safety in Extraordinary Times

The nature of work and the workplace have changed tremendously, particularly in light of the Covid-19 pandemic that has underlined the operating landscape for the past two years. The health and safety of our employees, partners and local communities is the top priority for the Group, and we invested what was required to ensure that this priority was met and the health of people was safeguarded.

Across the Group and within its various businesses, we required everyone dealing with matters of the Group – be it our customers or our workforce - to adhere to the regulatory-issued health guidance and standard operating procedures. This included advocating for all our employees to be fully vaccinated and boosted where relevant, as required and mandated by the Ministry of Health, as well as providing them with masks, face shields and latex gloves. We elevated hygiene measures such as ensuring that all elevators were individually installed with air sanitisers to ensure proper circulation of clean air. The AHU at public areas and corridors were installed with industrial-size UV-C spectrum lights to ensure air-conditioned are sanitised.

Sustainability Statement
(continued)

In our hospitality businesses, we required our guests to be fully vaccinated and ensured that all rooms had safety kits comprising of face masks, sanitising towels and gloves. We also ensured that all rooms are sanitised with UV-C spectrum lights upon check-out and before new guests checked in. Thermal detectors are installed at every entry point into the hotel, restaurants and employee entrance to record body temperature. This allows for early detection of fever and mitigates the risk of infection.

In both MVM and TGM malls, we kept strict Standard Operating Procedures (SOP) to ensure frequent sanitisation of workspaces, including antimicrobial treatments on commonly touched surfaces, installed Perspex sectioning at work cubicles as well as thermal scanners at all entrances for both malls. Social distancing indicators were placed throughout the office spaces and the malls, along with handheld sanitisers. Employees at the mall were given personal protective equipment which included face masks and face shields. Suppliers and third-party services providers were also required to schedule mandatory testing for their outsourced employees.

Another form of support that we extended to our employees and to the community is to provide support for the mental stress that many have been experiencing since the pandemic started. Mental stress can come about due to new challenges, feelings of uncertainty, financial stress, balancing work and care for children/elderly at home, mandatory self-quarantining measures, and many more. MVM organised a unique SOP (Smiles only, please!) initiative in conjunction with our SMILE campaign to encourage people to celebrate the little things in life, uplift one another, and chose to look at the world from a positive perspective.

During the MCO, we provided face masks and shields, installed air purifiers, made available sanitiser spray guns in each department, and actively educated our employees on the importance of hygiene and physical distancing for everyone's safety.

We minimised the number of people allowed in our sales office and sites for viewing to a maximum of four people per appointment, spacing out the appointments with a one hour gap between each appointment and limiting each visit to one hour. The pandemic accelerated digital adoption of our marketing and promotional strategies where we leveraged digital marketing, virtual show unit tours, and virtual meetings and webinars as part of our engagement approach.

We also activated split operations teams between offices, alternate sites and work-from-home, implementing stringent procedures which include physical distancing, using personal protection equipment, constant health monitoring, travel declarations, deferring events requiring physical attendance and conducting a regular Covid-19 testing regime. Essential employees needed to operate the malls and other premises are placed on work rotation and are supported with meal deliveries on-site to minimise their exposure to potential risk.

We also conducted regular safety briefings, training, and inspections to ensure compliance with the Occupational Safety and Health Act, and to manage safety risks within our malls. This included fire drills, reviews of escape and exit routes, and quarterly reviews with the Health and Safety committee to assess incidents and improve on measures, where necessary. These efforts have seen a steady decline in the number of health and safety incidents in our malls.

Table 7: Reported Health and Safety Incidences among shoppers in TGM and MVM

Incidents/Cases	2016	2017	2018	2019	2020	2021
Death	-	-	-	1	-	2
Dangerous Occurrence	46	54	10	4	1	2
Injury	8	10	13	29	27	21
Near Misses	18	6	10	7	2	-
Occupational Poisoning or Disease	-	-	11	12	-	0
Motor Vehicle Accident or Property Damage	-	-	6	16	8	11
Total	72	70	50	69	38	35

In our construction business, over and above our regular stringent health and safety measures, we conducted regular toolbox meetings at the site to mitigate unsafe working environments and held regular safety committee meetings to discuss any unsafe act and compliance to regulations. We also conducted Covid-19 tests on construction workers every fortnight to ensure that their health status was continuously monitored.

Leveraging our Rooms and Premises to Support Community during Covid-19

We leveraged our empty hotel rooms at St Giles London hotel in the United Kingdom in partnership with the Westminster Council to offer accommodations to house the homeless as part of the City's Severe Weather Emergency Programme. We have reactivated this partnership for the current 2021/2022 winter season.

Meanwhile, at the St Giles Heathrow hotel, we remained partially open to cater for essential workers and returning residents needing to quarantine on arrival.

Sustainability Statement
(continued)

The Group supported the national vaccination programmes as the Government moved to open economies on a progressive basis. The first industrial vaccination centre for the Retail Industry Vaccination Programme (RiVAC) organised by Mid Valley City was held at Mid Valley Exhibition Centre from July to September. This programme targeted to vaccinate frontline workers in the retail economic sector. We were proud of the spirit of volunteerism demonstrated by our employees, whereby 87 of them participated in this programme as Volunteers to assist in managing the vaccination centre.

Contributing to Affected Communities

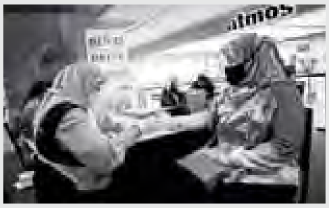
It was important that we supported the community, especially those affected financially by the impact of the pandemic on their livelihoods. At the Coliv @ Damai Residences, we organised a foodbank donation drive to help out the underprivileged who were affected by the pandemic.

The Group continues to support Persatuan Kebajikan HOPE Worldwide Malaysia, which helps underprivileged families and children, through our recycling efforts. Recycling bins were placed on every floor in our offices, and the money collected from these recycling items were donated to HOPE monthly. A total of RM5,955.72 from the recycling items sold was donated to HOPE Worldwide Malaysia in 2021.

At IGB International School, some students who had to study from home instead of being physically present at school faced difficulties as not all of them had the relevant communication devices such as laptops and tablets to participate in online learning. We loaned devices to these students so that they could continue with online classes, and supported teachers with the relevant tools to teach from home.

At MVM and TGM, we lent the spaces within the malls for various charitable causes for their campaigns as well as monetary donations.

MVM waived space rental fee of RM10,000 for a blood donation drive with TSM Charity Golf Foundation.



MVM collected charity funds from vouchers purchased by shoppers which were used to acquire essential items for Yayasan Chow Kit and Pusat Jagaan NURI during Hari Raya.

MVM donated essential items and daily necessities to Persatuan Rumah Caring and House of Hope & Light.

TGM supported the White Flag movement with a RM10,000 donation to Kembara Soup Kitchen, a social enterprise that supports the homeless and marginalised communities in Malaysia. The funds were channelled to the B40 community through food distribution and pandemic-related care.

Sustainability Statement
(continued)


TGM supported SURI, a social enterprise that empowers single mothers to earn a living by repurposing denim into household items, by donating RM10,000 and driving a denim donation drive, collecting 104 pieces of denim from shoppers.

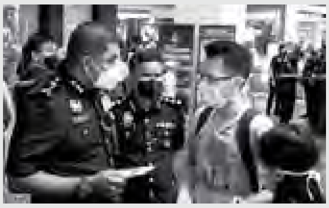
TGM organised a donation drive during the Christmas period for the two non-governmental organisations (NGO) Beautiful Gate Foundation and United Voice collecting RM1,370.88 from shoppers with a top-up of RM5,000 to each NGO by the mall.



MVM and TGM supported multiple blood donation drives by Pusat Darah Negara (PDN) and offered face masks to shoppers at a minimum of RM1. Proceeds went towards purchasing 460 pieces of Personal Protective Equipment (PPE) for PDN frontliners. The malls waived space rental fees of RM77,300.

IGB Commercial REIT supported the blood donation drive organised by KL HUNB and PDN.





MVM and TGM supported efforts by the Commercial Crime Investigation Department of the Kuala Lumpur Police Contingent Headquarters to drive awareness on commercial crimes, such as online scams and how not to be a victim.

Developing Our People

Motivated and dedicated employees are our greatest strength and the main drivers of our performance. The Group is committed to providing and supporting our talents with continuous opportunities for growth and development within a conducive workplace. Their sense of belonging and engagement is vital to achieving our collective objectives together.

Our employees receive comprehensive medical coverage, annual health and eye check-ups, and are provided with a health and dental medical card for outpatient and specialist treatments. They are also covered by the Group's Hospitalisation and Personal Accident insurance schemes on top of the coverage received from the Social Security Organisation (SOCSO).

The Group believes in promoting a diverse workforce that brings with it complementary skills and experience to enhance opportunities to create greater value for the organisation. Equal opportunity and non-discriminatory policies for recruitment, remuneration and promotions are instituted Group-wide. Our policies ensure that our employees, regardless of race, gender and age, are provided with a fair opportunity for growth and promotions at all times. We abide by the local labour laws, regulations and cultural practices where we operate.

Sustainability Statement
(continued)

Upskilling our People

Employees were given the opportunity to further enhance their skills and work knowledge at all levels throughout the year. In 2021, our employees spent a total of 6,877 hours on training programmes.

Table 8: IGB Training Programme

Type of Training	Total Training Hours	%
Technical	2,926	43
Safety	1,583	23
Communications	1,036	15
Problem Solving	392	6
Financial	139	2
Others*	798	12

*Notes: * Others include Compliance, Human Capital, Analytical and Digital Transformation*

The training hours have decreased from 8,488 hours to 6,877 hours from 2020 and 2021. This was due to the Covid-19 pandemic and physical distancing SOPs.

We also provide industry training programmes which allow students from local universities the opportunity to be exposed to working at various departments within the Group to gain relevant commercial work experience. In 2021, nine students from local universities joined us as industrial trainees, after which, one student was offered placement as a permanent employee after completing the internship programme.

Employees who wish to pursue longer-term certifications including diplomas and graduate-level programmes could do so and would receive support through a Tuition Reimbursement Scheme and for other forms of scholarship programmes available to employees at all levels.

Supporting our People in Hard Times

During the Covid-19 pandemic, we have activated business continuity plans to ensure the wellbeing and safety of our people. We practised split working team approaches between working-from-home and working-from-office. At places of work, physical distancing reminders were made throughout the whole year together with free masks and hand sanitisers. We also provided IT support for our people to manage their work arrangements.

In December 2021, we faced one of the worst floods to have affected the country in decades. We had many of our employees affected by the floods which ravaged their properties and homes. A donation drive was initiated to support our employees who were seriously affected by floods and a sum of RM13,586 was raised. The Group matched the donations raised and distributed a total of RM27,172 cash donations to the affected employees. Apart from the cash donation, contributions in the form of furniture, electrical appliances, clothing and food items were also given to the affected victims.

Providing Security

Many lives and livelihoods were affected due to the impact of the Covid-19 pandemic and we believe that we have a responsibility of keeping our employees, tenants and the community safe.

We increased the frequency of patrolling security personnel, introduced an escort service to the carparks of the buildings under our supervision, and enhanced the verification and registration protocols for contractors for the safety of tenants. To ensure the security team remains up to par, various training and education sessions were organised, so the security personnel are always prepared and equipped to face any issues that may compromise safety.

SOUND GOVERNANCE

The Group believes that sustainability is underlined by good corporate governance which defines the Group's commitment to our values and ethical business conduct. Good corporate governance further serves to align the incentives of all stakeholders and ultimately contributes towards sustainable growth.

Within the Group, corporate governance practices function as a basis for our corporate culture encompassing values, attitude and behaviour that we embrace in all areas of conduct, forming the foundation of our organisation's success. To ensure that we remain as a trusted partner to our stakeholders, we will continually maintain our proactive approach in observing high standards of corporate conduct whilst continually improving our corporate governance policies and practices.

Sustainability Statement
(continued)

Our commitment to good corporate governance is reflected in the Directors Code of Business Conduct and Ethics (CODE). Its core concepts of conducting business and operations are premised on the concepts of transparency, integrity and accountability. These are in compliance with the applicable laws and regulations, while adopting the highest standards of professionalism, integrity and ethics, which are cascaded down throughout the organisation.

We have in place an IGB Group Anti-Bribery and Corruption Policy and the IGB Group Whistleblowing Policy which reflects our commitment in driving the culture of openness, transparency and accountability as well as adopting a zero-tolerance approach to these areas.

For full view of our governance efforts, refer to the Corporate Governance Overview Statement which is on page 21 of the Annual Report.

OUR COMMITMENT FORWARD

The road to recovery from the impact of Covid-19 for the past two years is undoubtedly challenging. Our commitment to responsible and sustainable business management is, however, unwavering. The Group is committed to taking firmer steps ahead to continue with its journey to institutionalise sustainability tenets across our business and operations. This is key to our long-term viability as a business and to creating meaningful value for our stakeholders.

Financial Statements

For the Financial Year Ended 31 December 2021

Directors' Report
for the financial year ended 31 December 2021

The Directors are pleased to present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

DIRECTORS

The Directors who held office during the financial year and during the period from end of the financial year to the date of this report is as follows:

Tan Lei Cheng
Dato' Seri Robert Tan Chung Meng
Lee Chaing Huat
Daud Mah bin Abdullah @ Mah Siew Whye
Dato' Dr. Zaha Rina binti Zahari
Dato' Lee Kok Kwan (Appointed on 25.02.2022)
Tan Boon Lee (alternate Director to Dato' Seri Robert Tan Chung Meng)
Tan Mei Sian (alternate Director to Tan Lei Cheng)

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory financial statements and the said information is deemed incorporated herein by such reference and made part thereof.

PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the Group mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, selling and distribution of utilities, information and communication technology services, provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trusts.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The address of the principal place of business and registered office of the Company is as follows:

Level 32, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	239,325	2,220,265
Attributable to:		
Owners of the parent	161,845	2,220,265
Non-controlling interests	77,480	-
	239,325	2,220,265

Directors' Report
for the financial year ended 31 December 2021
(continued)

DIVIDENDS

Dividends declared and paid since the end of the previous financial year are as follows:

	RM'000
An Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per Redeemable Convertible Cumulative Preference Shares ("RCCPS")) for the six months period from and including 2 September 2020 up to and including 1 March 2021 was paid on 26 March 2021.	3,984
An Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 March 2021 up to and including 1 September 2021 was paid on 30 September 2021.	2,796
A Distribution-in-Specie ("DIS") of 539,003,729 Units of IGB Commercial Real Estate Investment Trust ("IGBCR") were distributed to Entitled Shareholders who subscribed for their entitlement to the Restricted Offer For Sale ("ROFS") Units on the basis of three (3) DIS Units for every two (2) ROFS Units subscribed. The IGBCR Units were credited to the Entitled Shareholders' account on 17 September 2021.	539,004
An Interim Single Tier dividend of 12.0 sen per ordinary share (comprising 2.0 sen dividend-in-specie by distributing 9,266,985 treasury shares and 10.0 sen per ordinary share paid by way of cash) for the financial year ended 31 December 2021 was paid on 24 December 2021.	110,946

On 25 February 2022, the Directors declared an Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2021 up to and including 1 March 2022 which was paid on 18 March 2022.

A Second Interim Single Tier dividend of 5.0 sen per ordinary share was declared for the financial year ended 31 December 2021 and paid on 18 March 2022.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the number of ordinary shares of the Company increased from 888,502,362 to 905,350,813 by the allotment of:

i) 16,848,451 ordinary shares arising from the conversion of 16,848,451 RCCPS at the conversion ratio 1:1 at issue price per share of RM3.28. The said conversion also resulted in the decrease of the number of RCCPS from 56,497,771 to 39,649,320.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 1 June 2021, approved the Company's plan to purchase its own shares up to a maximum of 10% of the total number of issued shares of the Company. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 3,708,000 of its ordinary share capital from the open market for RM7,129,091. The average price paid for these shares repurchased was RM1.92 per share.

An Interim Single Tier dividend of 2.0 sen dividend-in-specie was paid on 24 December 2021 by distributing 9,266,985 of the Company's treasury shares for RM21,478,911. The average cost of these shares was RM2.32 per share.

As at 31 December 2021, the number of outstanding ordinary shares in issue after the set off of treasury shares is 903,922,681 (2020: 881,515,245).

Directors' Report
for the financial year ended 31 December 2021
(continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments paid as disclosed in Note 8) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company a party to any arrangement whose object or objects was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares, debentures in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
In the Company	1.1.2021	Additions	Disposals	31.12.2021
Tan Lei Cheng				
Direct	17,007,282	176,194	-	17,183,476
Dato' Seri Robert Tan Chung Meng				
Direct	2,815,793	2,468,820	-	5,284,613
Indirect *	262,716,603	3,642,378	-	266,358,981
Daud Mah bin Abdullah @ Mah Siew Whye				
Direct	134,693	1,395	-	136,088
Tan Boon Lee				
Direct	8,406,245	2,681,248	-	11,087,493
Tan Mei Sian				
Direct	903,941	9,364	-	913,305

	Number of RCCPS[1]			
In the Company	1.1.2021	Additions	Converted	31.12.2021
Tan Lei Cheng				
Direct	-	254,400	-	254,400
Dato' Seri Robert Tan Chung Meng				
Direct	2,414,634	-	(2,414,634)	-
Tan Boon Lee				
Direct	2,567,560	-	(2,567,560)	-

1 *The RCCPS have been fully redeemed on 11 April 2022. Further information is disclosed in Note 37 to the financial statements.*

Directors' Report
for the financial year ended 31 December 2021
(continued)

DIRECTORS' INTERESTS (continued)

In GTower Sdn Bhd (subsidiary)	Number of ordinary shares			
	1.1.2021	Additions	Capital Reduction	31.12.2021
Tan Lei Cheng				
Direct	392,858	-	(391,287)	1,571
Tan Boon Lee				
Direct	428,571	-	(426,857)	1,714
Tan Mei Sian				
Direct	35,714	-	(35,571)	143

In IGB Real Estate Investment Trust (subsidiary)	Number of units			
	1.1.2021	Additions	Disposals	31.12.2021
Tan Lei Cheng				
Direct	1,853,742	-	-	1,853,742
Dato' Seri Robert Tan Chung Meng				
Direct	14,939,081	1,333,640	-	16,272,721
Indirect *	1,909,812,891	11,291,870	-	1,921,104,761
Tan Boon Lee				
Direct	1,705,025	-	-	1,705,025

In IGB Commercial Real Estate Investment Trust (subsidiary)	Number of units			
	Balance at 31.03.2021 (date of establishment)	Additions	Disposals	31.12.2021
Tan Lei Cheng				
Direct	-	21,266,680	-	21,266,680
Dato' Seri Robert Tan Chung Meng				
Direct	-	5,330,424	-	5,330,424
Indirect *	-	1,470,601,793	-	1,470,601,793
Tan Boon Lee				
Direct	-	14,464,100	-	14,464,100
Tan Mei Sian				
Direct	-	1,291,140	-	1,291,140
Daud Mah bin Abdullah @ Mah Siew Whye				
Direct	-	497,192	-	497,192

* *Deemed interest held by other corporations, by virtue of Section 8(4) of the Act.*

Other than as disclosed above, none of the Directors in office at the end of financial year held any interests in the shares in the Company or its related corporations during the financial year.

Directors' Report
for the financial year ended 31 December 2021
(continued)

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 8 to the financial statements.

INDEMNITY AND INSURANCE COSTS

The Group and the Company maintain multiple corporate liability insurance policies for the Directors and principal officers of the Group and the Company throughout the financial year, which provides appropriate insurance cover for the Directors and principal officers of the Group and the Company. The amount of insurance premium paid by the Group and the Company for the financial year ended 31 December 2021 amounted to RM121,510 (2020: RM121,510) and RM121,510 (2020: RM121,510) respectively.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and the Company were prepared the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

   (ii) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or

   (ii) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

(d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

(f) In the opinion of the Directors:

   (i) the results of the Group and the Company's operations during the financial year were not substantially affected by any item, transaction, or event of a material and unusual nature; and

   (ii) except as disclosed in Note 37, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

Directors' Report
for the financial year ended 31 December 2021
(continued)

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 7(c) to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2022.

Dato' Seri Robert Tan Chung Meng Group Chief Executive Officer	Lee Chaing Huat Director

Income Statements
for the financial year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	6	930,053	1,016,417	2,331,656	184,139
Cost of sales	7(a)	(499,594)	(539,967)	-	-
Gross profit		430,459	476,450	2,331,656	184,139
Other operating income	7(b)	229,081	41,489	1,610	2,691
Administrative expenses	7(c)	(184,470)	(198,659)	(48,408)	(41,218)
Other operating expenses	7(d)	(5,312)	(4,105)	(611)	(15,689)
Profit from operations		469,758	315,175	2,284,247	129,923
Finance income	9	34,226	26,286	3,965	4,528
Finance costs	9	(157,524)	(165,961)	(38,605)	(43,233)
Share of net profit/(loss) of associates and joint ventures	17	4,945	(27,837)	-	-
Profit before taxation		351,405	147,663	2,249,607	91,218
Taxation	10	(112,080)	(48,868)	(29,342)	(21,009)
Profit for the financial year		239,325	98,795	2,220,265	70,209
Attributable to:					
Owners of the parent		161,845	9,250	2,220,265	70,209
Non-controlling interests		77,480	89,545	-	-
Profit for the financial year		239,325	98,795	2,220,265	70,209

		Group 2021	Group 2020
Earnings per share (sen):			
Basic	11(a)	18.17	1.09
Diluted	11(b)	17.52	1.09

Statements of Comprehensive Income
for the financial year ended 31 December 2021

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	239,325	98,795	2,220,265	70,209
Other comprehensive income:				
Items that may subsequently be reclassified to profit or loss:				
Currency translation differences:				
Equity holders	2,496	25,304	-	-
Non-controlling interests	6	16	-	-
Share of other comprehensive income of associates and joint ventures	588	5,751	-	-
	3,090	31,071	-	-
Items that will not be subsequently be reclassified to profit or loss:				
Net change in financial assets at fair value through other comprehensive income	(3,992)	(20,282)	(3,992)	(20,282)
Other comprehensive (loss)/income for the financial year, net of tax	(902)	10,789	(3,992)	(20,282)
Total comprehensive income for the financial year	238,423	109,584	2,216,273	49,927
Attributable to:				
Owners of the parent	160,937	20,023	2,216,273	49,927
Non-controlling interests	77,486	89,561	-	-
Total comprehensive income for the financial year	238,423	109,584	2,216,273	49,927

Statements of Financial Position

as at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	1,506,761	1,531,545	1,320	2,364
Inventories	13	442,956	442,858	-	-
Investment properties	14	4,003,156	3,922,029	-	-
Intangible assets	15	5,393	5,921	-	-
Subsidiaries	16	-	-	7,677,145	6,383,127
Associates and joint ventures	17	490,582	907,004	-	-
Concession receivables	18	120,062	117,608	-	-
Deferred tax assets	19	41,058	43,955	-	-
Financial assets at fair value through other comprehensive income	20	68,360	72,352	68,360	72,352
Receivables and contract assets	22	243,913	389	-	-
Deposits, cash and bank balances	23	45,084	-	-	-
		6,967,325	7,043,661	7,746,825	6,457,843
CURRENT ASSETS					
Inventories	13	536,220	511,151	-	-
Concession receivables	18	5,289	4,753	-	-
Amounts owing from subsidiaries	30	-	-	67,121	56,863
Amounts owing from joint ventures	21	182	70	-	-
Receivables and contract assets	22	186,267	199,063	1,123	3,577
Tax recoverable		28,818	23,466	-	-
Cash held under Housing Development Accounts	23	12,707	9,455	-	-
Deposits, cash and bank balances	23	1,381,122	793,220	262,475	176,276
		2,150,605	1,541,178	330,719	236,716
TOTAL ASSETS		9,117,930	8,584,839	8,077,544	6,694,559

Statements of Financial Position

as at 31 December 2021
(continued)

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	24	1,393,859	1,338,596	1,393,859	1,338,596
Treasury shares	25	(3,310)	(17,660)	(3,310)	(17,660)
Redeemable Convertible Cumulative Preference Shares ("RCCPS")	24, 26	96,626	137,686	96,626	137,686
Other reserves	27	32,033	32,941	3,742	7,734
Retained earnings		2,321,788	2,120,197	5,655,177	4,044,762
		3,840,996	3,611,760	7,146,094	5,511,118
Non-controlling interests		281,463	62,047	-	-
TOTAL EQUITY		4,122,459	3,673,807	7,146,094	5,511,118
LIABILITIES					
NON-CURRENT LIABILITIES					
Payables and contract liabilities	28	17,833	18,286	-	-
Deferred tax liabilities	19	138,129	147,592	12,641	9,573
RCCPS	26	13,210	25,307	13,210	25,307
Interest bearing bank borrowings	29	2,705,792	2,337,148	803,500	1,129,700
		2,874,964	2,528,333	829,351	1,164,580
CURRENT LIABILITIES					
Payables and contract liabilities	28	643,945	656,555	6,347	2,050
Amounts owing to subsidiaries	30	-	-	82,444	369
Amounts owing to associates	21	4	8	-	-
Current tax liabilities		37,271	23,919	7,613	8,819
RCCPS	26	4,703	6,331	4,703	6,331
Interest bearing bank borrowings	29	1,434,584	1,695,886	992	1,292
		2,120,507	2,382,699	102,099	18,861
TOTAL LIABILITIES		4,995,471	4,911,032	931,450	1,183,441
TOTAL EQUITY AND LIABILITIES		9,117,930	8,584,839	8,077,544	6,694,559

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2021

		Attributable to owners of the parent							
Group	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 24) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2021									
At 1 January 2021		1,338,596	(17,660)	137,686	32,941	2,120,197	3,611,760	62,047	3,673,807
Comprehensive income									
Profit for the financial year		-	-	-	-	161,845	161,845	77,480	239,325
Other comprehensive (loss)/income		-	-	-	(908)	-	(908)	6	(902)
Total comprehensive (loss)/income for the **financial year**		-	-	-	(908)	161,845	160,937	77,486	238,423
Transactions with owners									
Issuance of ordinary shares		-	-	-	-	-	-	14,500	14,500
Transaction arising from listing of a subsidiary	36	-	-	-	-	165,768	165,768	397,762	563,530
Redemption of redeemable preference shares in a subsidiary		-	-	-	-	-	-	(10,236)	(10,236)
Capital reduction of a subsidiary		-	-	-	-	-	-	(27,888)	(27,888)
Share buy-back		-	(7,129)	-	-	-	(7,129)	-	(7,129)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		55,263	-	(41,060)	-	(5,513)	8,690	-	8,690
Dividends paid to ordinary shareholders	31	-	21,479	-	-	(110,946)	(89,467)	-	(89,467)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(241,771)	(241,771)
Changes in ownership interests in subsidiaries that do not result in a loss of control	16	-	-	-	-	(9,563)	(9,563)	9,563	-
Total transactions with owners		55,263	14,350	(41,060)	-	39,746	68,299	141,930	210,229
At 31 December 2021		1,393,859	(3,310)	96,626	32,033	2,321,788	3,840,996	281,463	4,122,459

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2020

Group	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 24) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the parent							
2020									
At 1 January 2020		886,344	(21,777)	502,531	22,168	2,225,106	3,614,372	97,309	3,711,681
Comprehensive income									
Profit for the financial year		-	-	-	-	9,250	9,250	89,545	98,795
Other comprehensive income		-	-	-	10,773	-	10,773	16	10,789
Total comprehensive income for the financial year		-	-	-	10,773	9,250	20,023	89,561	109,584
Transactions with owners									
Issuance of ordinary shares		-	-	-	-	-	-	14,568	14,568
Redemption of redeemable preference shares in a subsidiary		-	-	-	-	-	-	(10,236)	(10,236)
Shares buy-back		-	(12,632)	-	-	-	(12,632)	-	(12,632)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		452,252	-	(364,845)	-	(87,343)	64	-	64
Dividends paid to ordinary shareholders	31	-	16,749	-	-	(16,749)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	(139,222)	(139,222)
Changes in ownership interests in subsidiaries that do not result in a loss of control	16	-	-	-	-	(10,067)	(10,067)	10,067	-
Total transactions with owners		452,252	4,117	(364,845)	-	(114,159)	(22,635)	(124,823)	(147,458)
At 31 December 2020		1,338,596	(17,660)	137,686	32,941	2,120,197	3,611,760	62,047	3,673,807

Company Statement of Changes in Equity
for the financial year ended 31 December 2021

Company	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 24) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total equity RM'000
2021							
At 1 January 2021		1,338,596	(17,660)	137,686	7,734	4,044,762	5,511,118
Comprehensive income							
Profit for the financial year		-	-	-	-	2,220,265	2,220,265
Other comprehensive loss		-	-	-	(3,992)	-	(3,992)
Total comprehensive (loss)/income		-	-	-	(3,992)	2,220,265	2,216,273
Capital reduction in a subsidiary		-	-	-	-	45,613	45,613
Transactions with owners							
Shares buy-back		-	(7,129)	-	-	-	(7,129)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		55,263	-	(41,060)	-	(5,513)	8,690
Dividends paid to ordinary shareholders	31	-	21,479	-	-	(649,950)	(628,471)
Total transactions with owners		55,263	14,350	(41,060)	-	(655,463)	(626,910)
At 31 December 2021		1,393,859	(3,310)	96,626	3,742	5,655,177	7,146,094

Company Statement of Changes in Equity
for the financial year ended 31 December 2020

Company	Note	Share capital (Note 24) RM'000	Treasury shares (Note 25) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 24) RM'000	Other reserves (Note 27) RM'000	Retained earnings RM'000	Total equity RM'000
2020							
At 1 January 2020		886,344	(21,777)	502,531	28,016	4,077,653	5,472,767
Comprehensive income							
Profit for the financial year		-	-	-	-	70,209	70,209
Other comprehensive loss		-	-	-	(20,282)	-	(20,282)
Total comprehensive (loss)/income		-	-	-	(20,282)	70,209	49,927
Capital reduction in a subsidiary		-	-	-	-	992	992
Transactions with owners							
Shares buy-back		-	(12,632)	-	-	-	(12,632)
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		452,252	-	(364,845)	-	(87,343)	64
Dividends paid to ordinary shareholders	31	-	16,749	-	-	(16,749)	-
Total transactions with owners		452,252	4,117	(364,845)	-	(104,092)	(12,568)
At 31 December 2020		1,338,596	(17,660)	137,686	7,734	4,044,762	5,511,118

Statements of Cash Flows
for the financial year ended 31 December 2021

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Operating activities					
Cash receipts from customers		1,075,946	1,211,114	10,687	12,905
Cash paid to suppliers and employees		(633,634)	(746,815)	(48,737)	(49,472)
Cash flows from/(used in) operations		442,312	464,299	(38,050)	(36,567)
Dividends received		-	-	297,544	175,733
Interests received		-	-	3,679	3,092
Interests paid		(152,359)	(160,908)	(37,343)	(41,966)
Income taxes refunded		-	1,067	-	-
Income taxes paid		(110,646)	(85,212)	(27,228)	(20,621)
Net cash generated from operating activities		179,307	219,246	198,602	79,671
Investing activities					
Additional investment in:					
Subsidiaries	16	-	-	(160,020)	-
Associates and joint ventures	17	-	(1,793)	-	-
Additions in:					
Investment properties	14	(209,589)	(147,557)	-	-
Proceeds from disposal of:					
Joint ventures		338,569	-	-	-
Restricted offer for sale		359,336	-	359,336	-
Subsidiaries		-	2,600	-	2,600
Proceeds from redemption of preference shares in joint ventures		-	2,000	-	-
Property, plant and equipment:					
Additions	12	(27,680)	(97,089)	(164)	(1,291)
Disposals		1,256	825	5	-
Advances to subsidiaries:					
Advances		-	-	(401,690)	(141,317)
Repayments		-	-	326,000	139,550
Repayments from associates and joint ventures		1,736	18,210	-	-
Advances to associates and joint ventures		-	(4,231)	-	-
Interest received		28,226	20,802	-	-
Dividends received from associates and joint ventures		43,166	15,210	-	-
Dividends received from financial assets at fair value through other comprehensive income		20,180	11,108	-	-
Movement in pledged deposits		(13,407)	(1,483)	300	-
Proceeds from capital reduction of a subsidiary		-	-	111,552	7,000
Capital reduction of an associate		144	876	-	-
Movement of fixed deposits with maturity of more than 3 months		(333,032)	4,020	-	-
Net cash generated from/(used in) investing activities		208,905	(176,502)	235,319	6,542

Statements of Cash Flows
for the financial year ended 31 December 2021
(continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Financing activities					
Dividends paid to:					
Non-controlling interests		(106,712)	(140,814)	-	-
Ordinary shareholders	31	(89,467)	-	(89,467)	-
Holders of RCCPS	31	(6,780)	(19,261)	(6,780)	(19,261)
Purchase of treasury shares	25	(7,129)	(12,632)	(7,129)	(12,632)
Repayments of borrowings		(858,610)	(142,371)	(326,200)	(24,800)
Proceeds from borrowings		966,200	330,557	-	168,000
Repayments of lease		(408)	(407)	-	-
Settlement of redemption of redeemable preference shares		(10,236)	(10,236)	-	-
Issuance of new ordinary shares to non-controlling interests		14,500	14,568	-	-
Advances from subsidiaries:					
Advances		-	-	134,150	106,150
Repayments		-	-	(52,450)	(198,030)
Net cash (used in)/generated from **financing activities**		(98,642)	19,404	(347,876)	19,427
Net increase in cash and cash equivalents during the financial year		289,570	62,148	86,045	105,640
Currency translation differences		229	951	454	(368)
Cash and cash equivalents at 1 January		741,383	678,284	175,976	70,704
Cash and cash equivalents at 31 December	23	1,031,182	741,383	262,475	175,976

Non-cash transactions:
The principal non-cash transactions of the Group are as follows:
1. Additions to property, plant and equipment which remain unpaid as at 31 December 2021 is RM4.8 million.
2. Additions to investment properties which remain unpaid as at 31 December 2021 is RM9.3 million (2020: RM23 million).
3. An Interim Single Tier dividend of 2.0 sen dividend-in-specie was paid on 24 December 2021 by distributing 9,266,985 of the Company's treasury shares for RM21.4 million.
4. In previous financial year, the capitalisation of amounts due from associates and joint venture were RM28 million and RM62.8 million respectively as a net investment in associates and joint venture.

The principal non-cash transactions of the Company are as follows:
1. Dividend-in-specie in the form of IGBCR units amounted to RM2.10 billion (2020: Nil).
2. Dividend from IGB REIT and IGBCR amounting to RM37.6 million (2020: RM36.1 million) and RM13.7 million (2020: RM Nil) remained outstanding as at financial year end.

Statements of Cash Flows
for the financial year ended 31 December 2021
(continued)

The reconciliation of liabilities arising from financing activities is as follows:

Group	Borrowings RM'000	Redeemable Convertible Cumulative Preference Share RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2021	4,033,034	31,638	18,736	4,083,408
Cash flows:				
Interest paid	(152,317)	-	(42)	(152,359)
Proceeds from borrowings	966,200	-	-	966,200
Repayments of borrowings	(858,610)	-	-	(858,610)
Repayments of lease	-	-	(408)	(408)
Dividend paid	-	(6,780)	-	(6,780)
Non-cash changes:				
Amortisation of transaction cost	2,351	1,493	-	3,844
Interest charged during the financial year	152,751	-	42	152,793
Financing related expenses	(3,925)	-	-	(3,925)
Gain on modification of loan	(1,351)	-	-	(1,351)
Conversion to ordinary shares	-	(8,438)	-	(8,438)
Translation differences	2,243	-	-	2,243
At 31 December 2021	4,140,376	17,913	18,328	4,176,617
At 1 January 2020	3,843,479	48,871	19,143	3,911,493
Cash flows:				
Interest paid	(160,865)	-	(43)	(160,908)
Proceeds from borrowings	330,557	-	-	330,557
Repayments of borrowings	(142,371)	-	-	(142,371)
Repayments of lease	-	-	(407)	(407)
Dividend paid	-	(19,261)	-	(19,261)
Non-cash changes:				
Amortisation of transaction cost	1,714	2,050	-	3,764
Interest charged during the financial year	160,767	-	43	160,810
Conversion to ordinary shares	-	(22)	-	(22)
Translation differences	(247)	-	-	(247)
At 31 December 2020	4,033,034	31,638	18,736	4,083,408

Statements of Cash Flows
for the financial year ended 31 December 2021
(continued)

The reconciliation of liabilities arising from financing activities is as follows (continued):

Company	Borrowings RM'000	Redeemable Convertible Cumulative Preference Share RM'000	Amounts owing to subsidiaries RM'000	Total RM'000
At 1 January 2021	1,130,992	31,638	369	1,162,999
Cash flows:				
Interest paid	(36,802)	-	(541)	(37,343)
Repayments of borrowings	(326,200)	-	-	(326,200)
Dividend paid	-	(6,780)	-	(6,780)
Advances from subsidiaries	-	-	134,150	134,150
Repayments of advances received from subsidiaries	-	-	(52,450)	(52,450)
Non-cash changes:				
Interest charged during the financial year	36,502	-	541	37,043
Amortisation of transaction cost	-	1,493	-	1,493
Payment on behalf by subsidiary	-	-	375	375
Conversion to ordinary shares	-	(8,438)	-	(8,438)
At 31 December 2021	804,492	17,913	82,444	904,849
At 1 January 2020	988,878	48,871	92,440	1,130,189
Cash flows:				
Interest paid	(40,601)	-	(1,365)	(41,966)
Proceeds from borrowings	168,000	-	-	168,000
Repayments of borrowings	(24,800)	-	-	(24,800)
Dividend paid	-	(19,261)	-	(19,261)
Advances from subsidiaries	-	-	106,150	106,150
Repayments of advances received from subsidiaries	-	-	(198,030)	(198,030)
Non-cash changes:				
Interest charged during the financial year	39,515	-	1,365	40,880
Amortisation of transaction cost	-	2,050	-	2,050
Payment on behalf by subsidiary	-	-	(191)	(191)
Conversion to ordinary shares	-	(22)	-	(22)
At 31 December 2020	1,130,992	31,638	369	1,162,999

Notes to the Financial Statements
for the financial year ended 31 December 2021

1 GENERAL INFORMATION

The principal activities of the Group mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, selling and distribution of utilities, information and communication technology services, provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trusts. The principal activities of the Company during the financial year are those of investment holding and the provision of management services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in dealing with items that are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ from these estimates.

(i) Standards and amendments to standards and interpretation that are effective and are applicable to the Group and the Company

The Group and the Company have applied the following standards, amendments, and improvements for the first time for the financial year beginning on 1 January 2021:

- Amendments to MFRS 16 'COVID-19 – Related Rent Concessions'
- Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform – Phase 2'

The adoption of new standards and amendments did not have any material impact on the financial statements of the Group and the Company in the year of initial application and are not likely to affect future periods.

(ii) A number of new standards, amendments and improvements to standards and interpretation are effective for financial years beginning after 1 January 2021. None of these is expected to have significant effect on the financial statements of the Group and the Company:

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities'
- Amendments to MFRS 3 'Reference to Conceptual Framework'
- Amendments to MFRS 116 'Proceeds before intended use'
- Annual improvements to MFRSs 2018 – 2020 Cycle
- Amendments to MFRS 137 'Onerous contracts-cost of fulfilling a contract'
- Amendments to MFRS 101 'Classification of liabilities as current or non-current'
- Amendments to MFRS 101 and MFRS Practice Statement 2 and MFRS 108 on 'Disclosure of accounting policies' and 'Definition of Accounting Estimates'
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statements (see Note 2(e)(i) on goodwill).

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the income statement or other comprehensive income as appropriate.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation (continued)

(iv) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint ventures, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of results of joint ventures' in the income statement.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

(v) Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions, but not control over those policies.

Investments in associates are accounted for using equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in the statement of comprehensive income, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Consolidation (continued)

(v) Associates (continued)

Where the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the income statement.

(vi) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

(c) Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see Note 2(p) on borrowings and borrowing costs).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in the income statement during the financial years in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Buildings	25 to 50 years
Leasehold land	50 to 99 years
Plant and machinery	5 to 10 years
Furniture, fixtures, fittings and equipment	3 to 10 years
Motor vehicles	5 years

Depreciation on assets under construction commences when the assets are ready for their intended use.

Leased assets (including leasehold land) are presented as a separate category of assets in the property, plant and equipment. See accounting policy Note 2(i) on right-of-use assets for these assets.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2(f) on impairment of non-financial assets).

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in the income statement.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment properties

Investment properties, comprising principally land, development rights and buildings are held for long term rental yields or for capital appreciation or both, and are not substantially occupied by the Group. Building fittings that are attached to the buildings are also classified as investment properties. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see Note 2(p) on borrowings and borrowing costs).

Investment property is measured initially at cost, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2(f) on impairment of non-financial assets).

Freehold land is not depreciated as it has an infinite life. Assets under construction and land held for future development, both held for long-term rental yields or for capital appreciation or both, are depreciated when the assets are ready for their intended use. Investment properties are depreciated on the straight-line basis to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Right-of-use assets	80 to 99 years
Property investment – Retail	10 to 99 years
Property investment – Commercial	10 to 99 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Transfer of a property to, or from, investment property is only made when there is a change of use.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in the profit and loss.

Right-of-use assets that meet the definition of investment property

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 is presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group.

(e) Intangible assets

(i) Goodwill

Goodwill or negative goodwill represents the excess or deficit of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets whereas negative goodwill is recognised immediately in the statement of comprehensive income.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost to sell. Any impairment losses on goodwill is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose, identified according to operating segment (see Note 2(f) on impairment of non-financial assets).

Goodwill on acquisition of jointly controlled entities and associates is included in investments in jointly controlled entities and investments in associates. Such goodwill is tested for impairment as part of the overall balance.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets (continued)

(ii) Building software development costs

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) management intends to complete the intangible asset and use or sell it;
(iii) there is an ability to use or sell the intangible asset;
(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Research expenditure is recognised as an expense when incurred.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 5 years.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable (see Note 2(f) on impairment of non-financial assets).

(iii) Licenses

Acquired licenses are shown at historical cost. Licenses have finite useful lives and are carried at cost less accumulated amortisation and accumulated losses. Amortisation is calculated using the straight-line method to allocate the cost of the acquired licenses over their estimated useful lives of 25 years.

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment is charged to the statement of comprehensive income unless it reverses a previous revaluation, in which case it is charged to revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the statement of comprehensive income. Reversals of impairment loss is recognised immediately in the statement of comprehensive income and shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(g) Financial instruments

(i) Financial assets

<u>Classification</u>

The Group and the Company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassified debt investments when and only when its business model for managing those assets changes.

There are two measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other operating income/expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.

(ii) Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in other operating income/expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income/expenses, and impairment expenses are presented as separate line item in the other comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the income statement as revenue when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the income statement as applicable.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group and the Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's and Company's trade and other receivables, accrued billings, amounts due from related companies (subsidiaries, associates and joint ventures), contract assets, concession receivables and financial guarantee contracts are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified ECL was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, financial guarantee contracts issued, amount owing from subsidiaries, associates and joint ventures

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 3(b) sets out the measurement details of ECL.

(ii) Simplified approach for trade receivables, accrued billings, concession receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, accrued billings, contract assets and concession receivables.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:
- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement – Impairment (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:
- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL are measured on collective basis.

(i) Collective assessment

Trade receivables and contract assets arising from property development activities have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress for property development activities and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables and accrued billings from other sources and concession receivables have been grouped based on shared credit risk characteristics and the days past due.

(ii) Individual assessment

Trade receivables and contracts assets which are in default or credit-impaired are assessed individually.

Amounts due from related companies are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored for each entity.

Write-off

(i) Trade receivables, accrued billings, concession receivables and contract assets

Trade receivables, accrued billings, concession receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement – Impairment (continued)

Groupings of instruments for ECL are measured on collective basis. (continued)

Write-off (continued)

(ii) Other receivables and amounts owing from subsidiaries, associates and joint ventures

The Group and the Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(ii) Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial liabilities are recognised initially, they are measured at fair value, net, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group classifies its financial liabilities in the following categories: other financial liabilities and financial guarantee contracts. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(i) Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the other financial liabilities are derecognised, and through the amortisation process.

(ii) Financial guarantee contracts

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

(iii) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation specified in the contract is discharged or cancelled or expired.

(iv) **Financial instruments recognised in the statements of financial position**

The particular recognition method adopted for financial instruments recognised in the statements of financial position is disclosed in the individual accounting policy statements associated with each item.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(v) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the reporting date.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The fair value of financial assets and financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for each type of the financial liabilities of the Group.

The fair values for financial assets (less any estimated credit adjustments) and financial liabilities with a maturity of less than one year are assumed to approximate their fair values.

(vi) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(h) Service concession arrangement

A portion of the Group's assets are within the framework of concession contracts granted by the government ("the grantor"). In order to fall within the scope of concession contract, a contract must satisfy the following two criterias:

- The grantor controls or regulates what services the operator must provide with the infrastructure assets, to whom it must provide them, and at what price; and
- The grantor controls the significant residual interest in the infrastructure assets at the end of the term of the arrangement.

Such infrastructure assets are not recognised by the Group as property, plant and equipment but as financial assets as described below.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction and operating services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2(g)(i).

The Group recognises revenue from construction and operation of infrastructure assets in accordance with its revenue recognition policy set out in Note 2(t).

(i) Leases

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use (i.e. the commencement date).

Contracts may contain both lease and non-lease components. Consideration in the contract is allocated to the lease and non-lease components based on their relative standalone prices.

Lease term

In determining the lease term, facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option are considered. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The lease is reassessed upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affect whether the Group are reasonably certain to exercise an option not previously included in the termination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in measurement of these liabilities.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(a) Accounting by lessee (continued)

ROU assets

ROU assets are initially measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain measurement of the lease liabilities.

The Group presents ROU assets within 'Property, plant and equipment' and 'Investment Properties' in the statement of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:
- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase and extension options if it is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the income statement in the period in which the condition that triggers those payments occurs.

The Group presents lease liabilities within 'Payables and contract liabilities' in the statement of financial position. Interest expenses on the lease liability is presented within the finance cost in the income statement.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of twelve (12) months or less. Payments associated with short-term leases and low value leases are recognised on a straight-line basis as an expense in the income statement.

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(b) Accounting by lessor (continued)

Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to impairment under MFRS 9 'Financial Instruments'. In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises the lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the Group's statement of financial position based on the nature of the asset.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group provides incentives to the tenants, the cost of incentives is capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset and amortised over the lease term on the same basis as the rental income.

The Group offers rental supports, which are not required by the existing contractual terms contained in the original tenancy agreements and applicable laws and regulations, to tenants on a case by case basis. Depending on the circumstances of the rental supports granted, the rental supports are recognised by the Group in the following manner:

(a) rental supports granted on lease payments in advance of them being due are accounted for as a lease modification, as the rebate has changed the total lease consideration. The rebate granted is treated as a new operating lease at the effective date of modification, where lease income based on revised total lease consideration as a reduction of rental income is recognised in the income statement over the remaining lease term on a straight-line basis; and

(b) rental supports granted on lease payments that are contractually past due are accounted for as partial extinguishment of lease payments as the Group's contractual rights to these lease receivables has been waived. The rental support is recognised as a loss in the same period in which the reduction is contractually agreed.

Separating lease and non-lease components

As the tenancy agreements contain lease and non-lease components, the Group allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payment exceeds the services rendered, a contract liability is recognised.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction cost. They are subsequently measured at amortised cost using the effective interest method, less loss allowance (see Note 2(g)(i) on impairment of financial assets).

(k) Inventories

Cost is stated at the lower of historical cost and net realisable value.

(i) Completed properties

Cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

(ii) Hotel operating supplies

Cost is determined using the first-in, first-out method and comprises food and beverage, printing and stationeries and guestroom supplies.

(iii) Land held for property development

Land held for property development is stated at the lower of cost and net realisable value. The cost of land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's normal operating cycle.

(iv) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, land enhancement costs, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of the property development costs is subsequently recognised as an expense in the income statement when or as the control of the asset is transferred to the customer.

Property development costs for which work has been undertaken and development activities are expected to be completed within the Group's normal operating cycle, is classified as current asset.

(v) Other inventories

Cost is determined using the first-in, first-out method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(m) Share capital

(i) **Classification**

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument (see Note 2(p) on borrowings and borrowing costs and Note 2(x) on compound financial instruments).

(ii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(iii) Purchase of own shares

Where any company within the Group purchases the Company's equity instruments as a result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

(i) the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

(ii) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

(i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

(ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings and borrowing costs

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in the income statement over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility of which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets of the Group includes inventories and investment properties that take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the financial year in which they are incurred.

(q) Current and deferred income tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, associates and joint ventures operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Current and deferred income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference, the deferred income tax is not recognised.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in the equity or other comprehensive income, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefit from reinvestment allowance is recognised when the tax credit is utilised as a reduction of current tax and no deferred tax asset is recognised when the tax credit arises.

(r) Employee benefits

(i) **Short-term employee benefits**

Wages, salaries, bonuses, paid annual leave and sick leave and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related service are recognised in respect of employees' services up to the end of the financial year and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) **Defined contribution plans**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The defined contribution plan of the Group relates to the contribution by the Group to various defined contribution plans in accordance with local conditions and practices in the countries in which it operates the national defined contribution plan.

The Group's contributions to defined contribution plans are charged to the income statement in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) **Termination benefits**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Contingent assets and contingent liabilities

The Group does not recognise contingent assets and liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(t) Revenue/Income recognition

(i) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

When the Group has performed by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset. The Group's obligation to transfer goods or services to a customer for which the Group has received consideration in advance from customer is presented as contract liability.

Specific revenue recognition criteria for each of the Group's activities are as described below:

(i) <u>Revenue from hotel room and sale of food and beverages</u>

Hotel room revenue is accrued over time on customer-occupied rooms and the sales of food and beverage is recognised when the customer receives, the food and beverage product. Hotel room and sale of food and beverages revenue are recorded based on the published rates, net of discounts and when the Group has the present right to payment.

(ii) <u>Revenue from property development, comprising residential and commercial properties and construction contracts</u>

Property development, comprising residential and commercial properties are specifically identified by its plot, lot or parcel number as set out in the sale and purchase agreement.

Property development contract with customers may include multiple performance obligations as the property development may not be highly integrated. Therefore, the transaction price will be allocated to each performance obligation based on the standalone selling price or based on the expected cost plus margin.

Revenue from property development, comprising residential and commercial properties are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Revenue from property development is recognised over time when control of the asset is transferred over time when Group's performance:

- creates and enhances an asset that the customer controls as the property development is being performed; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue from construction contracts, which are highly integrated, are recognised as a single performance obligation. Revenue is recognised progressively based on the progress towards complete satisfaction of the performance obligation based on the inputs to the satisfaction of the performance obligation.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Revenue/Income recognition (continued)

(i) Revenue from contracts with customers (continued)

Specific revenue recognition criteria for each of the Group's activities are as described below: (continued)

(iii) Rendering of services and management fees

Service and management fees are recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for, the services. Other rent related and car park income is recognised upon services being rendered.

(iv) Revenue from service concession arrangement

The revenue from rendering of waste water treatment services set out in the concession arrangement is recognised over the period in which the services are rendered and the customer receives and consumes the benefits provided by the Group and the Group has a present right to payment for the services.

The revenue from construction of the wastewater treatment plant is recognised over the period of the construction as control of the asset transfers over time as the asset created has no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

(v) Car park revenue

Car park income is recognised upon services being rendered.

(vi) Utilities revenue

Revenue from electricity sales are recognised upon supply and distribution of electricity to the customer and the customer receives and consumes the electrical energy.

(vii) Service charges

Service charge is recognised upon services being rendered to the tenants over the lease term.

(viii) Others

Other revenue comprises of revenue from gym subscription fees. Revenue from delivering services on a time basis or as a fixed-price contract, with contract term is recognised in the period the services are provided, using a straight-line basis over the term of the contract.

Revenue is allocated to each performance obligation is based upon the relative fair value of the various elements. The fair value of each element is determined based on the current market price of each of the elements when sold separately. The revenue relating to the goods is recognised when the customer accepts the goods which occurs on delivery.

(ii) Lease income on operating leases

See Note 2(i)(b) on Leases – Accounting by lessors.

(iii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period of maturity, unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'other operating income or expense'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through OCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income, are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to the income statement, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in the income statement. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to the income statement.

Intercompany loans, where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Foreign currencies (continued)

(iv) Net investment hedge

The Group is exposed to foreign currency fluctuation risks arising from transactions denominated in foreign currencies and as part of the Group's risk management strategy, the Group has entered into a net investment hedge on its investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between the hedge instrument and hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedge transaction is highly effective in offsetting changes in foreign currency fluctuations of the hedged item.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains and losses accumulated in other comprehensive income are included in the income statement when the foreign operation is disposed of or sold.

(v) Deferred lease income

Deferred revenue represents leasing operations which will be recognised in the income statement upon expiry, utilisation or performance of services.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

(x) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to equity share capital at the option of the holder, and the number of equity shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity compound is recognised initially at the difference between the fair value of the compound financial instruments as a whole and the fair value of the liability component. Any directly attributable contribution costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity. The equity instrument component is subject to deferred tax liability which is charged directly to equity.

Upon conversion of the compound instrument into equity shares, the amount credited to ordinary share capital and share premium is the aggregate of the carrying amounts of the liability components classified within liability and equity component at the time of conversion. No gain or loss is recognised.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Contract assets and contract liabilities

Contract assets is the right to consideration for goods or services transferred to the customers. In the context of property development activities and educational services, contract assets are the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customers for which the Group has received the consideration or billed the customer. In the context of property development activities and educational services, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities includes down payments received from customers and unearned revenue from school fees.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and cash flow interest rate risk), credit risk, price risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risk

(i) **Foreign currency exchange risk**

The Group and the Company are exposed to foreign currency risk as a result of amounts owing to subsidiaries, advances to associates, advances to joint ventures, deposits with licensed banks and borrowings denominated in Great Britain Pound ("GBP"), Australian Dollar ("AUD") and United States Dollar ("USD"). Management regularly monitors the foreign exchange currency fluctuations.

As defined by MFRS 7 'Financial Instruments: Disclosure', currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

As of 31 December 2021, the Group's and the Company's GBP, AUD and USD denominated net monetary assets/(liabilities) are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net monetary assets/(liabilities) denominated in:				
GBP	605,964	85,396	-	-
AUD	28,337	28,879	-	-
USD	(9,747)	(27,948)	30,568	10,902

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Market risk (continued)

(i) **Foreign currency exchange risk (continued)**

The effects to the Group's and the Company's profit after tax and other component of equity, had these GBP, AUD and USD strengthened by 10% (2020: 10%) against RM are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Increase/(Decrease) to profit after tax if the currency had strengthened by 10% (2020: 10%)				
GBP	46,053	6,490	-	-
AUD	2,154	2,195	-	-
USD	(741)	(2,124)	2,323	829
Increase to other component of equity if the currency had strengthened by 10% (2020: 10%)				
USD	6,836	7,235	6,836	7,235

A 10% (2020: 10%) weakening of the above currencies against RM as at 31 December 2021 would have an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Except as disclosed above, other foreign currency exchange risks exposures are not material and did not have any significant impact on the financial statements of the Group and of the Company at 31 December 2021, hence sensitivity analysis is not presented.

(ii) **Cash flow interest rate risk**

The Group's and Company's cash flow interest rate risk arises from floating rate term loans, Medium Term Notes ("MTN") and revolving credits.

The information on maturity dates and effective interest rates of these borrowings is disclosed in Note 29.

The Group's and the Company's interest rate risk arise primarily from floating interest bearing borrowings. The Group closely monitors markets and output from various industry working groups on the transitions to new interest rate benchmark arising from the respective interest rate benchmarks reforms in various jurisdictions.

The impact on the Group's and the Company's profit after tax arising from changes in floating interest rates of the lenders by 25 (2020: 25) basis points arising from the Group's and the Company's floating rate term loan, MTN and revolving credits with all other variables being held constant, would be as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Increase/(Decrease) to profit after tax if:				
Increase by 25 (2020: 25) basis points	(5,561)	(5,352)	(1,527)	(2,146)
Decrease by 25 (2020: 25) basis points	5,561	5,352	1,527	2,146

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk

Credit risk arising from trade receivables and accrued billing

Credit risk arises when sales are made on deferred credit terms. The Group and the Company control these risks by the application of credit approvals, limits and monitoring procedures.

Credit risks are minimised and monitored by strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures. The Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

- Credit risk arising from property development activities

  The Group does not have any significant credit risk from their property development activities as their products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

  Credit risks with respect to trade receivables are limited as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid.

- Credit risk arising from property investment – commercial and retail

  Credit risk with respect to rental receivables is limited due to the nature of business which is predominantly rental receivables in advance. Furthermore, the tenants have placed security deposits in the form of cash or bank guarantees with the Group which acts as collateral if receivables due from the tenant are not settled or in case of breaches of contract. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and the Company's trade receivables.

The Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of trade receivables, accrued billing and contract assets. To measure the expected credit loss, the expected loss rates are based on the historical payment profiles of the receivables and the corresponding historical credit losses experienced, the impact assessment of the various Movement Control Orders ("MCO") implemented by the government arising from the Covid-19 pandemic and the targeted rental support given to eligible tenants of the retail malls and commercial office buildings, on a case-to case basis. The historical credit loss and default rates are adjusted to reflect current and forward-looking factors affecting the ability of the trade receivables to settle the receivables. The Group has identified the credit profile, cash flow sustainability, business outlook and performance of the tenants to be the most relevant forward-looking factors, especially during the prevailing economic uncertainties and challenging operating environment, and adjusted the historical credit loss and default rates based on expected changes in these factors.

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from trade receivables and accrued billing (continued)

Group

			Credit impaired balances		
	Not due RM'000	1-90 days RM'000	91-120 days RM'000	>121 days RM'000	Total RM'000
As at 31 December 2021					
Trade receivables (gross)	25,536	43,605	20,081	62,598	151,820
Accrued billing (gross)	7,488	-	-	-	7,488
Total	33,024	43,605	20,081	62,598	159,308
Expected credit loss*	(76)	(2,691)	(6,234)	(32,823)	(41,824)
Total (net)	32,948	40,914	13,847	29,775	117,484
As at 31 December 2020					
Trade receivables (gross)	39,939	51,447	18,623	8,093	118,102
Accrued billing (gross)	7,107	-	-	-	7,107
Total	47,046	51,447	18,623	8,093	125,209
Expected credit loss*	-	(17,747)	(9,645)	(7,091)	(34,483)
Total (net)	47,046	33,700	8,978	1,002	90,726

*For retail and commercial segments, the expected loss rate for receivables due more than 90 days and receivables that are under litigation are 100% and the Group takes into account security deposits and other collaterals in determining the expected credit loss. As at financial year end, such collaterals are sufficient to cover any unrecognised expected credit losses.

For receivables from concession arrangement, the Group considered the historical payments trend from the respective province's local authorities to determine the ECL and concluded that the ECL is not material.

Movement on the Group's provision for impairment of trade receivables was as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	34,483	5,963
Provision for impairment of receivables	28,741	34,779
Bad debts recovered	(55)	(135)
Uncollected receivables written off during the financial year	(109)	(177)
Reversal of impairment loss	(8,707)	(5,947)
Credit note issued for rental support provided	(12,529)	-
At 31 December	41,824	34,483

The increase in the loss allowance of RM7.3 million is due to increase in credit risk arising from lower receipt and recovery from the retail malls and commercial office building tenants impacted by the Covid-19 pandemic and resultant MCOs which caused temporary closure and disruption of business activities of the tenants.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group and the Company. Management will continuously monitor closely the trade receivables which are past due.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from other receivables and deposits

The Group's other receivables are not past due. The remaining other receivables are performing, and therefore the probability of default is low and ECL allowance is not material.

The Group's deposits mainly comprise deposits placed with utilities companies determined to have low credit risk, hence, the probability of default is low and ECL allowance is not material.

The movement on the Group's and the Company's provision for impairment which has been identified for specific other receivables and deposits are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	21,859	1,825	110	150
Provision for impairment	-	20,085	-	-
Reversal of impairment loss	(30)	(51)	(55)	(40)
At 31 December	21,829	21,859	55	110

Credit risk arising from concession receivables

Concession receivables was recognised to the extent that the Group has an unconditional right to receive cash for the construction and operating service of the water waste treatment plant. Credit risks are assessed to be low as the concession receivables are receivables from the respective province's local authorities and historically payments are received within the expected periods. Hence, the ECL allowance is not material.

Credit risk arising from amounts owing from associates

Credit risk with respect to amounts owing from associates are assessed to be low as the significant amounts owing from associates are companies which have sufficient liquid assets to repay the amounts due if demanded. For other amounts owing from associates comprising hotel owners and operators and property investment companies, the recovery strategies indicate that the associates would be able to repay the outstanding balance. Hence, the impact of ECL is immaterial.

Credit risk arising from amounts owing from joint ventures

Credit risk with respect to amounts owing from joint ventures are assessed to be low due to the nature of their property development and property investment activities, where the recovery strategies indicate that the joint ventures would be able to recover the outstanding balance through sale of its assets. Hence, the impact of ECL is immaterial.

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit-worthy financial institutions with high credit rating. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely and hence, the ECL allowance is not material.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk arising from amounts owing from subsidiaries

The Company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk except for amounts due from subsidiaries, which are repayable on demand. The Company has assessed that the subsidiaries have sufficient liquid assets to repay the loan if demanded. Therefore, there is no indication that the amounts are not collectible, hence the ECL allowance is not material.

Movement of the Company's provision for impairment of amounts owing from subsidiaries are as follows:

Company	2021 RM'000	2020 RM'000
At 1 January	20,631	16,593
Provision for impairment	-	4,569
Reversal of impairment	(904)	(531)
At 31 December	19,727	20,631

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries. Management is of the view that the financial guarantee contracts are unlikely to be called by the subsidiaries' banks. Balances as at financial year end are as follows:

Company	2021 RM'000	2020 RM'000
Corporate guarantees provided to banks on subsidiaries' facilities	202,650	111,170

Maximum exposure to credit risk

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statement of financial position other than trade receivables, whereby the information on collateral is disclosed above.

(c) Price risk

The Group and the Company is exposed to debt and equity securities price risk because of investments held by the Group and the Company and classified on the statement of financial position as fair value through other comprehensive income. To manage its price risk arising from investment in debt and equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. Thus, the exposure of price risk of the Group and the Company is minimal.

(d) **Liquidity and cash flow risks**

The Group and the Company actively manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

As at 31 December 2021, the Group and the Company held cash and cash equivalents of RM1,031.2 million (2020: RM741.4 million) and RM262.5 million (2020: RM176.0 million) respectively and undrawn credit facilities amounted to RM89.3 million (2020: RM224.0 million) and RM0.5 million (2020: RM50.5 million) respectively that are expected to readily generate cash inflows for managing liquidity risk.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity and cash flow risks (continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 3 years RM'000	Over 3 years RM'000	Total RM'000
2021					
Payables and contract liabilities (excluding deferred lease income, lease liabilities and contract liabilities)	602,920	-	-	-	602,920
Lease liabilities	500	500	500	17,500	19,000
Interest bearing bank borrowings	1,565,369	98,823	1,094,209	1,840,776	4,599,177
Amounts owing to associates	4	-	-	-	4
RCCPS	5,592	5,592	5,592	2,796	19,572
	2,174,385	104,915	1,100,301	1,861,072	5,240,673
2020					
Payables and contract liabilities (excluding deferred lease income, lease liabilities and contract liabilities)	617,361	-	-	-	617,361
Lease liabilities	450	500	500	18,000	19,450
Interest bearing bank borrowings	1,808,126	1,295,822	38,326	1,179,332	4,321,606
Amounts owing to associates	8	-	-	-	8
RCCPS	7,968	7,968	7,968	11,954	35,858
	2,433,913	1,304,290	46,794	1,209,286	4,994,283
Company					
2021					
Payables and contract liabilities (excluding deferred lease income and contract liabilities)	6,347	-	-	-	6,347
Interest bearing bank borrowings	25,310	25,310	25,310	825,573	901,503
Amounts owing to subsidiaries	82,444	-	-	-	82,444
Corporate guarantees provided to banks on subsidiaries' facilities	202,650	-	-	-	202,650
RCCPS	5,592	5,592	5,592	2,796	19,572
	322,343	30,902	30,902	828,369	1,212,516
2020					
Payables and contract liabilities (excluding deferred lease income and contract liabilities)	2,050	-	-	-	2,050
Interest bearing bank borrowings	36,564	36,564	36,564	1,179,332	1,289,024
Amounts owing to subsidiaries	369	-	-	-	369
Corporate guarantees provided to banks on subsidiaries' facilities	111,170	-	-	-	111,170
RCCPS	7,968	7,968	7,968	11,954	35,858
	158,121	44,532	44,532	1,191,286	1,438,471

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The debt to equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest bearing bank borrowings and RCCPS liabilities component less deposit, cash and bank balances. Total equity is as shown in the statement of financial position.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing net debt divided by total equity. Interest bearing liabilities is calculated as total interest bearing bank borrowings (including short-term and long-term borrowings), RCCPS as shown in the statement of financial position.

The gearing ratios were as follows:

	2021	2020
Group	RM'000	RM'000
Interest bearing liabilities	4,158,289	4,064,672
Less: Deposits, cash and bank balances (including cash held under Housing Development Accounts)	(1,438,913)	(802,675)
Interest bearing net debts	2,719,376	3,261,997
Total equity	4,122,459	3,673,807
Gearing ratio	0.66:1.00	0.89:1.00
Company		
Interest bearing liabilities	822,405	1,162,630
Less: Deposits, cash and bank balances	(262,475)	(176,276)
Interest bearing net debts	559,930	986,354
Total equity	7,146,094	5,511,118
Gearing ratio	0.08:1.00	0.18:1.00

The Group is subject to certain externally imposed requirements in the form of loan covenants. The Group monitor the compliance with loan covenants based on the terms of the respective loan agreements. The Group has complied with loan covenants during and as at the end of the financial year.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Financial instruments by category

Group	Financial assets at fair value through other comprehensive income (Equity instruments)	Financial assets at amortised cost	Total
2021	RM'000	RM'000	RM'000
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	68,360	-	68,360
Concession receivables	-	120,062	120,062
Other receivables (excluding prepayments)	-	243,898	243,898
Deposits, cash and bank balances	-	45,084	45,084
Current			
Concession receivables	-	5,289	5,289
Amounts owing from joint ventures	-	182	182
Trade and other receivables (excluding deferred lease incentives and prepayments)	-	159,927	159,927
Cash held under Housing Development Accounts	-	12,707	12,707
Deposits, cash and bank balances	-	1,381,122	1,381,122
Total	68,360	1,968,271	2,036,631

Group	Financial liabilities at amortised cost	Total
2021	RM'000	RM'000
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	2,705,792	2,705,792
RCCPS	13,210	13,210
Current		
Trade and other payables (excluding deferred revenue, lease liabilities and contract liabilities)	602,920	602,920
Interest bearing bank borrowings	1,434,584	1,434,584
Amounts owing to associates	4	4
RCCPS	4,703	4,703
Total	4,761,213	4,761,213

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Financial instruments by category (continued)

Group	Financial assets at fair value through other comprehensive income (Equity instruments)	Financial assets at amortised cost	Total
2020	RM'000	RM'000	RM'000
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	72,352	-	72,352
Concession receivables	-	117,608	117,608
Current			
Concession receivables	-	4,753	4,753
Amounts owing from joint ventures	-	70	70
Trade and other receivables (excluding deferred lease Incentives and prepayments)	-	132,585	132,585
Cash held under Housing Development Accounts	-	9,455	9,455
Deposits, cash and bank balances	-	793,220	793,220
Total	72,352	1,057,691	1,130,043

Group	Financial liabilities at amortised cost	Total
2020	RM'000	RM'000
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	2,337,148	2,337,148
RCCPS	25,307	25,307
Current		
Trade and other payables (excluding deferred revenue, lease liabilities and contract liabilities)	617,361	617,361
Interest bearing bank borrowings	1,695,886	1,695,886
Amounts owing to associates	8	8
RCCPS	6,331	6,331
Total	4,682,041	4,682,041

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Financial instruments by category (continued)

Company 2021	Financial assets at fair value through other comprehensive income (Equity instruments) RM'000	Financial assets at amortised cost RM'000	Total RM'000
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	68,360	-	68,360
Current			
Amounts owing from subsidiaries	-	67,121	67,121
Trade and other receivables (excluding prepayments)	-	1,121	1,121
Deposits, cash and bank balances	-	262,475	262,475
Total	68,360	330,717	399,077

Company 2021	Financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	803,500	803,500
RCCPS	13,210	13,210
Current		
Trade and other payables	6,347	6,347
Interest bearing bank borrowings	992	992
Amounts owing to subsidiaries	82,444	82,444
RCCPS	4,703	4,703
Total	911,196	911,196

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Financial instruments by category (continued)

Company	Financial assets at fair value through other comprehensive income (Equity instruments)	Financial assets at amortised cost	Total
2020	RM'000	RM'000	RM'000
Assets as per statement of financial position			
Non-current			
Financial assets at fair value through other comprehensive income	72,352	-	72,352
Current			
Amounts owing from subsidiaries	-	56,863	56,863
Trade and other receivables (excluding prepayments)	-	1,716	1,716
Deposits, cash and bank balances	-	176,276	176,276
Total	72,352	234,855	307,207

Company	Financial liabilities at amortised cost	Total
2020	RM'000	RM'000
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	1,129,700	1,129,700
RCCPS	25,307	25,307
Current		
Trade and other payables	2,050	2,050
Interest bearing bank borrowings	1,292	1,292
Amounts owing to subsidiaries	369	369
RCCPS	6,331	6,331
Total	1,165,049	1,165,049

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Fair values

Except for concession receivables (as disclosed in Note 18), the carrying amounts of financial assets and liabilities such as deposits, cash and bank balances, current receivables and payables approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's assets that are measured at fair value:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Level 3				
Financial assets at fair value through other comprehensive income: Equity securities	68,360	72,352	68,360	72,352

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Significant estimates and assumptions made by the Directors in preparing these financial statements are disclosed in the respective notes.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Impairment assessment of capital-work-in-progress

The Group performs impairment assessments of its investment properties and hotel properties under construction whenever circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is measured using the value-in-use method. Judgement is required in assessing the management inputs and assumptions used in the value-in-use calculations. Changes to any of these assumptions would affect the amount of impairment.

During the financial year, there is no material impairment recorded on the capital-work-in-progress. The information on the impairment assessments is included in Note 12(c).

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

5 SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Management has determined the operating segments based on the various reports prepared for the Board of Directors that are used to make strategic decisions.

The Group is organised into five main business segments:

(a) Property investment – retail - rental income and service charge from retail
(b) Property investment – commercial - rental income and service charge from office building
(c) Property development - development and sale of condominiums, bungalows, linked houses, shop lots and office suites and project management services
(d) Hotel - income from hotel operations
(e) Construction - civil and building construction

Other operations of the Group mainly comprise investment holding, sale of utilities, education services, wastewater treatment services, information and communication technology and other operations; none of which are of a significant size to be reported separately.

The revenue from the respective operating segments (property investment – retail, property investment – commercial, property development, hotel and construction) includes incidental revenue generated within the respective segments that have been reclassified by their nature for presentation within the revenue note.

The amounts provided to the Board of Directors with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

The allocated assets include all non-current and current assets except for tax recoverable, deferred tax assets and cash and bank balances held by the respective investment holding companies as they are managed centrally by the Group.

The allocated liabilities include all non-current and current liabilities except for provisions for tax and deferred tax liabilities and general borrowings as the Group manages these funds through a centralised function.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment

Group 2021	Property investment - retail RM'000	Property investment - commercial RM'000	Property development RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Total RM'000
Segment revenue	544,560	186,911	71,765	51,104	88,949	219,345	1,162,634
Inter-segment revenue	(57,791)	(17,843)	-	(431)	(88,949)	(67,567)	(232,581)
Revenue from external customers	486,769	169,068	71,765	50,673	-	151,778	930,053
Segment results	262,736	50,956	40,265	(56,013)	(4,559)	234,367	527,752
Unallocated corporate expenses							(57,994)
Profit from operations							469,758
Finance income	13,154	3,373	6,602	147	51	10,899	34,226
Finance costs	(91,851)	(17,556)	(3,341)	(2,025)	(12)	(42,739)	(157,524)
Share of results of associates and joint ventures	-	(2,141)	(17,129)	24,916	-	(701)	4,945
Profit before taxation							351,405
Taxation	(11,024)	(68,395)	(12,867)	12,548	589	(32,931)	(112,080)
Profit for the financial year							239,325
The timing of revenue from contract with customers							
- Point in time	-	-	66,155	11,729	-	-	77,884
- Over time	144,870	61,117	3,540	38,920	-	131,575	380,022
	144,870	61,117	69,695	50,649	-	131,575	457,906

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group 2021	Property investment - retail RM'000	Property investment - commercial RM'000	Property development RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Total RM'000
Other information							
Assets							
Segment assets	2,593,892	2,364,248	674,057	1,343,544	64,760	1,198,911	8,239,412
Associates and joint ventures	-	35,549	148,212	285,472	-	21,349	490,582
							8,729,994
Unallocated assets							387,936
Total assets							9,117,930
Liabilities							
Segment liabilities	2,451,061	1,027,736	120,124	17,321	143,222	968,176	4,727,640
Unallocated liabilities							267,831
Total liabilities							4,995,471
Incurred for the financial year:							
- Property, plant and equipment	595	322	61	30,898	15	639	32,530
- Investment properties	801	194,894	-	-	-	221	195,916
Depreciation:							
- Property, plant and equipment	3,039	2,883	717	35,038	96	7,511	49,284
- Investment properties	57,679	32,988	-	-	-	1,768	92,435
Amortisation:							
- Intangible assets	-	-	-	-	240	288	528
Write-off of:							
- Property, plant and equipment	10	1	1	-	-	-	12

The segmental financial information by geographical segment is not presented as the Group's activities are mainly carried out in Malaysia.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	627,051	197,927	60,645	75,604	175,537	393,136	1,529,900
Inter-segment revenue	(69,704)	(24,059)	-	(571)	(175,537)	(243,612)	(513,483)
Revenue from external customers	557,347	173,868	60,645	75,033	-	149,524	1,016,417
Segment results	309,641	77,642	35,867	(83,020)	(4,350)	37,678	373,458
Unallocated corporate expenses							(58,283)
Profit from operations							315,175
Finance income	9,430	922	4,183	1,448	48	10,255	26,286
Finance costs	(100,673)	(13,082)	(1,776)	(3,373)	-	(47,057)	(165,961)
Share of results of associates and joint ventures	-	278	1,757	(29,745)	-	(127)	(27,837)
Profit before taxation							147,663
Taxation	(11,246)	(18,717)	(8,267)	11,198	299	(22,135)	(48,868)
Profit for the financial year							98,795
The timing of revenue from contract with customers							
- Point in time	-	-	52,808	17,305	-	-	70,113
- Over time	157,006	61,516	4,027	57,705	-	138,278	418,532
	157,006	61,516	56,835	75,010	-	138,278	488,645

5 SEGMENT REPORTING (continued)

(a) Analysis by business segment (continued)

Group	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Total
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information							
Assets							
Segment assets	2,713,062	2,050,917	808,575	1,295,532	30,684	511,513	7,410,283
Associates and joint ventures	-	55,031	221,972	607,852	-	22,149	907,004
							8,317,287
Unallocated assets							267,552
Total assets							8,584,839
Liabilities							
Segment liabilities	2,417,926	419,806	106,639	120,527	194,693	1,388,930	4,648,521
Unallocated liabilities							262,511
Total liabilities							4,911,032
Incurred for the financial year:							
- Property, plant and equipment	552	1,623	171	69,530	5	2,515	74,396
- Investment properties	3,167	81,567	-	-	-	4,046	88,780
Depreciation:							
- Property, plant and equipment	4,402	3,284	837	41,122	143	7,134	56,922
- Investment properties	57,271	30,088	-	-	-	1,034	88,393
Amortisation:							
- Intangible assets	-	-	-	-	240	-	240
Write-off of:							
- Property, plant and equipment	242	4,110	6	1,214	-	254	5,826

The segmental financial information by geographical segment is not presented as the Group's activities are mainly carried out in Malaysia.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

6 REVENUE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Lease income:				
Retail malls	315,181	371,450	-	-
Commercial office buildings	109,646	116,271	-	-
Rent related	27,140	28,943	-	-
	451,967	516,664	-	-
Contracts with customers:				
Hotel room revenue	38,296	57,410	-	-
Property development revenue				
Sale of properties	54,552	52,399	-	-
Sale of land	11,604	409	-	-
Sale of food and beverages	11,729	17,305	-	-
Rendering of services	29,477	38,663	-	-
Service concession arrangement	65,060	58,365	-	-
Car park	34,285	39,645	-	-
Utilities	55,334	61,895	-	-
Management services	-	-	10,239	10,312
Service charges	155,299	160,569	-	-
Others	2,270	1,985	-	-
	457,906	488,645	10,239	10,312
Dividend income (gross)	20,180	11,108	2,321,417	173,827
	930,053	1,016,417	2,331,656	184,139
Revenue from contracts with customers is recognised by:				
Point in time	77,884	70,113	-	-
Over time	380,022	418,532	10,239	10,312
	457,906	488,645	10,239	10,312

Rental income included variable lease payments related to sales generated by tenants which approximates to 7.2% (2020: 9.4%) of the total lease income. There are no other variable lease payments that depend on an index or rate.

Total conditional rental supports granted by the Group under the rental support programme offered to eligible tenants affected by the COVID-19 pandemic amounted to RM134.5 million (2020: RM129.7 million), of which RM131.3 million (2020: RM97.9 million) was recognised as a reduction to lease income and service charge in the financial year. Conditional rental supports resulting in lease modification in the prior financial year is recognised over the lease term and the amount recognised during the financial year was RM11.0 million.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

7 PROFIT FROM OPERATIONS

(a) Cost of sales

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Inventories sold:				
- Land held for property development	771	-	-	-
- Property development cost	30,603	30,937	-	-
Assessment and quit rent	35,382	35,946	-	-
Utilities	105,031	119,141	-	-
Repair and maintenance	15,897	18,060	-	-
Depreciation of investment properties	92,435	88,393	-	-
Depreciation of hotel properties	33,374	40,427	-	-
Depreciation of right-of-use asset	1,572	588	-	-
Depreciation of intangible assets	528	240	-	-
Property maintenance	9,470	10,977	-	-
Cleaning and security services	17,506	20,123	-	-
Food and beverages	4,560	6,196	-	-
Commission	1,885	3,316	-	-
Staff cost				
- salaries, wages and bonus	73,247	78,810	-	-
- defined contribution plan	8,403	9,111	-	-
- other staff related expenses	8,100	9,827	-	-
Chemical costs for water treatment	37,174	35,183	-	-
Others	23,656	32,692	-	-
	499,594	539,967	-	-

(b) Other operating income

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unrealised foreign exchange gain	8,122	6,118	454	-
Realised foreign exchange gain	60	3,376	-	-
Bad debts recovered (Note 3(b))	55	135	-	-
Reversal of impairment loss				
- trade and other receivables (Note 3(b))	-	5,998	55	40
- amounts owing from subsidiaries (Note 3(b))	-	-	904	531
Gain on disposal of property, plant and equipment	652	47	-	-
Gain on disposal of subsidiary	-	2,100	-	2,100
Gain on disposal of associate	203,138	-	-	-
Forfeited deposits	802	5,559	-	-
Compensation from government	-	5,457	-	-
Other miscellaneous income	16,252	12,699	197	20
	229,081	41,489	1,610	2,691

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

7 PROFIT FROM OPERATIONS (continued)

(c) Administrative expenses

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	14,338	15,907	1,203	1,104
Provision for impairment:				
- trade and other receivables (Note 3(b))	20,004	54,864	-	-
- intangible assets (Note 15)	-	174	-	-
- investment in associates (Note 17(a))	70	216	-	-
Bad debts written off	109	177	-	-
Staff costs				
- salaries, wages and bonus	58,545	53,688	23,253	20,097
- defined contribution plan	8,034	6,965	2,466	2,105
- other staff related expenses	8,304	7,450	1,145	1,442
Directors' remuneration (Note 8)	19,546	14,695	9,273	6,802
Auditors' remuneration (statutory audit fees):				
- PricewaterhouseCoopers PLT Malaysia	1,495	1,375	262	304
- Firm other than member firm of PwC International Limited	190	186	-	-
Tax and other non-audit services:				
- PricewaterhouseCoopers PLT Malaysia	325	664	-	-
- PricewaterhouseCoopers Taxation Services Sdn Bhd	358	330	12	14
Legal and other professional fee	5,378	3,012	1,838	183
Repair and maintenance	6,145	6,420	-	-
Selling and marketing expenses	7,808	9,463	-	-
Low value/short-term leases				
- plant and equipment	176	219	-	-
- building	1,049	544	4,282	3,930
Assessment and quit rent	2,877	2,369	-	-
Other administrative expenses	29,719	19,941	4,674	5,237
	184,470	198,659	48,408	41,218

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

7 PROFIT FROM OPERATIONS (continued)

(d) Other operating expenses

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of a subsidiary	-	-	611	-
Loss on disposal of property, plant and equipment	189	1,440	-	1
Unrealised foreign exchange loss	2,953	-	-	368
Realised foreign exchange loss	9	-	-	-
Provision for impairment:				
- amount owing from subsidiaries (Note 3(b))	-	-	-	4,569
- investment in subsidiaries (Note 16)	-	-	-	10,727
Other operating expenses	2,161	2,665	-	24
	5,312	4,105	611	15,689

* Staff cost and defined contribution plan for the Group of RM2,720,076 (2020: RM3,924,451) and RM285,127 (2020: RM442,868) respectively were capitalised into inventory in progress and investment property in progress.

8 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by the Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fees	1,510	1,167	665	650
Salaries, bonus and allowances	16,199	12,139	7,700	5,509
Defined contribution plan	1,837	1,389	908	643
	19,546	14,695	9,273	6,802
Benefits-in-kind	125	135	80	95
	19,671	14,830	9,353	6,897

9 FINANCE INCOME AND COSTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
Deposits with licensed banks	19,530	16,472	3,598	3,162
Concession receivables	5,542	5,972	-	-
Late payments from tenants	8,455	3,261	-	-
Amount owing from subsidiaries	-	-	367	1,346
Others	699	581	-	20
Total finance income	34,226	26,286	3,965	4,528

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

9 FINANCE INCOME AND COSTS (continued)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest expense on:				
Term loans, revolving credits and Medium Term Notes	155,102	162,481	36,502	39,515
Redeemable Convertible Cumulative Preference shares (Note 26)	1,493	2,050	1,493	2,050
Amounts owing to subsidiaries	-	-	541	1,365
Lease liabilities	42	43	-	-
Others	887	1,387	69	303
Total finance costs	157,524	165,961	38,605	43,233
Net finance costs	123,298	139,675	34,640	38,705

The capitalisation rate used to determine the amount of finance costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the financial year which is 3.38% (2020: 3.33%). The finance cost capitalised has been disclosed in Note 12, 13, and 14.

10 TAXATION

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current tax:				
Malaysian tax	120,473	67,933	26,022	21,719
Foreign tax	(2,467)	(1,904)	-	-
	118,006	66,029	26,022	21,719
Deferred tax	(5,926)	(17,161)	3,320	(710)
	112,080	48,868	29,342	21,009
Current tax:				
Current financial year	113,778	65,121	25,397	23,326
Under/(Over) accrual in prior financial year	4,228	908	625	(1,607)
	118,006	66,029	26,022	21,719
Deferred tax: (Note 19)				
Origination and reversal of temporary differences	(5,532)	(16,294)	3,320	(710)
Over accrual in prior financial year	(394)	(867)	-	-
Tax expense	112,080	48,868	29,342	21,009

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

10 TAXATION (continued)

The reconciliation between the effective tax rate and the Malaysian tax rate are as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Malaysian tax rate	24	24	24	24
Tax effects of:				
Different tax rates	-*	-*	-	-
Share of results of associates and joint ventures	-*	5	-	-
Expenses not deductible for tax purposes	17	33	2	17
Income not subject to tax	(25)	(29)	(25)	(16)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(-)*	(1)	-	-
Current year tax losses and deductible temporary differences not recognised	-*	1	-	-
Under/(Over) accrual of tax in prior financial year	1	-*	-*	(2)
Tax effects from disposal of investment properties to IGB Commercial Real Estate Investment Trust	15	-	-	-
Temporary differences arising from RCPS and RCCPS	-*	-*	-*	-*
Effective tax rate	32	33	1	23

* The tax effects of these reconciling items are less than 1%

Pursuant to Section 61A of Malaysia Income Tax Act, 1967 (“Act”), income of IGB Real Estate Investment Trust (“IGB REIT”) and IGB Commercial Real Estate Investment Trust (“IGBCR”) will be exempted from tax provided that at least 90% of its taxable income (as defined in the Act) is distributed to the investors in the basis period of IGB REIT and IGBCR for that year of assessment within two (2) months after the close of financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two (2) months after the close of IGB REIT and IGBCR financial year which forms the basis period for a year of assessment, then IGB REIT and IGBCR will be subject to income tax at the prevailing rate on its total income. Income which has been taxed at the IGB REIT and IGBCR level will have tax credits attached when subsequently distributed to unit holders.

As the distributions to IGB REIT and IGBCR unitholders for the financial year ended 31 December 2021 are approximately 97.5% and 100% respectively (2020: 92.6%; Not applicable) of the total distributable income, no provision for income taxation has been made by IGB REIT and IGBCR for the current and prior financial year.

11 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note 25).

Group		2021	2020 Restated
Profit attributable to equity holders of the Company	RM’000	161,845	9,250
Weighted average number of ordinary shares in issue	’000	890,544	848,197
Basic earnings per share	sen	18.17	1.09

The comparative earnings per share has been restated pursuant to distribution of treasury shares as dividend-in-specie during the financial year.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

11 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

For diluted earnings per share of the Group, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares from maximum conversion of RCPS and RCCPS.

Group		2021	2020 Restated
Profit attributable to equity holders of the Company	RM'000	161,845	9,250
Add: Interest on RCCPS (2020: RCPS and RCCPS) saved as a result of conversion	RM'000	1,492	2,050
Less: Tax relief thereon	RM'000	(391)	(461)
Adjusted earnings	RM'000	162,946	10,839
Weighted average number of ordinary shares in issue	'000	890,544	848,197
Adjustments for potential dilutive ordinary shares on conversion of RCPS and RCCPS	'000	39,649	56,498
Weighted average number of ordinary shares for diluted earnings per share	'000	930,193	904,695
Diluted earnings per share	sen	17.52	1.09*

* The diluted earnings per share for the previous financial year is anti-dilutive. Accordingly, the diluted earnings per share for the previous financial year is presented as equal to basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	ROU assets - Leasehold land (Note 12(d)) RM'000	Hotel properties (Note 12 (a)) RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, **fixtures, fittings and** equipment RM'000	Motor vehicles RM'000	Capital **work-in-** progress RM'000	Total RM'000
Cost									
At 1 January 2021	59,478	22,651	1,598,685	207,930	73,376	102,985	7,847	176,468	2,249,420
Additions	-	-	6,342	-	115	1,334	183	24,556	32,530
Written off	-	-	-	-	-	(379)	-	-	(379)
Disposals	-	-	(9,261)	(245)	(431)	(298)	(885)	-	(11,120)
Reclassification	-	40,860	(36)	-	3,945	(3,945)	-	(40,824)	-
Transfer to investment properties	-	-	-	-	-	(15,543)	-	-	(15,543)
Currency translation differences	-	54	(5,883)	-	21	68	11	-	(5,729)
At 31 December 2021	59,478	63,565	1,589,847	207,685	77,026	84,222	7,156	160,200	2,249,179
Accumulated depreciation									
At 1 January 2021	-	2,219	523,134	40,995	66,936	78,028	6,563	-	717,875
Charge for the financial year	-	1,572	33,374	4,268	1,493	8,079	498	-	49,284
Written off	-	-	-	-	-	(367)	-	-	(367)
Disposals	-	-	(8,965)	(135)	(116)	(282)	(829)	-	(10,327)
Reclassification	-	-	-	-	3,896	(3,896)	-	-	-
Transfer to investment properties	-	-	-	-	-	(12,779)	-	-	(12,779)
Currency translation differences	-	32	(1,317)	-	-	7	10	-	(1,268)
At 31 December 2021	-	3,823	546,226	45,128	72,209	68,790	6,242	-	742,418
Net book value									
At 31 December 2021	59,478	59,742	1,043,621	162,557	4,817	15,432	914	160,200	1,506,761

Property, plant and equipment with net book value of RM80.05 million (2020:RM82.25 million) has been charged as security for borrowings as disclosed in Note 29. Included in the Group's property, plant and equipment's additions during the financial year were interest expense capitalised amounting to RM1.9 million (2020: RM0.7 million).

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

	Freehold land RM'000	ROU assets - Leasehold land (Note 12(d)) RM'000	Hotel properties (Note 12 (a)) RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, **fixtures, fittings and** equipment RM'000	Motor vehicles RM'000	Capital **work-in-** progress RM'000	Total RM'000
Cost									
At 1 January 2020	59,478	22,633	1,548,226	209,153	73,105	107,671	8,403	151,088	2,179,757
Additions	-	-	32,977	441	301	4,124	-	36,553	74,396
Written off	-	-	(1,490)	(425)	-	(12,884)	(208)	(5,237)	(20,244)
Disposals	-	-	(398)	(1,239)	(10)	(1,862)	(356)	-	(3,865)
Reclassification	-	-	-	-	-	5,936	-	(5,936)	-
Currency translation differences	-	18	19,370	-	(20)	-	8	-	19,376
At 31 December 2020	59,478	22,651	1,598,685	207,930	73,376	102,985	7,847	176,468	2,249,420
Accumulated depreciation									
At 1 January 2020	-	1,611	480,860	37,144	65,446	81,659	6,562	-	673,282
Charge for the financial year	-	588	40,427	3,963	1,491	9,895	558	-	56,922
Written off	-	-	(1,471)	-	-	(12,739)	(208)	-	(14,418)
Disposals	-	-	(386)	(112)	(1)	(792)	(356)	-	(1,647)
Currency translation differences	-	20	3,704	-	-	5	7	-	3,736
At 31 December 2020	-	2,219	523,134	40,995	66,936	78,028	6,563	-	717,875
Net book value									
At 31 December 2020	59,478	20,432	1,075,551	166,935	6,440	24,957	1,284	176,468	1,531,545

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(a) Hotel properties

Group	Freehold land RM'000	Hotel buildings RM'000	Plant and machinery RM'000	Furniture fittings and equipment RM'000	Total RM'000
At cost					
At 1 January 2021	156,953	1,017,755	131,076	292,901	1,598,685
Additions	-	160	183	5,999	6,342
Disposals	-	-	(11)	(9,250)	(9,261)
Reclassification	-	-	(36)	-	(36)
Currency translation differences	(1,255)	(4,002)	(482)	(144)	(5,883)
At 31 December 2021	155,698	1,013,913	130,730	289,506	1,589,847
Accumulated depreciation					
At 1 January 2021	-	163,694	116,594	242,846	523,134
Charge for the financial year	-	21,905	2,027	9,442	33,374
Disposals	-	-	(10)	(8,955)	(8,965)
Currency translation differences	-	(1,001)	(218)	(98)	(1,317)
At 31 December 2021	-	184,598	118,393	243,235	546,226
Net book value					
At 31 December 2021	155,698	829,315	12,337	46,271	1,043,621
At cost					
At 1 January 2020	152,846	1,005,697	129,376	260,307	1,548,226
Additions	-	96	158	32,723	32,977
Written off	-	(1,250)	(5)	(235)	(1,490)
Disposals	-	-	(30)	(368)	(398)
Currency translation differences	4,107	13,212	1,577	474	19,370
At 31 December 2020	156,953	1,017,755	131,076	292,901	1,598,685
Accumulated depreciation					
At 1 January 2020	-	141,585	104,323	234,952	480,860
Charge for the financial year	-	20,570	11,693	8,164	40,427
Written off	-	(1,250)	(5)	(216)	(1,471)
Disposals	-	-	(25)	(361)	(386)
Currency translation differences	-	2,789	608	307	3,704
At 31 December 2020	-	163,694	116,594	242,846	523,134
Net book value					
At 31 December 2020	156,953	854,061	14,482	50,055	1,075,551

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(b) Impairment assessment of hotel properties

The Group owns and operates hotel properties in Malaysia and overseas. During the financial year, the financial performance for the hotel segment of the Group reported a deficit due to the travel restrictions imposed by various government authorities in response to the Covid-19 pandemic. This gave rise to impairment indicators which required the Group to perform impairment assessments on the carrying amounts of the loss-making hotels properties. In assessing for impairments, each loss-making hotel is regarded as a separate cash-generating-unit ("CGU").

(i) Management's fair value less costs to sell ("FVLCTS") assessments

The fair value less costs to sell of a hotel property is estimated based on market approach by comparing the hotel property with similar properties that were transacted recently within the same location or other comparable localities. In comparing the properties, due consideration is given to factors such as location, size, building difference, improvements and amenities, time element, other relevant factors and the estimated costs of disposal to arrive at the value.

Based on the above impairment assessment, no impairment loss has been identified.

(ii) Management's value-in-use ("VIU") assessments

Management has assessed the recoverable amounts of certain hotel properties using the discounted cash flows projections based on the VIU method. Cash flows are projected based on developments in the market and the expected future performance, taking the Covid-19 pandemic into consideration. In carrying out the impairment assessment, two probability-weighted scenarios analysis are considered: primary and secondary case scenarios.

The following are the key assumptions used in determining the recoverable amounts of these hotel properties:

Assumptions	Primary scenario	Secondary scenario
	Descriptions	
Weightage	70%	30%
Growth rate - Average room rate ("ARR") - Occupancy rate	(Year 4 to Year 7) 2.0% per annum 5% per annum	(Year 3 to Year 7) 2.0% per annum 5% per annum
Occupancy rate on terminal year	56.5% to 77.6%	
Inflationary adjustments on other operating cost (Year 1 to Year 7)	1.5% to 2.0% per annum	
Capitalisation rates on terminal value	6.0% to 7.0%	
Discount rates	9.0% to 10.0%	
Covid-19 recovery period	3 years	
Covid-19 recovery period (Occupancy rate and ARR)	Occupancy rate and ARR are expected to gradually recover over the next two years before the business activity is estimated to resume to normalised level in the third year. Occupancy rate - 25% to 75% ARR - RM112 to RM668	

Based on the above impairment assessments, no impairment loss has been identified.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(c) Impairment assessment of capital work-in-progress ("CWIP")

The Group has CWIP consisting of two office buildings and one hotel tower with a total carrying amount of RM412.0 million (2020: RM396.3 million) as at 31 December 2021, of which RM252.5 million (2020: RM244.4 million) and RM159.5 million (2020: RM151.9 million) are classified as investment properties (Note 14) and property, plant and equipment respectively. The CWIP are scheduled to be completed in the financial year 2022 amid the on-going Covid-19 pandemic. The increase in the cumulative supply of premium office spaces and hotels where the CWIP are located coupled with the effects of prolonged movements and travel restriction imposed by the government in response to the Covid-19 pandemic will potentially have an adverse impact on the demand of spaces and its revenue. This give rise to impairment indicators which required the Group to perform impairment assessment on the carrying amounts of the CWIP. In assessing for impairments, each CWIP is regarded as a separate CGU.

The recoverable amounts are determined using the management's discounted cash flow projections based on the VIU method which factored expected cash flows to complete the CWIP. Two probability-weighted scenarios analysis are considered: primary and secondary case scenarios.

The key assumptions used by the management are as follows:

Assumptions	Primary scenario	Secondary scenario
	Descriptions	
Weightage	50%	50%
Property, plant and equipment CWIP		
- Occupancy rates - Average room rates	Year 1 (24.8%) to Terminal Year (79.2%) Year 1 (RM185) to Terminal Year (RM240)	Year 1 (19.8%) to Terminal Year (74.2%) Year 1 (RM185) to Terminal Year (RM240)
Discount rate	10%	10%
Capitalisation rate	7%	7%
Investment properties CWIP		
- Occupancy rates - Average room rates	Year 1 (0% - 30%) Year 2 (25%) to Terminal Year (85%) RM4.50 psf – RM5.00 psf	Year 1 (0% - 40%) Year 2 (30%) to Terminal Year (95%) RM4.50 psf – RM5.00 psf
Capitalisation rate	6.25%	6.25%

Based on the above impairment assessments, no impairment loss has been identified for the respective CWIP.

(d) Right-of-use assets – leasehold land

(i) The Group's leasing activities

The Group leases lands for its business operations. The leases comprise the following:

A. A land used for hotel business operations was leased for a period of 25 years. Upon expiration of the initial 25 years term, the Group shall have the option to renew the lease for a further 25 years at an annual rent to be mutually agreed with the lessor, and the option is exercisable only by the Group. In the event that the lease is terminated before the expiration of the tenure, the Group shall be liable to pay the lessor a sum equal to the annual rent for the remaining unexpired period.

B. A land used for hotel business operations was leased for a period of 99 years. There are no lease liabilities associated with the leasehold land as the payment was prepaid at inception.

C. Lands for the purpose of the Group's water treatment operations and other activities were leased for a period of 99 years. There are no lease liabilities associated with these leasehold lands as the payments were prepaid at inception.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

(d) Right-of-use assets – leasehold land (continued)

(ii) Lease liabilities (included in payables and contract liabilities)

Group	2021 RM'000	2020 RM'000
At 1 January	18,736	19,143
Add: Interest expense on discounting	42	43
Less: Lease payments	(450)	(450)
At 31 December	18,328	18,736
Represented by:		
Current	495	450
Non-current	17,833	18,286
At 31 December	18,328	18,736

(iii) Amounts recognised in income statements

Group	2021 RM'000	2020 RM'000
Depreciation of right-of-use assets	1,572	588
Interest expense (included in finance cost)	42	43
Low value/short-term leases (Note 7(c))	1,225	763

At Company level, the lease payments in respect of short-term leases recognised in income statement amounted to RM4.28 million (2020: RM3.93 million).

(iv) Amounts recognised in statements of cash flows

Group	2021 RM'000	2020 RM'000
Cash used in financing activities		
- Repayment of lease	408	407
- Interest paid	42	43
Cash used in operating activities		
- Low value/short-term leases (Note 7)	1,225	763

In addition to the impairment assessments of the Group's hotel properties and CWIP, the management has also performed impairment assessments on certain other property, plant and equipment that have impairment indicators during the financial year. No impairment loss has been identified.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Furniture, fixtures, fittings and equipment 2021 RM'000	2020 RM'000
Cost		
At 1 January	4,914	3,624
Additions	164	1,291
Disposals	(15)	(1)
At 31 December	5,063	4,914
Accumulated depreciation		
At 1 January	2,550	1,446
Charge for the financial year	1,203	1,104
Disposals	(10)	-
At 31 December	3,743	2,550
Net book value		
At 31 December	1,320	2,364

13 INVENTORIES

Group	Note	2021 RM'000	2020 RM'000
Non-current			
Land held for property development	(a)	442,956	442,858
Current			
At cost:			
Property development costs	(b)	284,663	228,892
At cost:			
Completed properties	(c)	250,107	280,710
Hotel operating supplies and raw materials		742	890
At net realisable value:			
Finished goods		708	659
		536,220	511,151

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

13 INVENTORIES (continued)

(a) Land held for property development (continued)

Group	Note	At cost RM'000	At net realisable value RM'000	Total RM'000
At 1 January 2021		269,536	173,322	442,858
Land and development costs				
Costs incurred during the financial year: Development costs		869	-	869
Costs recognised in income statement in current financial year		-	(771)	(771)
		869	(771)	98
At 31 December 2021		270,405	172,551	442,956
At 1 January 2020				
Land and development costs		268,878	173,322	442,200
Costs incurred during the financial year: Development costs		658	-	658
		658	-	658
At 31 December 2020		269,536	173,322	442,858

Land held for property development at cost of RM74.4 million (2020: RM74.3 million) have been charged as security for interest bearing bank borrowings as disclosed in Note 29.

(b) Property development costs

Group	Note	2021 RM'000	2020 RM'000
At cost			
At 1 January			
Land and development costs		228,892	187,280
Accumulated costs charged to income statements		-	-
		228,892	187,280
Add land and development costs:			
Costs incurred during the financial year		55,771	41,612
At 31 December		284,663	228,892

Property development costs are analysed as follows:

	Note	2021 RM'000	2020 RM'000
Land and development costs		284,663	228,892
Accumulated costs charged to income statements		-	-
		284,663	228,892
Land and development costs charged as security for borrowings	29	10,824	10,542
Interest costs capitalised as property development costs		109	91

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

13 INVENTORIES (continued)

(c) Completed properties

Group	2021 RM'000	2020 RM'000
At cost		
At 1 January	280,710	311,647
Disposals during the financial year	(30,603)	(30,937)
At 31 December	250,107	280,710

14 INVESTMENT PROPERTIES

Group	Right-of-use assets RM'000	Property investment -retail RM'000	Property investment -commercial RM'000	Capital **work-in-** progress RM'000	Total RM'000
Cost					
At 1 January 2021	163,131	2,860,312	1,646,364	266,682	4,936,489
Additions	221	801	156,555 [2]	38,339	195,916
Reclassification	88,020	-	-	(88,020)	-
Transfer from property, plant and equipment	-	-	15,543	-	15,543
Reversal of over accruals*	-	(25,118) [1]	-	-	(25,118)
At 31 December 2021	251,372	2,835,995	1,818,462	217,001	5,122,830
Accumulated depreciation					
At 1 January 2021	1,778	638,307	374,375	-	1,014,460
Charge for the financial year	3,963	57,679	30,793	-	92,435
Transfer from property, plant and equipment	-	-	12,779	-	12,779
At 31 December 2021	5,741	695,986	417,947	-	1,119,674
Net book value					
At 31 December 2021	245,631	2,140,009	1,400,515	217,001	4,003,156

[1] During the financial year, the total construction cost of Southkey Megamall has reduced by RM25.1 million due to the finalisation of construction contract final accounts with its contractors.

[2] The Group has acquired a new commercial office building from its joint venture company, Hampshire Properties Sdn. Bhd. as part of the listing of IGBCR. The details of the listing of IGBCR are disclosed under Note 36.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

14 INVESTMENT PROPERTIES (continued)

Group	Right-of-use assets	Property investment -retail	Property investment -commercial	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Cost					
At 1 January 2020	158,127	2,857,342	1,624,145	208,095	4,847,709
Additions	5,004	2,970	22,219	58,587	88,780
At 31 December 2020	163,131	2,860,312	1,646,364	266,682	4,936,489
Accumulated depreciation					
At 1 January 2020	-	581,351	344,716	-	926,067
Charge for the financial year	1,778	56,956	29,659	-	88,393
At 31 December 2020	1,778	638,307	374,375	-	1,014,460
Net book value					
At 31 December 2020	161,353	2,222,005	1,271,989	266,682	3,922,029

Management has performed impairment assessments on certain investment properties capital work-in-progress that have impairment indicator during the financial year. The information on the impairment assessments are included in Note 12(c).

Direct operating expenses from investment properties that generated rental income for the Group during the financial year were as follows:

Group	2021 RM'000	2020 RM'000
Depreciation of investment properties	92,435	88,393
Assessment and quit rent	29,174	29,461
Repair and maintenance	20,217	24,169
Staff costs	94,030	91,821
Utilities	53,424	66,645
Others	50,633	56,098
	339,913	356,587

Group	Fair value 2021 RM'000	Fair value 2020 RM'000	Level	Valuation technique
Retail malls	6,416,633	6,410,903	3	Income approach
Commercial properties	3,230,463	2,654,371	3	Income approach
Others	452,633	419,016	3	Income approach & market approach
Total	10,099,729	9,484,290		

The fair values of the investment properties above were estimated based on either valuation by independent qualified valuers or management's estimates.

The fair values of the investment properties above exclude investment properties amounting to RM8.2 million that are under construction in the early stages as the fair values of these properties are not expected to be reliably measurable until construction completes.

Notes to the Financial Statements
for the financial year ended 31 December 2021
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14 INVESTMENT PROPERTIES (continued)

The fair values of the investment properties are determined based on income approach and market approach using Level 3 inputs in the fair value hierarchy of MFRS 13 'Fair Value Measurement'. The fair values of investment properties based on income approach are derived from an estimate of the market rental which the investment properties can reasonably be let for. Outgoings are deducted from the annual rental income and thereafter, the net annual rental income is capitalised at an appropriate current market yield to arrive at its fair value. The fair values of investment properties based on market approach are derived from market evidence of transacted prices per square foot for similar properties in which the values have been adjusted for key attributes such as property size, location and date of transaction.

The Level 3 inputs (unobservable inputs) include:

<u>Income approach</u>

Term rental	-	the expected rental that the investment properties are expected to achieve and is derived from the current passing rental, including revision upon renewal of tenancies during the year;
Reversionary rental	-	the expected rental that the investment properties are expected to achieve upon expiry of term rental;
Car park income	-	refers to rental on car park bays;
Other income	-	comprising percentage rent, advertising income, utilities charges and others;
Outgoings	-	comprising assessment and quit rent, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement expenses and other general expenses;
Capitalisation rate	-	based on actual location, size and condition of the investment properties and taking into account market data at the valuation date based on the valuers' knowledge of the factors specific to investment properties;
Allowance for void	-	refers to allowance provided for vacancy periods, marketing and rent free periods; estimated price psf for which a property should exchange on the date of valuation.

<u>Market approach</u>

Price per square foot ("psf")	-	between a willing buyer and a willing seller.

Investment properties with net book value of RM3.14 billion (2020: RM1.99 billion) have been charged as security for borrowings as disclosed in Note 29.

Included in the Group's investment properties' additions during the financial year were interest expense capitalised amounting to RM3.9 million (2020: RM2.7 million).

15 INTANGIBLE ASSETS

Group 2021	Building software development cost RM'000	License RM'000	Total RM'000
Cost			
At 1 January	984	6,100	7,084
Written off	-	(100)	(100)
At 31 December	984	6,000	6,984
Accumulated amortisation			
At 1 January	169	820	989
Charge for the financial year	288	240	528
Written off	-	(100)	(100)
At 31 December	457	960	1,417
Accumulated impairment losses			
At 1 January/31 December	174	-	174
Net book value			
At 31 December	353	5,040	5,393

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

15 INTANGIBLE ASSETS (continued)

Group	Building software development cost	License	Goodwill	Total
2020	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January	2,215	6,100	14,238	22,553
Written off	(1,231)	-	(14,238)	(15,469)
At 31 December	984	6,100	-	7,084
Accumulated amortisation				
At 1 January	1,400	580	-	1,980
Charge for the financial year	-	240	-	240
Written off	(1,231)	-	-	(1,231)
At 31 December	169	820	-	989
Accumulated impairment losses				
At 1 January	-	-	14,238	14,238
Charge for the financial year	174	-	-	174
Written off	-	-	(14,238)	(14,238)
At 31 December	174	-	-	174
Net book value				
At 31 December	641	5,280	-	5,921

16 SUBSIDIARIES

Company	2021 RM'000	2020 RM'000
Investment in subsidiaries, at cost		
Quoted ordinary shares	3,991,014	2,791,124
Unquoted ordinary shares	3,604,604	3,610,524
Less: Accumulated impairment losses	(18,733)	(18,733)
	7,576,885	6,382,915
Advances to subsidiaries	100,260	212
Total	7,677,145	6,383,127

The market value of the quoted ordinary shares for IGB Real Estate Investment Trust ("IGB REIT") and IGB Commercial Real Estate Investment Trust ("IGBCR") are RM2.86 billion (2020: RM2.98 billion) and RM0.76 billion (2020: nil) respectively as at 31 December 2021.

As at 31 December 2021, the market value of the Group's equity interest of 52.02% (2020: Nil) in IGBCR, a Real Estate Investment Trust listed on the Main Market of Bursa Malaysia Securities Berhad was RM 762.50 million (2020: Nil) and the carrying value was RM 1.20 billion (2020: Nil). Based on the estimated realisable net asset value of IGBCR, management believes that no impairment is necessary despite the excess of the carrying value over the market value.

Ordinary shares of subsidiaries with a carrying value of RM1.48 billion (2020: RM2.06 billion) have been charged as security for borrowings as detailed in Note 29(a).

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

The changes to the Group's investment in subsidiaries during the financial year are as follows:

(i) The Group has two new subsidiaries during the financial year namely IGBCR and IGBCR's wholly-owned subsidiary, IGB Commercial REIT Capital Sdn Bhd. The details of the acquisition are disclosed in Note 36.

(ii) The Group's interest in IGB REIT and IGBCR increased from 53.22% to 53.36% and 52.00% to 52.02%* respectively due to the receipt of IGB REIT and IGBCR units by IGB REIT Management Sdn. Bhd., as consideration for property management services rendered during the financial year. As a result, the Group recognised additional non-controlling interests of RM9.1 million (2020: RM10.1 million) in respect of IGB REIT and RM5.6 million* (2020: Nil) in respect of IGBCR.

* *From 17 September 2021 to 31 December 2021*

(iii) The Group has via its subsidiary, Tan & Tan Developments Berhad, subscribed in the share of a new subsidiary ReU Living Sdn. Bhd. for a total consideration of RM130,000.

Set out below are the summarised financial information of Cipta Klasik (M) Sdn. Bhd. ("CKSB"), Southkey Megamall Sdn. Bhd. ("SKM"), IGBCR and IGB REIT, four subsidiaries that have material non-controlling interests and are based on amounts before intercompany eliminations with the Company.

	CKSB	SKM	IGBCR	IGB REIT
	2021	2021	2021	2021
	RM'000	RM'000	RM'000	RM'000
Proportion of ordinary shares and voting rights held by non-controlling interests (%)	30.00	30.00	47.98	46.64
(a) Summarised income statement and statement of other comprehensive income:				
Net profit/(loss) for the financial year	14,213	(24,990)	9,962	177,616
Total comprehensive income/(loss) for the financial year	14,213	(24,990)	9,962	177,616
Total comprehensive income/(loss) attributable to non-controlling interests	4,264	(7,497)	4,780	82,840
Dividends paid to non-controlling interests	-	-	12,711	100,502
(b) Summarised statement of financial position:				
Current assets	199,039	137,336	98,301	270,471
Current liabilities	(26,557)	(137,836)	(129,463)	(1,428,524)
Net current assets/(liabilities)	172,482	(500)	(31,162)	(1,158,053)
Non-current assets	8,271	1,344,377	1,535,579	833,366
Non-current liabilities	-	(1,005,595)	(847,196)	-
Net non-current assets	8,271	338,782	688,383	833,366
Net assets/(liabilities)	180,753	338,282	657,221	(324,687)
Attributable to:				
Owners of the parent	126,527	236,797	341,904	(173,080)
Non-controlling interests	54,226	101,485	315,317	(151,607)
	180,753	338,282	657,221	(324,687)

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	CKSB 2021 RM'000	SKM 2021 RM'000	IGBCR 2021 RM'000	IGB REIT 2021 RM'000
(c) Summarised statement of cash flows:				
Net cash flow generated from operating activities	40,093	38,974	117,126	257,198
Net cash flows generated from/(used in) investing activities	303	3,062	(869,031)	7,974
Net cash flows (used in)/generated financing activities	(34,390)	(35,452)	845,359	(264,555)
Net increase in cash and cash equivalents during the financial year	6,006	6,584	93,454	617
Cash and cash equivalents at 1 January	38,792	62,848	-	192,764
Cash and cash equivalents at 31 December	44,798	69,432	93,454	193,381

The non-controlling interest of the other subsidiaries totalling of RM38.0 million (2020: RM36.0 million) were individually immaterial.

	CKSB 2020 RM'000	SKM 2020 RM'000	IGB REIT 2020 RM'000
Proportion of ordinary shares and voting rights held by non-controlling interests (%)	30.00	30.00	46.78
(a) Summarised incomes statement and statement of comprehensive income:			
Net profit/(loss) for the financial year	13,128	(28,127)	214,261
Total comprehensive income/(loss) for the financial year	13,128	(28,127)	214,261
Total comprehensive income/(loss) attributable to non-controlling interests	3,938	(8,438)	100,231
Dividends paid to non-controlling interests	-	-	112,545
(b) Summarised statement of financial position:			
Current assets	230,894	150,859	257,324
Current liabilities	(42,574)	(1,183,792)	(220,612)
Net current assets/(liabilities)	188,320	(1,032,933)	36,712
Non-current assets	12,340	1,403,498	856,900
Non-current liabilities	-	(7,295)	(1,199,545)
Net non-current assets/(liabilities)	12,340	1,396,203	(342,645)
Net assets/(liabilities)	200,660	363,270	(305,933)
Attributable to:			
Owners of the parent	140,462	254,289	(162,818)
Non-controlling interests	60,198	108,981	(143,115)
	200,660	363,270	(305,933)

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	CKSB 2020 RM'000	SKM 2020 RM'000	IGB REIT 2020 RM'000
(c) Summarised statement of cash flows:			
Net cash flows generated from operating activities	57,228	59,508	287,070
Net cash flows generated from/(used in) investing activities	1,142	(50,329)	5,630
Net cash flows used in financing activities	(79,242)	(47)	(297,024)
Net (decrease)/increase in cash and cash equivalents during the financial year	(20,872)	9,132	(4,324)
Cash and cash equivalents at 1 January	59,664	53,716	197,088
Cash and cash equivalents at 31 December	38,792	62,848	192,764

Details of the subsidiaries are as follows:

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Elements Integrative Health Sdn. Bhd.	Integrated healthcare and wellness	Malaysia	100.00	100.00
	GoldChina Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Goldis Capital Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	Goldis Water Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Goldis Yu Sdn. Bhd.	Provision of money lending services to related companies	Malaysia	100.00	100.00
	GTower Sdn. Bhd.	Property investment holding	Malaysia	80.00	80.00
	G Fish (Asia) Sdn. Bhd. [1]	Aquaculture operations	Malaysia	96.67	96.67
	IGB Corporation Berhad	Investment holding and property development	Malaysia	100.00	100.00
*	IGB Digital Sdn. Bhd.	Research and development of automated facilities management solution system	Malaysia	100.00	100.00
	IGB Commercial Real Estate Investment Trust [2]	Real estate investment trust	Malaysia	52.02	-
	IGB Real Estate Investment Trust [3]	Real estate investment trust	Malaysia	53.36	53.22
	Lautan Bumimas Sdn. Bhd.	Dormant	Malaysia	51.00	51.00
	Multistock Sdn. Bhd. *(Under members' voluntary winding-up)*	Investment trading and investment holding	Malaysia	100.00	100.00
	Silver Sanctuary Sdn. Bhd. *(Under members' voluntary winding-up)*	Property investment holding	Malaysia	100.00	100.00
	Steady Paramount Sdn. Bhd.	Property investment holding	Malaysia	100.00	100.00
	Triple Hallmark Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	<u>Held by Elements Integrative Health Sdn. Bhd.</u>				
	Elements Wellness Sdn. Bhd.	Wellness consultation and health services	Malaysia	100.00	100.00
	Elements Medical Fitness Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	<u>Held by GoldChina Sdn. Bhd.</u>				
*	Crest Spring Pte. Ltd.	Investment holding	Singapore	100.00	100.00

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Held by Crest Spring Pte. Ltd.				
*	Crest Spring (Shanghai) Co. Ltd.	Provision of engineering services for pure water and wastewater treatment plants and related services	The People's Republic of China	100.00	100.00
*	New Water Co. Ltd.	Concession for management, operations and maintenance of wastewater treatment plant	The People's Republic of China	100.00	100.00
	Held by Crest Spring (Shanghai) Co. Ltd.				
*	Jiang Su Crest Spring Co. Ltd.	Investment holding and consultancy services in water treatment	The People's Republic of China	100.00	100.00
*	Lianyungang Ganyu Xin Cheng Sewage Treatment Co. Ltd.	Concession for management, operations and maintenance of wastewater treatment plant (Note 18)	The People's Republic of China	100.00	100.00
*	Yantai Xin Cheng Wastewater Treatment Co. Ltd.	Concession for management, operations and maintenance of wastewater treatment plant	The People's Republic of China	100.00	100.00
	Held by Goldis Water Sdn. Bhd.				
*	Goldis Water Pte. Ltd.	Investment holding	Singapore	100.00	100.00
	Held by Goldis Water Pte. Ltd.				
*	Souchong XinCheng Waste Water Co. Ltd.	Concession for management, operations and maintenance of wastewater treatment plant	The People's Republic of China	100.00	100.00
	Held by G Fish (Asia) Sdn. Bhd.				
	OM3 Fish (Asia) Sdn. Bhd.	Dormant	Malaysia	96.67	96.67
	OM3 Fish Development Sdn. Bhd.	Dormant	Malaysia	96.67	96.67
	OM3 Fish Services Sdn. Bhd.	Dormant	Malaysia	96.67	96.67
	Held by IGB Commercial Real Estate Investment Trust				
	IGB Commercial REIT Capital Sdn. Bhd. [12]	Special purpose vehicle to raise financing	Malaysia	52.02	-
	Held by IGB Real Estate Investment Trust				
	IGB REIT Capital Sdn. Bhd. [13]	Special purpose vehicle to raise financing	Malaysia	53.36	53.22
	Held by Triple Hallmark Sdn. Bhd.				
	G City Club Hotel Sdn. Bhd.	Hotel operations	Malaysia	100.00	100.00
	Sonata Vision Sdn. Bhd.	Food and beverage operations	Malaysia	100.00	100.00
	Held by IGB Corporation Berhad and its subsidiaries				
	Amandamai Dua Sdn. Bhd. [4] *(Under members' voluntary winding-up)*	Property development	Malaysia	100.00	100.00
	Angkasa Gagah Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
	Arabayu Sepakat Sdn. Bhd. [4]	Property investment and property development	Malaysia	100.00	100.00

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
*	Asian Equity Limited [5]	Investment holding	British Virgin Islands	55.00	55.00
	Astana Sierramas Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	Atar Deras Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
*	Auspicious Prospects Ltd. [6]	Investment holding	Liberia	100.00	100.00
	Belimbing Hills Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
*	Beswell Limited [7]	Investment holding	Hong Kong	100.00	100.00
	Bintang Buana Sdn. Bhd. [4]	Property development	Malaysia	90.00	90.00
	Central Review (M) Sdn. Bhd. [4]	Property investment	Malaysia	100.00	100.00
	Cipta Klasik (M) Sdn. Bhd. [4]	Property development	Malaysia	70.00	70.00
	Cititel Hotel Management Sdn. Bhd.	Hotel management services	Malaysia	60.00	60.00
	Corpool Holdings Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Danau Bidara (M) Sdn. Bhd. [4]	Property investment	Malaysia	100.00	100.00
	Detik Harapan Sdn. Bhd.	Educational institution	Malaysia	60.00	60.00
	Dimensi Magnitud Sdn. Bhd.	Property investment	Malaysia	70.00	70.00
	Distinctive Ace Sdn. Bhd. [8]	Property investment and property development	Malaysia	50.00 + 1 share	50.00 + 1 share
	Earning Edge Sdn. Bhd. [9]	Investment holding	Malaysia	65.00	65.00
	Eastwind Alliance Sdn. Bhd. [4]	Property investment and property development	Malaysia	100.00	100.00
	Ensignia Construction Sdn. Bhd.	Building construction	Malaysia	100.00	100.00
	Ensignia Southkey City Sdn. Bhd. [10]	Building construction	Malaysia	70.00	70.00
	Future Pinnacle Sdn. Bhd. [11]	Property development	Malaysia	100.00	100.00
*	Grapevine Investments Pte. Ltd.	Investment holding	Singapore	100.00	100.00
	Great Union Properties Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	Harta Villa Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
	Hyperleap Sdn. Bhd. [4]	Property Investment	Malaysia	100.00	100.00
	ICDC Holdings Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Idaman Spektra Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	IGB Development Management Services Sdn. Bhd.	Project management services	Malaysia	100.00	100.00
	IGB International School Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	IGB International Ventures Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	IGB Project Management Services Sdn. Bhd.	Project management services	Malaysia	100.00	100.00
	IGB Properties Sdn. Bhd.	Property investment and management	Malaysia	100.00	100.00
	IGB Property Management Sdn. Bhd.	Property investment and management	Malaysia	100.00	100.00
	IGB REIT Management Sdn. Bhd.	Management of real estate investment trust	Malaysia	100.00	100.00

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	Innovation & Concept Development Co. Sdn. Bhd. [14]	Property development	Malaysia	100.00	100.00
	IST Building Products Sdn. Bhd.	Trading of building materials	Malaysia	100.00	100.00
	IT&T Engineering & Construction Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Kemas Muhibbah Sdn. Bhd. [15]	Property development	Malaysia	100.00	100.00
	Kondoservis Management Sdn. Bhd. [4]	Management services	Malaysia	100.00	100.00
	Lagenda Sutera (M) Sdn. Bhd. [7]	Hotelier	Malaysia	100.00	100.00
*	Lingame Company Limited	Investment holding	Hong Kong	100.00	100.00
	Majestic Path Sdn. Bhd. [7]	Investment holding	Malaysia	100.00	100.00
	Megan Prestasi Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Mid Valley City Sdn. Bhd.	Management services/service provider	Malaysia	100.00	100.00
	Mid Valley City Developments Sdn. Bhd.	Property development	Malaysia	100.00	100.00
	Mid Valley City Energy Sdn. Bhd.	Selling and distribution of utilities	Malaysia	100.00	100.00
	Mid Valley City Enterprise Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Mid Valley City Gardens Sdn. Bhd.	Management services/service provider	Malaysia	100.00	100.00
	Mid Valley City Hotels Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Mid Valley City North Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	Mid Valley City Property Services Sdn. Bhd. [16]	Building and maintenance services	Malaysia	100.00	100.00
	Mid Valley City South Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	Mid Valley City Southpoint Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	Millennium Living Sdn. Bhd. [4]	Property investment	Malaysia	100.00	100.00
	Mines Fiberlynx Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	MLynx Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	Murni Properties Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVC Centrepoint North Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVC Centrepoint South Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVC CyberManager Sdn. Bhd.	MSC cybercentre at Mid Valley City	Malaysia	100.00	100.00
	MVC Fiberlynx Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
	MVEC Exhibition and Event Services Sdn. Bhd.	Exhibition services	Malaysia	100.00	100.00

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	MVS Centrepoint North Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVS Centrepoint South Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVS North Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVS Northpoint Hotel Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	MVS South Tower Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
	MVS Southpoint Hotel Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Nova Pesona Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
	OPT Ventures Sdn. Bhd. [4]	Property development and investment	Malaysia	70.00	70.00
	Outline Avenue (M) Sdn. Bhd. [4]	Property development	Malaysia	89.57	89.57
	Pacific Land Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
*	Pacific Land Pte. Ltd. [7]	Investment holding	Singapore	100.00	100.00
	Pangkor Island Resort Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Pekeliling Land Sdn. Bhd.	Property holding	Malaysia	100.00	100.00
	Penang Garden Sdn. Bhd.	Property development and investment	Malaysia	100.00	100.00
	Permata Efektif (M) Sdn. Bhd. [4]	Property development	Malaysia	100.00	100.00
	Plaza Permata Management Services Sdn. Bhd.	Property management services	Malaysia	100.00	100.00
	Prima Condominium Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Primanah Property Sdn. Bhd.	Property development	Malaysia	100.00	100.00
	Puncak Megah (M) Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	Rapid Alpha Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Reka Handal Sdn. Bhd. [4]	Property development	Malaysia	75.00	75.00
	ReU Living Sdn. Bhd. [4]	Property investment	Malaysia	65.00	-
	Riraiance Enterprise Sdn. Bhd. *(Under members' voluntary winding-up)*	Investment holding	Malaysia	100.00	100.00
	Salient Glory City Sdn. Bhd.	Hotelier	Malaysia	100.00	100.00
	Southkey Megamall Sdn. Bhd.	Property investment	Malaysia	70.00	70.00
*	St Giles Hotels (Asia) Limited [17]	Hotel management services	Labuan	60.00	60.00
	Tanah Permata Sdn. Bhd. [7]	Hotelier	Malaysia	100.00	100.00
	Tan & Tan Developments Berhad	Property development, project management services and investment holding	Malaysia	100.00	100.00
	Tan & Tan Realty Sdn. Bhd. [4]	Property investment	Malaysia	80.00	80.00
*	Tank Stream Holdings Pty. Ltd. [18]	Investment holding	Australia	100.00	100.00
	The Gardens Theatre Sdn. Bhd.	Lease auditorium space for performing arts	Malaysia	100.00	100.00

Notes to the Financial Statements
for the financial year ended 31 December 2021
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16 SUBSIDIARIES (continued)

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	2020
	Held by IGB Corporation Berhad and its subsidiaries (continued)				
	TTD Sdn. Bhd. [4]	Hotelier	Malaysia	100.00	100.00
	Verokey Sdn. Bhd.	Property investment	Malaysia	100.00	100.00
*	Wilmer Link Limited [19]	Investment holding	British Virgin Islands	58.00	58.00

On 23 December 2020, the Group announced to Bursa Malaysia that its dormant wholly-owned subsidiaries, Amandamai Dua Sdn, Bhd., Multistock Sdn. Bhd., Riraiance Enterprise Sdn. Bhd., and Silver Sanctuary Sdn. Bhd. had been placed under members' voluntary winding-up.

Notes:

1- Held by IGB and Goldis Yu Sdn. Bhd., 74.17% and 22.5% respectively.
2- Held by IGB and IGB REIT Management Sdn. Bhd., 51.98% and 0.04% respectively.
3- Held by IGB, IGB REIT Management Sdn. Bhd. and Tan & Tan Developments Berhad, 48.54%, 4.81% and 0.02% respectively.
4- Held by Tan & Tan Developments Berhad.
5- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 35.0% and 20.0% respectively.
6- Held by Lingame Company Limited.
7- Held by Pacific Land Sdn. Bhd.
8- Held by Megan Prestasi Sdn. Bhd.
9- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 45.0% and 20.0% respectively.
10- Held by Ensignia Construction Sdn. Bhd.
11- Held by TTD Sdn. Bhd.
12- Held by IGB Commercial Real Estate Investment Trust via MTrustee Berhad.
13- Held by IGB Real Estate Investment Trust via MTrustee Berhad.
14- Held by ICDC Holdings Sdn. Bhd.
15- Held by IGB Project Management Services Sdn. Bhd.
16- Held by Mid Valley City Developments Sdn. Bhd.
17- Held by Cititel Hotel Management Sdn. Bhd.
18- Held by Pacific Land Sdn. Bhd. and IGB Corporation Berhad, 19.6% and 80.4% respectively.
19- Held by IGB International Ventures Sdn. Bhd.

* Companies audited by firms other than PricewaterhouseCoopers PLT Malaysia

17 ASSOCIATES AND JOINT VENTURES

	2021 RM'000	2020 RM'000
Group		
As at 31 December		
Investments in:		
Associates	328,702	337,640
Joint ventures	161,880	569,364
	490,582	907,004

Notes to the Financial Statements

for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

	2021 RM'000	2020 RM'000
Financial year ended 31 December		
Share of results of:		
Associates*	(543)	(30,396)
Joint ventures	5,488	2,559
	4,945	(27,837)
Share of other comprehensive income/(loss) of:		
Associates	5,576	7,347
Joint ventures	(4,988)	(1,596)
	588	5,751
Share of total comprehensive income/(loss)		
Associates	5,033	(23,049)
Joint ventures	500	963
	5,533	(22,086)

* During the financial year, the management has performed the impairment assessment on investment in associates and joint ventures with share of loss amounted to RM23.2 million (2020: RM32.9 million). There is no material impairment noted from the assessment.

(a) Associates

Group	2021 RM'000	2020 RM'000
At cost		
Unquoted shares in Malaysia	28,449	28,449
Unquoted shares outside Malaysia	24,894	25,029
Amounts owing by associates	28,150	27,897
	81,493	81,375
Group's share of post-acquisition results and reserves	258,089	267,075
	339,582	348,450
Less: Accumulated impairment losses	(10,880)	(10,810)
At 31 December	328,702	337,640

The amounts owing from associates of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investment in the associates.

Set out below are associates of the Group as at 31 December 2021, which, in the opinion of the Directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. In the opinion of the Directors, all the other associates are immaterial to the Group.

Notes to the Financial Statements
for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

There are no contingent liabilities relating to the Group's interest in associates.

	2021		2020	
	Ravencroft Investments Incorporated	New Commercial Investments Limited	Ravencroft Investments Incorporated	New Commercial Investments Limited
	RM'000	RM'000	RM'000	RM'000
Summarised income statements and comprehensive income				
Revenue	22,906	581	19,839	2,673
Other income	3,275	-	4,560	-
Total expense before interest and taxation	(20,690)	(2,392)	(24,178)	(2,453)
Interest income	3,920	215	5,020	489
Interest expense	(2,813)	(470)	(3,619)	(928)
Profit/(Loss) before taxation	6,598	(2,066)	1,622	(219)
Income tax	3,147	(1,891)	(1,490)	(327)
Net profit/(loss) for the financial year	9,745	(3,957)	132	(546)
Other comprehensive income	11,058	2,489	9,623	1,975
Total comprehensive income/(loss)	20,803	(1,468)	9,755	1,429
Summarised statement of financial position				
Cash and cash equivalents	170,730	68,992	289,051	22,295
Other current assets (excluding cash and cash equivalents)	229,220	26,329	189,895	90,413
Total current assets	399,950	95,321	478,946	112,708
Other current liabilities (including trade and other payables and provisions)	(20,783)	(76,229)	(124,644)	(92,383)
Total current liabilities	(20,783)	(76,229)	(124,644)	(92,383)
Non-current assets	102,628	108,727	104,402	108,315
Financial liabilities (excluding trade and other payables and provisions)	(91,704)	(25,932)	(89,416)	(25,285)
Total non-current liabilities	(91,704)	(25,932)	(89,416)	(25,285)
Net assets	390,091	101,887	369,288	103,355

Notes to the Financial Statements
for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates is set out below:

2021	Ravencroft Investments Incorporated RM'000	New Commercial Investments Limited RM'000	Total RM'000
Net assets as at 1 January	369,288	103,355	472,643
Net profit/(loss) for the financial year	9,745	(3,957)	5,788
Other comprehensive income	11,058	2,489	13,547
Net assets as at 31 December	390,091	101,887	491,978
Interest in associates (%)	49.47	49.55	-
Share of net assets	192,978	50,485	243,463
Amounts owing to corporate shareholders	-	22,743	22,743
Carrying amount of interest in associates	192,978	73,228	266,206
2020			
Net assets as at 1 January	359,533	101,926	461,459
Net profit/(loss) for the financial year	132	(546)	(414)
Other comprehensive income	9,623	1,975	11,598
Net assets as at 31 December	369,288	103,355	472,643
Interest in associates (%)	49.47	49.55	-
Share of net assets	182,687	51,212	233,899
Amounts owing to corporate shareholders	97	22,259	22,356
Carrying amount of interest in associates	182,784	73,471	256,255

Set out below are the financial information of all individual immaterial associates on an aggregate basis:

Group	2021 RM'000	2020 RM'000
Carrying amounts of interest in associates	62,496	81,385
Share of associates' loss	(3,404)	(30,191)
Share of associates' other comprehensive (loss)/income	(1,128)	1,608
Dividend received/receivable during the financial year	13,598	-

Notes to the Financial Statements
for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

(a) Associates (continued)

Details of the associates are as follows:

	Name of company	Principal activities	Country of incorporation	Group's effective interest (%) 2021	Group's effective interest (%) 2020
*	Cititel Express Pty Limited [1] *(under members' voluntary winding up)*	Investment holding	Australia	39.00	39.00
*	Cititel International Hospitality Limited [2]	Hotelier	Guernsey	49.47	49.47
*	DMV Sdn. Bhd. [3]	Property development	Malaysia	38.45	38.45
*	Hicom Tan & Tan Sdn. Bhd. [4]	Property development	Malaysia	50.00	50.00
	Jutanis Sdn. Bhd. [4]	Property development	Malaysia	45.00	45.00
*	Merchant Firm Ltd. [2]	Investment holding	British Virgin Islands	49.47	49.47
*	New Commercial Investments Limited [5]	Investment holding	British Virgin Islands	49.55	49.55
	Orion Corridor Sdn. Bhd. [6] *(under members' voluntary winding up)*	Leasing of aircrafts	Malaysia	24.74	24.74
*	Pacific Land Co., Ltd [7]	Investment holding	Thailand	48.90	48.90
*	One WSM Property (KL) Sdn. Bhd. [4]	Real estate agents	Malaysia	40.00	40.00
*	Ravencroft Investments Incorporated [8]	Investment holding	British Virgin Islands	49.47	49.47
*	St Giles Hotel [6]	Construction and hotel management	Republic of Congo	49.47	49.47
*	St Giles Hotel, Inc [9]	Hotelier	United States of America	49.47	49.47
*	St Giles Hotel Limited [8]	Hotelier	United Kingdom	49.47	49.47
*	St Giles Hotel, LLC [10]	Hotelier	United States of America	49.47	49.47
*	St Giles Hotel (Heathrow) Limited [5]	Hotelier	United Kingdom	49.55	49.55
*	St Giles Hotel (Manila) Inc [6]	Hotelier	Philippines	49.47	49.47
*	Technoltic Engineering Sdn. Bhd. [11]	Servicing, maintenance and installation of elevators	Malaysia	40.00	40.00
*	Tentang Emas Sdn. Bhd. [4]	Investment holding	Malaysia	49.00	49.00

Notes:

1- Held by Tank Stream Holdings Pty Ltd.
2- Held by Ravencroft Investments Incorporated.
3- Held by Tan & Tan Developments Berhad and IGB Corporation Berhad, 25.63% and 12.82% respectively.
4- Held by Tan & Tan Developments Berhad.
5- Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 31.53% and 18.02% respectively.
6- Held by Merchant Firm Ltd.
7- Held by Pacific Land Sdn. Bhd.
8- Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd., 27.71%, 7.65% and 14.11%
9- Held by St Giles Hotel Limited.
10- Held by St Giles Hotel, Inc.
11- Held by IGB Corporation Berhad.

* *Companies audited by firms other than PricewaterhouseCoopers PLT Malaysia.*

Notes to the Financial Statements
for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures

Group	2021 RM'000	2020 RM'000
At cost		
Unquoted shares in Malaysia	37,550	37,550
Unquoted shares outside Malaysia	69,170	69,197
Amounts owing by joint ventures	30,092	406,607
	136,812	513,354
Group's share of post-acquisition results and reserves	25,068	56,010
At 31 December	161,880	569,364

During the financial year, the Group had disposed its 50% stake in a joint venture company Black Pearl Limited ("BPL") in the form of cash received on the completion date of the sale and a deferred consideration payable in 24 months from the completion of the sale. The deferred consideration is secured via a legal charge over a freehold land owned by the purchaser. The gain on disposal to the Group is approximately RM193.4 million. The deferred consideration has been recognised as a non-current receivables as disclosed in Note 22.

In the previous year, the Group had subscribed additional ordinary shares issued by its joint venture Mahanathee Chao Phraya Co. Ltd. in proportion of the Group's shareholding amounted to RM1.8 million.

The amounts owing from joint ventures of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investment in the joint ventures.

There are no contingent liabilities relating to the Group's interest in joint ventures.

Set out below are joint ventures of the Group as at 31 December 2021. The investment in joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group. In the opinion of the Directors, the other joint ventures are immaterial to the Group.

2021	**Black Pearl** Limited RM'000	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000
Summarised income statements and statement of comprehensive income			
Revenue	-	-	15,489
Cost of sales	-	-	(11,155)
Gross profit	-	-	4,334
Other income	-	1	79
Administrative expense	-	(318)	(429)
Selling and marketing expenses	-	-	(214)
Other operating expenses	-	-	(382)
(Loss)/Profit from operations	-	(317)	3,388
Finance income	-	-	407
Finance costs	-	-	(157)
(Loss)/Profit before taxation	-	(317)	3,638
Income tax	-	-	(1,225)
Net (loss)/profit for the financial year	-	(317)	2,413
Other comprehensive loss	-	(9,875)	-
Total comprehensive (loss)/profit	-	(10,192)	2,413

Notes to the Financial Statements
for the financial year ended 31 December 2021
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17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

2021	**Black Pearl** Limited RM'000	Mahanathee Chao Phraya Co. Ltd. RM'000	Kundang Properties Sdn. Bhd. RM'000
Summarised statement of financial position			
Cash and cash equivalents	-	764	13,074
Other current assets (excluding cash and cash equivalents)	-	-	21,988
Total current assets	-	764	35,062
Other current liabilities (including trade and other payables and provision)	-	(893)	(71,921)
Total current liabilities	-	(893)	(71,921)
Non-current assets	-	157,481	59,050
Net assets	-	157,352	22,191

2020	**Black Pearl** Limited RM'000	Mahanathee Chao Phraya Co. Ltd. RM'000
Summarised income statements and statement of comprehensive income		
Other income	1,614	2
Administrative expense	(625)	(282)
Profit/(Loss) before taxation	989	(280)
Income tax	(103)	-
Net profit/(loss) for the financial year	886	(280)
Other comprehensive loss	(274)	(3,002)
Total comprehensive income	612	(3,282)
Summarised statement of financial position		
Cash and cash equivalents	7	1,725
Other current assets (excluding cash and cash equivalents)	27,881	-
Total current assets	27,888	1,725
Other current liabilities (including trade and other payables and provision)	(5,814)	(510)
Total current liabilities	(5,814)	(510)
Non-current assets	713,895	166,329
Financial liabilities (excluding trade and other payables and provision)	(749,407)	-
Total non-current liabilities	(749,407)	-
Net (liabilities)/assets	(13,438)	167,544

Notes to the Financial Statements
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17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures is set out below:

	Black Pearl Limited	Mahanathee Chao Phraya Co. Ltd.	Kundang Properties Sdn Bhd	Total
	RM'000	RM'000	RM'000	RM'000
2021				
Net assets as at 1 January	-	167,544	19,778	187,322
Net (loss)/profit for the financial year	-	(317)	2,413	2,096
Other comprehensive loss	-	(9,875)	-	(9,875)
Net assets as at 31 December	-	157,352	22,191	179,543
Interest in joint venture (%)	-	49.0	50.0	-
Share of net assets	-	77,102	11,096	88,198
Amounts owing to corporate shareholders	-	-	30,092	30,092
Carrying amount of interest in joint venture	-	77,102	41,188	118,290
2020				
Net (liabilities)/assets as at 1 January	(14,050)	167,248	-	153,198
Issuance of shares during the financial year	-	3,578	-	3,578
Net profit/(loss) for the financial year	886	(280)	-	606
Other comprehensive loss	(274)	(3,002)	-	(3,276)
Net (liabilities)/assets as at 31 December	(13,438)	167,544	-	154,106
Interest in joint venture (%)	50.0	49.0	-	-
Share of net (liabilities)/assets	(6,719)	82,097	-	75,378
Amounts owing to corporate shareholders	376,515	-	-	376,515
Carrying amount of interest in joint venture	369,796	82,097	-	451,893

Set out below are the financial information of all individual immaterial joint ventures on an aggregate basis.

Group	2021 RM'000	2020 RM'000
Carrying amounts of interest in joint ventures	43,590	117,471
Share of joint ventures' profit	4,436	2,253
Share of joint ventures' other comprehensive (loss)/income	(149)	12
Dividend received/receivable during the financial year	95,318	15,210

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

17 ASSOCIATES AND JOINT VENTURES (continued)

(b) Joint ventures (continued)

Details of the joint ventures are as follows:

	Name of company	Principal activities	Country of Incorporation	Group's effective interest (%) 2021	Group's effective interest (%) 2020
*	Black Pearl Limited [1]	Property development	Guernsey	-	50.00
*	Blackfriars Limited [1]	Property investment	Guernsey	50.00	50.00
*	Blackfriars Project Management Limited [1]	Provision of project management	United Kingdom	50.00	50.00
	Hampshire Properties Sdn. Bhd. [2]	Property development and property investment	Malaysia	50.00	50.00
	Kumpulan Sierramas (M) Sdn. Bhd. [2]	Property development	Malaysia	50.00	50.00
	Kundang Properties Sdn. Bhd. [3]	Property development	Malaysia	50.00	50.00
*	Mahanathee Chao Phraya Co. Ltd. [4]	Property development	Thailand	49.00	49.00
	Permata Alasan (M) Sdn. Bhd. [2]	Property development and property investment	Malaysia	50.00	50.00

Notes:

1 - Held by Verokey Sdn. Bhd.
2 - Held by Tan & Tan Developments Berhad.
3 - Held by IGB Corporation Berhad.
4 - Held by Majestic Path Sdn. Bhd.

* *Companies audited by firms other than PricewaterhouseCoopers PLT Malaysia.*

18 CONCESSION RECEIVABLES

Group	2021 RM'000	2020 RM'000
Non-current	120,062	117,608
Current	5,289	4,753
	125,351	122,361

The Group has entered into service concession arrangements with the government of the People's Republic of China to construct and operate wastewater treatment plants for a period ranging from 22 to 25 years.

The terms of arrangement allow the Group to maintain and manage these treatment plants and receive consideration based on usage and rates as determined by the grantor for the entire duration of the concession subject to a minimum water volume calculated based on the wastewater treatment plants normal capacity. The grantor will provide the Group a guaranteed minimum annual payment for each year that the wastewater treatment plants are in operation.

At the end of the concession period, the wastewater treatment plants become the property of the grantor and the Group will have no further involvement in its operation or maintenance requirements.

The service concession agreements do not contain a renewal option. The rights of the grantor to terminate the agreement include events such as the abandonment of the plants by the operators, the operators go into liquidation or bankruptcy and a material breach of the terms of the agreement. The rights of the operators to terminate the agreements include failure of the grantor to make payment under the agreement and a material breach in the terms of the agreement.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

18 CONCESSION RECEIVABLES (continued)

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction and operating services.

Group	2021 RM'000	2020 RM'000
Fair value	127,127	123,578

The fair values are based on cash flows discounted based on the discount rate of 4.04% (2020: 4.17%). The fair values are within level 3 of the fair value hierarchy.

In the previous financial year, the grantor and Lianyungang Ganyu Xin Cheng Sewage Treatment Co. Ltd. (the operator) have mutually agreed to terminate the service concession agreement as a result of a recent changes in the local regulation which has rendered the operator unable to fulfil its requirements under the agreement. Under the terms of the agreement, the operator is entitled to a compensation sum as a result of the early termination. The early termination has been accounted as a contract modification under the scope of MFRS 15 and the effects has been accounted as an adjustment to the revenue at the date of the contract modification. As at 31 December 2021,the discussion with the local authority on the compensation sum remained ongoing. The Group remained confident that the compensation sum remained recoverable.

19 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	41,058	43,955	-	-
Deferred tax liabilities	(138,129)	(147,592)	(12,641)	(9,573)
Deferred tax liabilities (net)	(97,071)	(103,637)	(12,641)	(9,573)

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

19 DEFERRED TAX (continued)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	(103,637)	(121,301)	(9,573)	(10,325)
Charged/(Credited) to statements of comprehensive income:				
Property, plant and equipment and investment properties	8,376	1,613	9	26
RCPS and RCCPS	390	461	390	461
Deferred lease incentives	7,224	1,716	-	-
Land revaluation	(948)	(1,275)	-	-
Unutilised tax losses and unabsorbed capital allowances	1,269	13,548	-	-
Deferred lease income	(1,364)	(3,839)	-	-
Provision and others	(9,021)	4,937	(3,719)	223
	5,926	17,161	(3,320)	710
Charged to equity:				
RCPS and RCCPS	252	42	252	42
Currency translation difference	388	461	-	-
At 31 December	(97,071)	(103,637)	(12,641)	(9,573)
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment and investment properties	16,954	6,174	-	-
Land revaluation	9,771	10,719	-	-
Provisions and others	8,920	11,904	-	-
Unutilised tax losses	24,351	23,082	-	-
Deferred lease income	2,785	4,149	-	-
	62,781	56,028	-	-
Offsetting	(21,723)	(12,073)	-	-
Deferred tax assets (after offsetting)	41,058	43,955	-	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment and investment properties	(130,102)	(127,698)	(55)	(64)
RCPS and RCCPS	(296)	(938)	(296)	(938)
Deferred lease incentives	(3,285)	(10,509)	-	-
Others	(26,169)	(20,520)	(12,290)	(8,571)
	(159,852)	(159,665)	(12,641)	(9,573)
Offsetting	21,723	12,073	-	-
Deferred tax liabilities (after offsetting)	(138,129)	(147,592)	(12,641)	(9,573)

Deferred tax assets are recognised for tax losses carried forward to the extent the realisation of related tax benefits through future taxable profit is probable.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

19 DEFERRED TAX (continued)

The amounts of deductible temporary differences and unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	2021	2020
Group	RM'000	RM'000
Unutilised tax losses		
- expiry by year of assessment 2028	200,734	203,969
- expiry by year of assessment 2029	6,341	6,341
- expiry by year of assessment 2030	5,207	5,216
- expiry by year of assessment 2031	831	-
Deductible temporary differences with no expiry		
- unabsorbed capital allowance	134,807	134,714
- land revaluation	84,413	84,413
- investment tax allowance	257,864	258,680
	690,197	693,333
Deferred tax assets not recognised at 24% (2020: 24%)	165,647	166,400

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading. The Group and the Company have irrevocably elected to reclassify the financial assets at initial recognition to present its fair value changes in other comprehensive income. These are strategic investments and the Group and the Company consider this classification to be more relevant.

Financial assets at fair value through other comprehensive income comprise the following individual investments:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unquoted shares outside Malaysia				
Quadria Capital Fund L.P. ("Fund")	68,152	72,151	68,152	72,151
Rework Holdings Pte Ltd	208	201	208	201
	68,360	72,352	68,360	72,352

Level 3 instruments mentioned above are private equity securities and as there are no observable prices available for these securities, the Group has applied the adjusted net asset value approach to determine the fair value of the Fund.

There were no transfers between Level 1 and Level 2 fair value measurements. Movements on Level 3 fair value measurements through other comprehensive income are disclosed below.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	72,352	92,634	72,352	92,634
Fair value loss	(3,992)	(20,282)	(3,992)	(20,282)
At 31 December	68,360	72,352	68,360	72,352

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Financial assets at fair value through other comprehensive income are denominated in the following currency:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
USD	68,360	72,352	68,360	72,352

During the financial year, the following gains were recognised in profit or loss:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Dividends from equity investments held at fair value through other comprehensive income recognised in profit or loss in revenue:				
Related to investments held at end of financial year	20,180	11,108	20,180	11,108

21 AMOUNTS OWING FROM/(TO) ASSOCIATES AND JOINT VENTURES

	2021	2020
Group	RM'000	RM'000
Amounts owing from joint ventures	182	70
Amounts owing to associates	(4)	(8)

The amounts owing from joint ventures represent advances which are unsecured, interest-free (2020: interest-free) and payable on demand.

The amounts owing to associates are unsecured, interest-free (2020: interest-free) and repayable on demand.

22 RECEIVABLES AND CONTRACT ASSETS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Non-current				
Contract cost asset	15	389	-	-
Other receivables	243,898	-	-	-
	243,913	389	-	-

Notes to the Financial Statements
for the financial year ended 31 December 2021
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22 RECEIVABLES AND CONTRACT ASSETS (continued)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current				
Trade and other receivables				
Trade receivables	151,820	118,102	-	-
Accrued billing in relation to lease income	7,488	7,107	-	-
Less: Provision for impairment	(41,824)	(34,483)	-	-
	117,484	90,726	-	-
Other receivables	43,914	42,252	57	718
Deposits	20,358	21,466	1,119	1,108
Less: Provision for impairment	(21,829)	(21,859)	(55)	(110)
	42,443	41,859	1,121	1,716
Deferred lease incentives	22,225	58,196	-	-
Prepayments	4,115	8,282	2	1,861
Total	186,267	199,063	1,123	3,577

Other receivables (non-current) amounting to RM243.9 million is in relation to the deferred consideration receivable on 21 October 2023 as disclosed under Note 17(b). This amount is secured against a first legal charge over a freehold land of the debtor. The fair value of this amount approximates its fair value as the amount has been discounted to its present value.

The carrying amounts of trade and other receivables as at 31 December 2021 and 31 December 2020 approximated their fair values. The aging analysis of these trade and other receivables are disclosed in Note 3(b).

As at 31 December 2021, included in trade receivables is an amount of RM18.2 million (2020: RM20.5 million) being stakeholder sum for property development.

The creation and reversal of provision for impairment have been included in the income statements. Amounts charged to the provision account are generally written off, when there is no expectation of additional cash recovery. The other classes within receivables and contract assets do not contain impaired assets.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise of the following:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Non-current				
Deposits placed with licensed banks	45,084	-	-	-
Current				
Deposits with licensed banks	974,205	576,053	39,118	128,716
Cash and bank balances	406,917	217,167	223,357	47,560
	1,381,122	793,220	262,475	176,276

Notes to the Financial Statements
for the financial year ended 31 December 2021
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23 CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents included in the statements of cash flows comprise of the following (continued):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current assets (continued)				
Deposits, cash and bank balances	1,426,206	793,220	262,475	176,276
Cash held under Housing Development Accounts (Note 23(a))	12,707	9,455	-	-
Less: Restricted cash (Note 23(b))	(74,699)	(61,292)	-	(300)
Less: Fixed deposit with maturity of more than 3 months	(333,032)	-	-	-
Cash and cash equivalents	1,031,182	741,383	262,475	175,976

Deposits with licensed banks of the Group and the Company as at 31 December 2021 have an average maturity period of 149 days (2020: 53 days) and 33 days (2020: 63 days) respectively.

The weighted average effective interest rates of deposits with licensed banks as at 31 December were as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Deposits with licensed banks:				
RM	1.62	1.66	1.83	1.78
GBP	0.60	-	-	-
USD	0.49	0.49	0.50	0.50

Bank balances are deposits held at call with licensed banks and earn no interest.

(a) Cash held under Housing Development Accounts

Bank balances held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Amendment Act, 2002 held at call with banks and are denominated in Ringgit Malaysia.

The weighted average effective interest rates of bank balances under Housing Development Accounts during the financial year were 0.41% (2020: 1.04%) per annum.

(b) Restricted cash

Deposits pledged have been placed with licensed banks as securities for certain secured interest-bearing bank borrowings of the Group and of the Company (Note 29) and are not available for use by the Group and the Company.

Notes to the Financial Statements
for the financial year ended 31 December 2021
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23 CASH AND CASH EQUIVALENTS (continued)

(b) Restricted cash (continued)

Included in the Group's deposits placed with licensed banks is an amount of RM74.7 million (2020: RM60.0 million), which is maintained in a Debt Service Reserve Account with a facility agent to cover a minimum of 6 months interest as follows:

Group	2021 RM'000	2020 RM'000
Mid Valley City Southpoint Sdn. Bhd.	-	2,151
IGB REIT Capital Sdn. Bhd.	29,615	29,144
IGB Commercial REIT Capital Sdn.Bhd.	15,887	-
Southkey Megamall Sdn. Bhd.	29,197	28,707
	74,699	60,002

24 SHARE CAPITAL

	2021		2020	
Group and Company	Number of shares '000	Value RM'000	Number of shares '000	Value RM'000
Issued and fully paid				
Ordinary shares:				
At 1 January	888,502	1,338,596	690,152	886,344
Issued during the financial year	16,849	55,263	198,350	452,252
At 31 December	905,351	1,393,859	888,502	1,338,596
RCPS:				
At 1 January	-	-	452,209	364,812
Converted during the financial year	-	-	(452,209)	(364,812)
At 31 December	-	-	-	-
RCCPS:				
At 1 January	56,498	137,686	56,511	137,719
Converted during the financial year	(16,849)	(41,060)	(13)	(33)
At 31 December	39,649	96,626	56,498	137,686

During the financial year, the number of ordinary shares of the Company increased from 888,502,362 to 905,350,813 by the allotment of:

(i) 16,848,451 ordinary shares arising from the conversion of 16,848,451 RCCPS at the conversion ratio 1:1 at issue price per share of RM3.28. The said conversion also resulted in the decrease of the number of RCCPS from 56,497,771 to 39,649,320.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The liability component and details of the RCPS and RCCPS issued are set out in Note 26.

Notes to the Financial Statements
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25 TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 1 June 2021, approved the Company's plan to purchase its own shares up to a maximum of 10% of total number of issued shares of the Company. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 3,708,000 (2020: 4,947,300) of its ordinary share capital from the open market for RM7.1 million (2020: RM12.6 million). The average price paid for these shares repurchased was RM1.92 (2020: RM2.55) per share.

An interim Single Tier dividend of 2.0 sen, dividend-in-specie was paid on 24 December 2021 by distributing 9,266,985 of the Company's treasury shares for RM21.5 million. The average cost of these shares was RM2.32 per share.

An interim Single Tier dividend of 2.0 sen, dividend-in-specie was paid on 30 September 2020 by distributing 6,626,737 of the Company's treasury shares for RM16.7 million. The average cost of these shares was RM2.53 per share.

As at 31 December 2021, a total of 1,428,132 (2020: 6,987,117) ordinary shares were held as treasury shares. The cost of treasury shares as at 31 December 2021 and 31 December 2020 is summarised as follows:

	No. of shares	Total cost	Cost per share Low	Cost per share High	Average cost per share
2021		RM	RM	RM	RM
Group and Company					
At 1 January	6,987,117	17,659,928			2.53
Repurchased in 2021:					
July	492,900	968,626	1.92	2.00	1.97
August	227,600	438,298	1.91	1.92	1.93
September	1,950,800	3,708,942	1.85	1.93	1.90
October	213,500	415,476	1.90	1.98	1.95
November	808,600	1,570,384	1.88	1.95	1.94
December	14,600	27,365	1.86	1.86	1.86
	3,708,000	7,129,091			1.92
Distribution of treasury shares:					
December	(9,266,985)	(21,478,911)			2.32
At 31 December	1,428,132	3,310,108			2.32
2020					
Group and Company					
At 1 January	8,666,554	21,777,316			2.51
Repurchased in 2020:					
February	31,000	98,489	3.14	3.18	3.18
March	1,561,900	4,198,693	2.40	3.24	2.69
April	2,094,500	5,275,652	2.41	2.62	2.52
May	1,259,900	3,058,847	2.39	2.47	2.43
	4,947,300	12,631,681			2.55
Distribution of treasury shares:					
September	(6,626,737)	(16,749,069)			2.53
At 31 December	6,987,117	17,659,928			2.53

Notes to the Financial Statements
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(continued)

25 TREASURY SHARES (continued)

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 and carried at purchased cost. The Company has the right to distribute these shares as dividends to reward shareholders and/or resell the shares. As treasury shares, the rights attached as to voting, dividends and participation in other distribution is suspended.

As at 31 December 2021, the number of outstanding ordinary shares in issue after the setting off treasury shares against equity was 903,922,681 (2020: 881,515,245) ordinary shares.

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES

(a) RCPS

On 16 February 2015, the Company issued 455,727,027 RCPS at an issue price of RM1.00 each.

The RCPS had matured on 14 February 2020 and subsequently delisted on 17 February 2020. The outstanding 447,999,587 RCPS were automatically converted into 196,490,540 IGB shares at the conversion ratio of 2.28 RCPS into 1 new IGB share.

The main features of the RCPS were as follows:

(i) The RCPS were convertible to new ordinary shares of the Company at a fixed conversion price of RM2.28, at the option of the holder, at any time commencing from date of listing up to and including the maturity date of 5 years from the issue date.

(ii) The Company had an option to redeem the RCPS in cash from the third anniversary of the issue date of the RCPS up to the day immediately preceding the maturity date and any RCPS not redeemed or converted shall be automatically converted into new ordinary shares of the Company.

(iii) The holders of the RCPS had the right to receive a semi-annual preferential dividend at the rate of 4%, 4.5% and 5% from year 1 to 3, 4 and 5 respectively. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulated.

(iv) The RCPS carried no right to vote at any general meeting of the Company except with regards to the following:

(a) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months;
(b) on a proposal to reduce the Company's share capital in accordance with Section 116 or 117 of the Companies Act 2016;
(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
(d) on a proposal that affects rights attached to the RCPS;
(e) on a proposal to wind up the Company; and
(f) during the winding-up of the Company.

(v) The RCPS had ranked pari passu among themselves, and ranked ahead in regard to payment of dividends in all classes of shares of the Company.

(vi) The RCPS had ranked in priority to the Company's shares in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

(b) RCCPS

On 2 March 2018, the Company issued 76,817,705 RCCPS at an issue price of RM3.28 each.

The main features of the RCCPS are as follows:

(i) The RCCPS shall be convertible to new ordinary shares of the Company at a fixed conversion price of RM3.28, at the option of the holder, at any time commencing from date of listing up to and including the maturity date of 7 years from the issue date.

(ii) The Company shall have the option to redeem the RCCPS in cash from the fourth anniversary of the issue date of the RCCPS up to the day immediately preceding the maturity date and any RCCPS not redeemed or converted shall be automatically converted into new ordinary shares of the Company.

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(continued)

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES (continued)

(b) RCCPS (continued)

(iii) The holders of the RCCPS shall have the right to receive a semi-annual preferential dividend at the rate of 4.3%. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulated.

(iv) The RCCPS will carry no right to vote at any general meeting of the Company except with regards to the following:

(a) when the dividend or part of the dividend on the RCCPS is in arrears for more than six (6) months;
(b) on a proposal to reduce the Company's share capital in accordance with Section 116 or 117 of the Act;
(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
(d) on a proposal that affects rights attached to the RCCPS;
(e) on a proposal to wind up the Company; and
(f) during the winding-up of the Company.

(v) The RCCPS shall rank pari passu among themselves, and will rank after the RCPS.

(vi) The RCCPS shall rank in priority to the Company's shares in any distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

The RCPS and RCCPS liabilities component recognised in the statements of financial position are summarised as follows:

		2021
Group and Company	RCCPS RM'000	Total RM'000
Liabilities component:		
At 1 January	31,638	31,638
Amortisation of interest expense (Note 9)	1,493	1,493
Dividends paid (Note 31)	(6,780)	(6,780)
Converted into ordinary shares	(8,438)	(8,438)
At 31 December	17,913	17,913
Represented by:		
Current	4,703	4,703
Non-current	13,210	13,210
	17,913	17,913

			2020
Group and Company	RCPS RM'000	RCCPS RM'000	Total RM'000
Liabilities component:			
At 1 January	11,260	37,611	48,871
Amortisation of interest expense (Note 9)	46	2,004	2,050
Dividends paid (Note 31)	(11,293)	(7,968)	(19,261)
Converted into ordinary shares	(13)	(9)	(22)
At 31 December	-	31,638	31,638
Represented by:			
Current	-	6,331	6,331
Non-current	-	25,307	25,307
	-	31,638	31,638

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

26 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES (continued)

The fair value of the liabilities' component of the RCCPS at 31 December 2021 amounted to RM17.9 million (2020: RM31.6 million). The fair value is calculated using cash flows discounted at rate based on the borrowing rate of 5.97% (2020: 5.97%) and is within level 3 of the fair value hierarchy.

The net proceeds received have been split between the liabilities and equity component.

27 OTHER RESERVES

Group	Fair value through other comprehensive income reserve RM'000	Exchange **fluctuation** reserve RM'000	Total RM'000
2021			
At 1 January	7,472	25,469	32,941
Currency translation differences	-	3,084	3,084
Net change in fair values of financial assets at fair value through other comprehensive income	(3,992)	-	(3,992)
At 31 December	3,480	28,553	32,033
2020			
At 1 January	27,754	(5,586)	22,168
Currency translation differences	-	31,055	31,055
Net change in fair values of financial assets at fair value through other comprehensive income	(20,282)	-	(20,282)
At 31 December	7,472	25,469	32,941

Company	Fair value through other comprehensive income RM'000
2021	
At 1 January	7,734
Net change in fair values of financial assets at fair value through other comprehensive income	(3,992)
At 31 December	3,742
2020	
At 1 January	28,016
Net change in fair values of financial assets at fair value through other comprehensive income	(20,282)
At 31 December	7,734

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

28 PAYABLES AND CONTRACT LIABILITIES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current				
Trade and other payables:				
Trade payables	129,205	125,383	-	-
Trade accruals	13,650	20,457	-	-
Other payables	25,170	18,850	23	14
Accrued dividend payable to IGB REIT's and IGBCR's non-controlling interest	48,911	34,751	-	-
Accruals	48,435	36,434	6,307	2,020
Accruals in relation to construction activities	78,309	114,997	-	-
Deposits received from tenants and customers	259,240	266,489	17	16
Lease liabilities (Note 12(d)(ii))	495	450	-	-
Deferred lease income	25,199	18,410	-	-
Contract liabilities in relation to property development activities and education services (Note 28(A))	15,331	20,334	-	-
	643,945	656,555	6,347	2,050
Non-Current				
Lease liabilities (Note 12(d)(ii))	17,833	18,286	-	-
Total	661,778	674,841	6,347	2,050

a. Included in trade and other payables of the Group is retention sum of RM42.5 million (2020: RM56.5 million).

b. Deposits received from tenants include refundable deposits received from tenants for tenancy and lease related agreements. Tenancy and lease tenures are generally for a period of one (1) to three (3) years. The liability is derecognised upon returning the deposits to the tenant at the end of the tenancy or transferred to profit or loss to the extent of rent owed when it has been established that a tenant commits a breach of any provisions in the tenancy agreement.

(A) Contract liabilities

The contract liabilities as at 31 December 2021 and 31 December 2020 were not impacted by significant changes in contract terms.

Group	2021 RM'000	2020 RM'000
Net carrying amount of contract liabilities is analysed as follows:		
At 1 January	(20,334)	(24,252)
Property development revenue and education services:		
Revenue recognised that was included in the balance at the beginning of the financial year	18,868	20,744
Revenue recognised during the financial year	47,201	47,772
Less: Billings during the financial year	(61,066)	(64,598)
At 31 December	(15,331)	(20,334)

The management expects 90% of the transaction prices allocated to the unsatisfied contract liabilities as at 31 December 2021 will be recognised as revenue during the next financial year.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Secured:					
Revolving credits	(a)	803,500	1,129,700	803,500	1,129,700
Term loans	(b)	56,884	7,903	-	-
Medium Term Notes	(c)	1,845,408	1,199,545	-	-
		2,705,792	2,337,148	803,500	1,129,700
Current					
Secured:					
Revolving credits	(a)	77,015	279,248	992	1,292
Term loans	(b)	6,547	4,605	-	-
Medium Term Notes	(c)	1,217,212	1,014,378	-	-
Unsecured:					
Revolving credits	(a)	133,810	397,655	-	-
		1,434,584	1,695,886	992	1,292
Total:					
Revolving credits	(a)	1,014,325	1,806,603	804,492	1,130,992
Term loans	(b)	63,431	12,508	-	-
Medium Term Notes	(c)	3,062,620	2,213,923	-	-
		4,140,376	4,033,034	804,492	1,130,992

The carrying amounts of the Group's and the Company's borrowings denominated in the following currencies are as stated below:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revolving credits:				
RM	972,623	1,766,382	804,492	1,130,992
USD	41,702	40,221	-	-
	1,014,325	1,806,603	804,492	1,130,992
Term loans:				
RM	55,005	-	-	-
RMB	8,426	12,508	-	-
	63,431	12,508	-	-
Medium Term Notes:				
RM	3,062,620	2,213,923	-	-
Total	4,140,376	4,033,034	804,492	1,130,992

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

The currency profile and weighted average effective interest rates per annum of the borrowings are as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Revolving credits:				
RM	3.15	3.20	3.15	3.24
USD	2.15	2.17	-	-
Term loans:				
RM	3.49	-	-	-
RMB	5.55	5.55	-	-
Medium Term Notes:				
RM	3.97	4.02	-	-

The fair value of borrowings is estimated based on discounted cash flows using prevailing market rates for borrowings with similar risks profile and within level 3 of the fair value hierarchy.

The carrying amounts and fair values of the borrowings for the Group and the Company are as follows:

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Group	RM'000	RM'000	RM'000	RM'000
Revolving credits	1,014,325	1,014,325	1,806,603	1,806,603
Term loans	63,431	63,431	12,508	12,508
Medium Term Notes	3,062,620	3,082,171	2,213,923	2,257,926
	4,140,376	4,159,927	4,033,034	4,077,037
Company				
Revolving credits	804,492	804,492	1,130,992	1,130,992

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

The maturity profile of the borrowings are as follows:

	Maturity profile			Total carrying amount
	< 1 year	1 - 2 years	2 - 5 years	
Group	RM'000	RM'000	RM'000	RM'000
2021				
Revolving credits:				
Floating interest rate, secured	77,015	-	803,500	880,515
Floating interest rate, unsecured	133,810	-	-	133,810
Term loans, secured:				
Floating interest rate	6,547	3,379	53,505	63,431
Medium Term Notes, secured:				
Floating interest rate	2,507	-	-	2,507
Fixed interest rate	1,214,705	-	1,845,408	3,060,113
	1,434,584	3,379	2,702,413	4,140,376
2020				
Revolving credits:				
Floating interest rate, secured	279,248	-	1,129,700	1,408,948
Floating interest rate, unsecured	397,655	-	-	397,655
Term loans, secured:				
Floating interest rate	4,605	6,141	1,762	12,508
Medium Term Notes, secured:				
Floating interest rate	999,623	-	-	999,623
Fixed interest rate	14,755	1,199,545	-	1,214,300
	1,695,886	1,205,686	1,131,462	4,033,034
Company				
2021				
Revolving credits:				
Floating interest rate, secured	992	-	803,500	804,492
2020				
Revolving credits:				
Floating interest rate, secured	1,292	-	1,129,700	1,130,992

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

(a) Revolving credits

A. The Company has a Revolving Credit ("RC 2") of up to RM804 million with a tenure of 5 years from 31 October 2020 and bears a floating interest rate of aggregate effective cost of funds and a margin of 0.6% (2020: 0.6%) per annum.

The RC 2 is secured by way of a Memorandum of Deposit over units in IGB REIT, including but not limited, in all cases, to bonus shares, rights shares and other new shares or rights entitlements at a minimum coverage of at least 1.5 times the loan amount.

B. The Company has another Revolving Credit ("RC 3") of RM326.2 million and bears a floating interest rate of aggregate effective cost of funds and a margin of 0.9% (2020: 0.9%) per annum.

The RC 3 is secured by way of a Memorandum of Deposit over units in IGB REIT, including but not limited, in all cases, to bonus shares, rights shares and other new shares or rights entitlements at a minimum coverage of at least 1.5 times the loan amount.

RC 3 was fully repaid during the financial year.

C. Other than the RC 2 and RC 3 above, the other RCs of the Group are secured by way of:

(i) Fixed charge on a 25-storey office tower commercial building of a subsidiary company;

(ii) Deposit of master title of a piece of land classified under inventories – land held for property development and property development costs (Note 13(a) and (b));

(iii) Corporate guarantee granted by the Company.

D. During the financial year, the Group's subsidiaries have obtained the following Revolving Credit ("RC") facilities:

(i) A new RC facility of up to RM50 million for working capital and investment purposes. The RC bears a floating interest rate of KLIBOR + 1% per annum at minimum rate of 1.70% per annum. On 15 September 2021, the subsidiary has drawn down RM3.2 million to part finance the acquisition of properties from its related companies. The RC is secured by way of charge on an investment property of the subsidiary.

(ii) A new RC facility of up to RM65 million of which RM58 million has been drawdown to date for working capital purposes. The RC bears a floating interest rate of 0.8% per annum plus the bank's Cost of Funds and is repayable on demand. The RC is secured against the subsidiary's investment in IGB REIT units with a minimal security cover of at least 1.25 times at all times.

E. During the financial year, the Group's subsidiaries have fully repaid five (5) RC facilities with a total amounting to RM527.5 million.

F. Undrawn revolving credit facilities of the Group amounted to RM60.3 million (2020: RM47.5 million).

(b) Term loans

Term loans ("TL") obtained by the Group comprise of the following:

A. A subsidiary has a TL of China Ren Min Bi ("RMB") 40 million with a tenure of five (5) years from the date of first drawdown with the following terms:

(a) the TL is repayable by instalments basis with the first instalment starting from 18 months after the date of first drawdown and the subsequent instalments falling due on every 6 months following the previous instalment. The first drawdown was on 21 November 2018;

(b) bears a floating interest rate of 120% of the applicable People's Bank of China Benchmark Lending Rate;

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

(b) Term loans (continued)

A. A subsidiary has a TL of China Ren Min Bi ("RMB") 40 million with a tenure of five (5) years from the date of first drawdown with the following terms (continued):

(c) secured by:

(i) Letter of awareness issued by the Company;

(ii) Pledged over account receivables provided by the subsidiary;

(iii) A control account arrangement that the subsidiary shall place all its sales revenue into an RMB control account opened with the bank ("Control Account") on monthly basis, and the use of the Control Account shall be subject to the bank's prior written consent except for normal business operating purposes;

(iv) Letter of endorsement or similar document issued by an insurance company acceptable to the bank to designate the bank as the first beneficiary under Property All Risk Insurance.

B. During the financial year, a subsidiary obtained a Term Loan of RM84 million with the following terms:

(a) The TL is repayable over 28 quarterly principal amounts commence on the 1st day of the 18th month from the date of Certificate of Completion and Compliance of the building or latest by 30 June 2023; and

(b) bears a floating interest rate of aggregate effective cost of funds and a margin of 1.00% per annum.

The subsidiary has drawn down RM55 million during the financial year. The loan is secured by a corporate guarantee by the Company of RM90 million and a fixed charge on the 25-storey commercial building of a subsidiary company.

(c) Medium Term Notes ("MTN")

A. IGB REIT Capital Sdn. Bhd. ("IGBRC")

On 18 August 2017, IGBRC, a special purpose vehicle wholly-owned by IGB REIT via MTrustee Berhad ("MTrustee"), had lodged a Medium Term Notes ("MTN") Programme with the SC pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC. The MTN Programme has a tenure of twenty (20) years from the date of its first issuance of MTN under the MTN Programme ("20 years MTN Programme").

On 20 September 2017, IGBRC issued the first tranche AAA-rated MTN ("REIT Tranche 1 MTN") amounting to RM1.2 billion which was advanced to IGB REIT to fully settle the Fixed Rate Term Loan facility ("FRTL"). The REIT Tranche 1 MTN has a tenure of 7 years ("Legal Maturity") effective from 20 September 2017. For the first 5 years ("Expected Maturity"), the REIT Tranche 1, MTN bears a fixed rate coupon rate of 4.4% per annum. The RM1.2 billion has to be fully repaid on Expected Maturity, otherwise it will cause a trigger event that will result in the coupon rate to be stepped up to 5.4% per annum for the sixth and seventh years. In addition, the trigger event is required to be remedied by IGBRC within 14 business days failing which the MTN's Security Trustee may exercise its relevant power under the programme to recover the sum due.

The REIT Tranche 1 MTN is secured against, among others, the following:

(i) a third-party legal assignment of the MTrustee's present and future rights, titles, interests and benefits in MVM and under the sale and purchase agreement in relation to MVM. In the event the subdivision of master title is completed and a separate strata title is issued for MVM ("MVM Strata Title"), a third party first legal charge shall be created on MVM Strata Title;

(ii) a third-party legal assignment over all the MTrustee's rights, titles, interests and benefits under the proceeds derived from the tenancy/lease agreements in relation to MVM;

(iii) a third-party legal assignment of the MTrustee's present and future rights, titles, interests and benefits under all insurance policies in relation to MVM and the Security Trustee (acting for and on behalf of the MTN holders) being named as the co-insured and loss payee of the insurance policies;

(iv) a third-party first ranking legal assignment and charge over the revenue and operating accounts of the REIT Tranche 1 MTN;

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

(c) Medium Term Notes ("MTN") (continued)

A. IGB REIT Capital Sdn. Bhd. ("IGBRC") (continued)

The REIT Tranche 1 MTN is secured against, among others, the following (continued):

(v) a first-party first ranking legal assignment and charge over the Debt Service Reserve Account of the REIT Tranche 1 MTN;

(vi) an irrevocable power of attorney granted by the MTrustee in favour of the security trustee (acting for and on behalf of the MTN holders) to manage and dispose MVM upon expiry of remedy period under the terms of REIT Tranche 1 MTN;

(vii) a letter of undertaking from the MTrustee and the Manager:

(a) to deposit all cash flows generated from MVM into the revenue account; and

(b) it shall not declare or make any distributions out of the cash flows from the revenue account to the unitholders if an event of default and/or a trigger event has occurred and is continuing or the financial covenants are not met; and

(viii) a first-party legal assignment over the REIT Tranche 1 MTN's trustee financing agreement.

The REIT Tranche 1, MTN's Expected Maturity is on 20 September 2022 and IGBRC intends to redeem the REIT Tranche 1, MTN on that date. As such, the entire amount outstanding as at 31 December 2021 is presented as current liabilities.

B. Southkey Megamall Sdn. Bhd. ("SKM")

In November 2016, SKM entered into agreement for an unrated eight (8) years MTN Programme ("8 years MTN Programme") of up to RM1.0 billion in nominal value. The MTN is non-tradeable and non-transferrable.

On 20 December 2016, SKM issued the first RM300 million nominal value of 8 years MTN Programme with maturity date on 20 December 2021. In financial years 2017, 2020 and 2021, SKM further issued RM300 million, RM280 million and RM120 million respectively of the nominal value of 8 years MTN Programme, all with the same maturity date. The proceeds were utilised to part finance the development and construction of Mid Valley Megamall, Southkey ("MVM Southkey").

During the financial year, SKM had obtained an approval for the extension of the maturity date of its MTN for a further 36 months. The maturity date has been further extended to 20 December 2024.

The MTN bears a floating interest rate of 6-months KLIBOR and a margin of 1.50% (2020: 1.50%) per annum. The weighted average effective interest rate of the 8 years MTN Programme as at 31 December 2021 was 3.6% (2020: 3.57%) per annum.

The 8 years MTN Programme is secured against, among others, the following:

(i) First-party first legal charge over the master title of the land where MVM Southkey is erected;

(ii) First-party first legal charge over the strata titles of MVM Southkey;

(iii) First-party first ranking debenture consisting of a fixed and floating charge over all the present and future assets of SKM;

(iv) Third-party first ranking legal charge over 70% of the issued and paid-up ordinary share capital of SKM held by the Company;

(v) First-party legal assignment over all present and future rights, titles, interests and benefits under all insurance policies in relation to MVM Southkey;

(vi) First-party legal assignment over all rights, titles, interests and benefits under all performance bonds granted by contractors of MVM Southkey;

(vii) First-party legal assignment over all rights, titles, interests and benefits under all construction contracts of MVM Southkey;

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for the financial year ended 31 December 2021
(continued)

29 INTEREST BEARING BANK BORROWINGS (continued)

(c) Medium Term Notes ("MTN") (continued)

B. Southkey Megamall Sdn. Bhd. ("SKM") (continued)

The 8 years MTN Programme is secured against, among others, the following (continued):

(viii) First-party assignment and charge over all the designated accounts;

(ix) First-party legal assignment over all rights, titles and interests under all management contracts;

(x) First-party legal assignment over all rights, titles and interests under all lease agreements;

(xi) Power of attorney granted to security agent to manage and dispose of MVM Southkey upon declaration of a trigger event;

(xii) Letter of undertaking from the Company in relation to the required net property income is achieved upon commencement of operations; and

(xiii) First-party legal assignment over all rights, titles and interests under the letter of undertaking from Southkey City Sdn. Bhd. who holds 30% of the issued and paid-up ordinary share capital in SKM.

C. IGB Commercial REIT Capital Sdn. Bhd. ("IGBCRC")

On 17 September 2021, IGBCRC, a special purpose vehicle wholly-owned by IGBCR via MTrustee Berhad (acting in its capacity as trustee for IGBCR) issued the first tranche unrated MTN ("IGBCRC Tranche 1, MTN") amounting to RM850 million which was advanced to IGBCR to part finance the acquisitions of the 10 properties. The MTN has been initially measured at its fair value of RM850 million less transaction costs of RM2.97 million that are directly attributable to the issuance of the MTN.

The IGBCRC Tranche 1, MTN has a tenure of 8.5 to 10.5 years ("Legal Maturity") effective from 17 September 2021. For the first 5 to 7 years ("Expected Maturity"), the IGBCRC Tranche 1, MTN bears a coupon rate of 3-months KLIBOR + 1.76% per annum. The RM850 million has to be fully repaid on Expected Maturity, otherwise it will cause a trigger event that will result in coupon rate to be stepped up by 1% per annum from the Expected Maturity Date up to its Legal Maturity Date. In addition, the trigger event is required to be remedied by IGBCRC within 14 business days failing which the MTN's Security Trustee may exercise its relevant power under the programme to recover the sum due.

The IGBCRC Tranche 1, MTN is secured against, among others, the following:-

(i) a third-party legal assignment of the Trustee's present and future rights, titles, interests and benefits in Menara IGB and IGB Annexe, Centrepoint South Tower, Centrepoint North Tower, The Gardens South Tower, The Gardens North Tower, Southpoint Offices, Menara Tan & Tan, GTower and Hampshire Place Office ("9 properties") and under the sale and purchase agreement in relation to 9 properties. In the event the subdivision of master title is completed and a separate strata title is issued for 9 properties ("9 properties Strata Title"), a third party first legal charge shall be created on 9 properties Strata Title;

(ii) a third party legal assignment over all the Trustee's rights, titles, interests and benefits under the proceeds derived from the tenancy/lease agreements in relation to 9 properties;

(iii) a third party legal assignment of the Trustee's present and future rights, titles, interests and benefits under all insurance policies in relation to 9 properties and the Security Trustee (acting for and on behalf of the MTN holders) being named as the co-insured and loss payee of the insurance policies;

(iv) a third party first ranking legal assignment and charge over the revenue and operating accounts of the IGBCRC Tranche 1, MTN;

(v) a first party first ranking legal assignment and charge over the Debt Service Reserve Account of the IGBCRC Tranche 1, MTN;

(vi) an irrevocable power of attorney granted by the Trustee in favour of the Security Trustee (acting for and on behalf of the MTN holders) to manage and dispose 9 properties upon expiry of the remedy period under the terms of the IGBCRC Tranche 1, MTN;

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29 INTEREST BEARING BANK BORROWINGS (continued)

(c) Medium Term Notes ("MTN") (continued)

C. IGB Commercial REIT Capital Sdn Bhd ("IGBCRC") (continued)

The IGBCRC Tranche 1, MTN is secured against, among others, the following (continued):-

(vii) a letter of undertaking from the Trustee and the Manager:

(a) to deposit all cash flows generated from 9 properties into the revenue account; and

(b) it shall not declare or make any distributions out of the cash flows from the revenue account to the unitholders if an event of default and/or a trigger event has occurred and is continuing or the financial covenants are not met; and

(viii) a first party legal assignment over the IGBCRC Tranche 1, MTN's Trustee financing agreement.

30 AMOUNTS OWING FROM/(TO) SUBSIDIARIES

	Company	
	2021	2020
	RM'000	RM'000
Amount owing from subsidiaries	86,848	77,494
Less: Provision for impairment	(19,727)	(20,631)
	67,121	56,863
Amount owing to subsidiaries	(82,444)	(369)

The amounts owing from subsidiaries are unsecured, repayable on demand and carry interest rates of 3.32% (2020: 3.32%) per annum.

The amounts owing to subsidiaries are unsecured, have no fixed terms of repayment and carry interest rates of 1.90% (2020: 1.90%) per annum.

The carrying amounts of owing from/(to) subsidiaries as at 31 December 2021 and 31 December 2020 approximated their fair values.

31 DIVIDENDS

Dividends on ordinary shares, RCPS and RCCPS paid or declared by the Company were as follows:

	2021		2020	
	Gross dividend per share	Amount of dividend, net of tax	Gross dividend per share	Amount of dividend, net of tax
	%	RM'000	%	RM'000
RCPS				
Single tier	-	-	2.50	11,293
RCCPS				
Single tier	4.30	6,780	4.30	7,968
Dividend-in-specie	-	539,004	-	-
Ordinary shares				
First interim single tier (sen)	12.0	110,946	2.00	16,749

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31 DIVIDENDS (continued)

Dividends paid in 2020

On 21 November 2019, the Directors declared an Interim Single Tier dividend of 5.0% per annum (based on the issue price of RM1.00 per RCPS) for the six months period from and including 16 August 2019 up to and including 13 February 2020 which was paid on 14 February 2020.

On 19 February 2020, the Directors declared an Interim Single Tier of dividend 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2019 up to and including 1 March 2020 which was paid on 27 March 2020.

On 26 August 2020, the Directors declared an Interim Single Tier of dividend 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 March 2020 up to and including 1 September 2020 which was paid on 30 September 2020.

On 26 August 2020, the Directors declared an Interim Single Tier dividend of 2.0 sen per ordinary share (comprising 2.0 sen dividend-in-specie by distributing 6,626,737 treasury shares) in respect of the financial year ended 31 December 2020 which was paid on 30 September 2020.

Dividends paid in 2021

On 26 February 2021, the Directors declared an Interim Single Tier of dividend 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2020 up to and including 1 March 2021 which was paid on 26 March 2021.

On 27 August 2021, the Directors declared an Interim Single Tier of dividend 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 March 2021 up to and including 1 September 2021 which was paid on 30 September 2021.

On 26 November 2021, the Directors declared an Interim Single Tier dividend of 12.0 sen per ordinary share (comprising 2.0 sen dividend-in-specie by distributing 9,266,985 treasury shares and 10.0 sen per ordinary share paid by way of cash) in respect of the financial year ended 31 December 2021 which was paid on 24 December 2021.

A DIS of 539,003,729 Units of IGBCR were distributed to Entitled Shareholders who subscribed for their entitlement to the Restricted Offer For Sale ("ROFS") Units on the basis of three (3) DIS Units for every two (2) ROFS Units subscribed. The IGBCR Units were credited to the Entitled Shareholders' account on 17 September 2021.

Dividends paid in 2022

On 25 February 2022, the Directors declared an Interim Single Tier dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) for the six months period from and including 2 September 2021 up to and including 1 March 2022 which was paid on 18 March 2022.

A Second Interim Single Tier dividend of 5.0 sen per ordinary share was declared for the financial year ended 31 December 2021 which was paid on 18 March 2022.

32 OPERATING LEASES

The Group leases out its investment properties and property, plant and equipment under operating leases. Subject to full receipts and/or recoveries of all trade receivables, and assuming no existing tenancies are prematurely terminated, all expiring tenancies will be renewed at the same passing rent rates and no rental support, incentive or waiver will be given to tenants, the undiscounted lease payments to be received, based on committed tenancies as at 31 December 2021 are as follows:

	2021	2020
Group	RM'000	RM'000
Less than 1 year	494,005	494,098
1 – 2 years	353,409	264,972
2 – 3 years	212,124	101,271
3 – 4 years	66,318	35,745
4 – 5 years	20,962	25,315
> 5 years	106,346	125,467
	1,253,164	1,046,868

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

33 REMAINING PERFORMANCE OBLIGATION

The following table shows remaining performance obligation resulting from non-lease components of the lease contracts:

Service charges:

Group	2021 RM'000	2020 RM'000
Less than 1 year	144,751	139,523
1 – 2 years	108,722	80,850
2 – 3 years	70,001	33,402
3 – 4 years	24,900	15,601
4 – 5 years	6,396	12,113
> 5 years	29,148	34,814
	383,918	316,303

34 CAPITAL COMMITMENTS

Group	2021 RM'000	2020 RM'000
Approved and contracted for:		
Property, plant and equipment	20,667	25,295
Investment properties	49,404	43,612
Others	-	1,312
	70,071	70,219

35 SIGNIFICANT RELATED PARTY DISCLOSURES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Key management personnel of the Group and of the Company are the Executive Directors, Non-Executive Directors and senior management of the Group and of the Company.

Key management compensation is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, bonus and allowances	35,360	28,588	16,083	11,263
Defined contribution plan	3,580	3,433	1,677	1,520
Other short-term benefits	463	723	176	435
	39,403	32,744	17,936	13,218

Included in the key management compensation is Executive Director's remuneration as disclosed in Note 8 to the financial statements.

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

35 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions agreed with the related parties.

Related parties	Relationship
Cahaya Utara Sdn. Bhd.	An associate of Wah Seong (Malaya) Trading Co. Sdn. Bhd.
Strass Media Sdn. Bhd.	A subsidiary of Wah Seong (Malaya) Trading Co. Sdn. Bhd.
Wah Seong (Malaya) Trading Co Sdn. Bhd.	A company in which Dato' Seri Robert Tan Chung Meng, a Director of the Company, has substantial financial interest
Wasco Management Services Sdn. Bhd.	A wholly-owned subsidiary of Wah Seong Corporation Berhad, a company in which Dato' Seri Robert Tan Chung Meng, a Director of the Company, has substantial financial interest
Black Pearl Limited	A former joint venture of IGB Corporation Berhad

The significant related party transactions during the financial year are as follows:

	2021	2020
Group	RM'000	RM'000
Light boxes rental, pedestrian bridge and office rental:		
Strass Media Sdn. Bhd.	408	701
Lease of space and related facilities:		
Wasco Management Services Sdn. Bhd.	818	1,049
Purchase of building materials, electrical equipment and appliances and related services:		
Wah Seong (Malaya) Trading Co Sdn. Bhd.	1,950	1,766
Company		
Advances to subsidiaries	401,690	141,317
Repayments to subsidiaries	52,450	139,550
Advances from subsidiaries	134,150	106,150
Repayments from subsidiaries	326,000	198,030
Dividend income from subsidiaries:		
IGBC	1,838,938	40,242
GTower Sdn. Bhd.	344,000	-
IGB REIT	104,537	117,019
IGBCR	13,763	-
Macro Lynx Sdn. Bhd.	-	5,456
Rental of premises payable to subsidiaries:		
GTower Sdn. Bhd.	345	241
Mid Valley City South Tower Sdn. Bhd.	3,129	3,604
Tan & Tan Developments Berhad	113	85
IGBCR	695	-
Fees from management services receivable from subsidiaries:		
Mid Valley City Sdn. Bhd.	1,134	1,210
IGB REIT Management Sdn. Bhd.	1,510	1,340
Tan & Tan Developments Berhad	1,063	1,454

Notes to the Financial Statements
for the financial year ended 31 December 2021
(continued)

35 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

The significant related party balances are as follows:

Group	2021 RM'000	2020 RM'000
Amount owing from associate:		
New Commercial Investments Limited	22,512	22,259
Amounts owing from joint ventures:		
Black Pearl Limited	-	376,515
Kundang Properties Sdn. Bhd.	30,092	30,092
Company		
Amount owing from subsidiaries:		
IGB REIT	37,692	36,070
IGB Corporation Berhad	17	15,056
Steady Paramount Sdn. Bhd.	4,792	4,438
GoldChina Sdn. Bhd.	1,855	-
IGBCR	18,520	-
IGB Commercial REIT Capital Sdn. Bhd.	820	-
Amount owing to subsidiaries:		
Idaman Spektra Sdn. Bhd.	(15,000)	-
Mid Valley City North Tower Sdn. Bhd.	(5,000)	-
Mid Valley City Southpoint Sdn. Bhd.	(53,000)	-
Tan & Tan Realty Sdn. Bhd.	(8,700)	-
Multistock Sdn. Bhd.	(370)	-
Mines Fiberlynx Sdn. Bhd.	(350)	(350)

36 CHANGES IN GROUP STRUCTURE

Listing of IGBCR

On 17 September 2021, the Group announced that the acquisitions of 10 investment properties amounted to RM3,160.5 million by IGBCR from its subsidiaries and a joint venture company namely Hampshire Properties Sdn. Bhd. (collectively referred to "Vendors") have been completed. IGBCR has satisfied the purchase consideration in the following manners:

(i) Issuance of IGBCR units amounted to RM2,308.2 million to the respective Vendors; and

(ii) Cash consideration of RM853.2 million obtained via drawdown of IGBCR's revolving credit facility amounted to RM3.2 million and issuance of Medium Term Notes by IGBCR's wholly-owned subsidiary, IGB Commercial REIT Capital Sdn. Bhd., amounted to RM850.0 million. The details of these borrowings obtained during the financial year are disclosed in Note 29(a)(D)(i) and Note 29(c)(A).

The Group continued to recognise the 9 investment properties at the Group's carrying amounts as it is only a transfer between the Group's subsidiaries. The addition of investment property from the Group's joint venture represented a new acquisition of asset by the Group. The details of the acquisition are disclosed in Note 14.

The units and cash received by the Vendors have been distributed to IGB Berhad and the Vendors' other corporate shareholders. The units and cash received by IGB Berhad have been recognised as dividend income and disclosed in Note 6.

Notes to the Financial Statements

for the financial year ended 31 December 2021
(continued)

36 CHANGES IN GROUP STRUCTURE (continued)

Listing of IGBCR (continued)

IGB Berhad has also carried out a Restricted Offer For Sale ("ROFS") and Distribution-in-Specie ("DIS") of IGBCR units to its shareholders as part of the listing exercise of IGBCR. The IGBCR Units were credited to IGB Berhad entitled shareholders account on 17 September 2021. The effects of the transactions to the Group and the Company are disclosed in the Group's and the Company's statements of changes in equity.

On 20 September 2021, IGBCR was listed on the Main Market of Bursa Securities.

37 SUBSEQUENT EVENT DISCLOSURE

Redemption of Redeemable Convertible Cumulative Preference Shares ("RCCPS")

Pursuant to the Company's Notice to RCCPS Holders dated 11 March 2022, RCCPS Holders were informed that the Group has elected to and will make early full redemption of all its outstanding RCCPS on 11 April 2022 (Redemption Date) comprising the following:

(i) RCCPS Holders whose names appear in the Record of Depository of the Company at the close business at 5.00 p.m. on 4 April 2022 shall be entitled to the Redemption.

(ii) The Redemption Price for the RCCPS is at RM3.28 each.

(iii) On Redemption Date, a pro-rated dividend of 4.3% per annum due for the period 2 March 2022 to the Redemption Date at RM0.0158 per RCCPS for all RCCPS Holders.

(iv) On the Redemption Date, all RCCPS Holders received cash for each RCCPS held as at 4 April 2022.

(v) All outstanding RCCPS as at Redemption Date were debited from the respective RCCPS Holders' securities accounts with the Depository on Tuesday, 12 April 2022.

(vi) The RCCPS were delisted from Bursa Securities on 12 April 2022 at 9.00 a.m.

38 EFFECT OF IBOR REFORM

Following the Global Financial Crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR, USD LIBOR and other interbank offered rates has become a priority for global regulators. Globally, the new alternative reference rates ("ARR") are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates, in line with the LIBOR reforms. The Group has a number of borrowings contracts that referenced to MYR KLIBOR and USD LIBOR.

On 24 September 2021, Bank Negara Malaysia ("BNM") announced the launch of the Malaysia Overnight Rate ("MYOR") as the new alternative reference rate for Malaysia. The MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate ("KLIBOR"). There remain key differences between KLIBOR and MYOR. KLIBOR is a 'term rate', which means that it is published for a borrowing period (such as 3- or 6-month tenor) and is 'forward looking', because it is published at the beginning of the borrowing period. MYOR is currently a 'backward-looking' rate, based on unsecured overnight Malaysian Ringgit interbank transactions in the Malaysian financial market, and it is published on the next business day (i.e. at the end of the overnight borrowing period). Furthermore, KLIBOR includes a credit spread over the risk-free rate, which MYOR currently does not. To transition existing contracts and agreements that reference KLIBOR to MYOR, adjustments for term and credit differences might need to be applied to MYOR, to enable the two benchmark rates to be economically equivalent on transition.

The publication of the 2- and 12-month KLIBOR tenors will be discontinued on 1 January 2023. The remaining 1-, 3- and 6-month KLIBOR tenors will be reviewed by BNM in the second half of 2022. A new Islamic benchmark rate to replace the Kuala Lumpur Islamic Reference Rate will be announced by BNM by the first half of 2022.

As at 31 December 2021, the Group's borrowings which reference MYR KLIBOR and USD LIBOR amounting to RM1.89 billion (2020: RM1.31 billion) have not yet transitioned to an alternative reference rate benchmark and replacement interest rate benchmarks have not been identified. The Group will closely monitor the regulators' announcement on the alternative benchmark rate or discontinuation of publication of the KLIBOR for the relevant tenors; and engage the counterparties to discuss necessary changes to the related contracts.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 25 April 2022.

Statement by Directors
pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Seri Robert Tan Chung Meng and Lee Chaing Huat, being two of the Directors of IGB Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 66 to 176 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance of the Group and of the Company for the financial year ended 31 December 2021, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 April 2022.

Dato' Seri Robert Tan Chung Meng
Group Chief Executive Officer

Lee Chaing Huat
Director

Statutory Declaration
pursuant to Section 251(1) of the Companies Act 2016

I, Chai Lai Sim, the Officer primarily responsible for the financial management of IGB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 176 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Chai Lai Sim
(MIA No. 5127)

Subscribed and solemnly declared by the abovenamed Chai Lai Sim at Kuala Lumpur in the Federal Territory on 25 April 2022.

Natalie Ooi Wan Qing (No. PJS: W888)
Commissioner for Oaths

Independent Auditors' Report to the Members of IGB Berhad

(Incorporated in Malaysia)
Registration No. 200001013196 (515802-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IGB Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 176.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
1) Valuation of hotel properties The carrying value of the Group's hotel properties amounted to RM1,043.6 million as at 31 December 2021.	Our audit procedures included the following: (i) reviewed the appropriateness of the multiple scenarios value-in-use calculations used to determine the recoverable amounts; (ii) tested the significant inputs underpinning the value-in-use calculations such as weightage of each scenario, occupancy rates, average room rates and operating costs to the hotel properties' historical results;

Independent Auditors' Report to the Members of IGB Berhad

(Incorporated in Malaysia)
Registration No. 200001013196 (515802-U)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>1) Valuation of hotel properties (continued)

The tourism industry has been severely affected by the imposition of travel restrictions by various countries globally in response to COVID-19 pandemic affecting the performance of the Group's Hotel division. The results of the Group's Hotel division continued to decline as compared to pre-COVID periods due to the weak demand contributed by the travel restrictions in the various countries in which the Group has operations in.

Arising from the indicators above, the Directors have performed an impairment assessment, on the carrying amounts of the hotel properties against their recoverable amounts. The recoverable amounts of hotel properties have been determined by the management using discounted cash flow projections based on the value-in-use method and fair value less costs to sell.

We focused on this area because the determination of the recoverable amounts via management's value-in-use and fair value less costs to sell calculations involved significant judgements and estimations that could result in material misstatement.

Refer to Note 12 Property, Plant and Equipment for the significant basis and assumptions adopted in impairment assessments of the Group's hotel properties.</td><td>Our audit procedures included the following: (continued)

(iii) assessed the appropriateness of discount rates and capitalisation rates used by management, with reference to comparable hotel properties in the market;

(iv) tested the significant inputs underpinning the fair value less costs to sell calculations such as the basis of adjustment made to the comparable hotel transactions prices by considering factors such as characteristics of each hotel, its location, size and comparable transaction date;

(v) discussed with the management the methodology and challenged the key assumptions used in the value-in-use and fair value less costs to sell calculations, taking into account the current market outlook due to the impact of COVID-19; and

(vi) tested the mathematical accuracy of the value-in-use and fair value less costs to sell models.

Based on the above procedures, we did not identify any material exception.</td></tr>
<tr><td>2) Valuation of construction work-in-progress

The Group has construction work-in-progress consisting of two office buildings and one hotel tower ("CWIP") with a total carrying amount of RM412.0 million as at 31 December 2021, of which RM252.5 million and RM159.5 million are classified as Investment Properties and Property, Plant and Equipment respectively.

There has been an increase in the cumulative supply of premium office spaces and hotels where the CWIP is located, potentially having an adverse impact to the demand of spaces and rental rates. The situation is further worsened by the prolonged movements and travel restriction imposed by the government in response to the COVID-19 pandemic. The CWIP is scheduled to complete in 2022 amid the on-going pandemic.

Arising from the indicators above, the Directors have performed an impairment assessment, on the carrying amounts of the CWIP against their respective recoverable amounts. The recoverable amounts are determined by the management's discounted cash flow projections based on the value-in-use method.</td><td>Our audit procedures included the following:

(i) reviewed the appropriateness of the multiple scenarios value-in-use calculations to determine the recoverable amounts for the respective properties upon their completion;

(ii) discussed with the management the methodology and challenged the key assumptions used in the value-in-use calculations, taking into account the prevailing market condition and outlook due to the impact of COVID-19;

(iii) assessed the reasonableness of data inputs used in the determination of the estimated value-in-use of the properties;

(iv) agreed the construction cost to complete to the respective latest approved budgets of the properties where relevant;

(v) assessed the appropriateness of discount rates and capitalisation rates used by management, with reference to comparable hotel and office properties in the market; and

(vi) tested the mathematical accuracy of the value-in-use calculations.

Based on the above procedures, we did not identify any material exception.</td></tr>
</table>

Independent Auditors' Report to the Members of IGB Berhad

(Incorporated in Malaysia)
Registration No. 200001013196 (515802-U)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

Key audit matters	**How our audit addressed the key audit matters**
2) Valuation of construction work-in-progress (continued) We focused on this area because the determination of the recoverable amounts using management's value-in-use calculations involved significant judgements and estimations that could result in material misstatement. Refer to Note 12 Property, Plant and Equipment and Note 14 Investment Properties for the significant basis and assumptions adopted in impairment assessments of the CWIP assets.	
3) Accounting for rental supports granted to tenants Total conditional rental supports granted by the Group under the rental support programme offered to eligible tenants affected by the COVID-19 pandemic amounted to RM134.5 million, of which RM131.3 million was recognised as a reduction to lease income and service charge in the financial year. Conditional rental supports resulting in lease modification in the prior year is recognised over the lease term and the amount recognised during the financial year was RM11.0 million. Depending on the facts and circumstances (including any existing contractual terms contained in the original tenancy agreements and applicable laws or regulations), the rental supports might be accounted for as lease modification under MFRS 16, or extinguishment of lease payments under MFRS 9. The various facts and circumstances in which the rental supports were granted will ultimately impact the accounting for rental supports, which is why we have given special audit focus and attention to this area. Refer to Note 2(i) Summary of Significant Accounting Policies – Leases and Note 6 Revenue.	Our audit procedures included the following: (i) discussed with management to understand their view on the appropriate accounting policy choice treatment and its application towards the rental supports granted; (ii) obtained and reviewed samples of lease agreements and the credit notes issued for rental supports granted to assess the facts and circumstances surrounding the rental supports granted and confirmed the rights and obligations of both parties; (iii) obtained and examined the details of credit note samples issued during the financial year to determine that the appropriate accounting policy choice treatment has been applied; (iv) checked the mathematical accuracy of management's working between rental supports that resulted in lease modification and those that related to the extinguishment of lease payments; and (v) reviewed the appropriateness of the presentation and disclosures on the policy choice made regarding the accounting treatment for rental supports granted. Based on the above procedures, we did not identify any material exception.

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises all other information contained within the 2021 Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Members of IGB Berhad

(Incorporated in Malaysia)
Registration No. 200001013196 (515802-U)
(continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report to the Members of IGB Berhad

(Incorporated in Malaysia)
Registration No. 200001013196 (515802-U)
(continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

GAN WEE FONG
03253/01/2023 J
Chartered Accountant

Kuala Lumpur
25 April 2022

Shareholding Statistics
as at 12 April 2022

Issued Share Capital : 905,427,425 Ordinary Shares
Number of Shareholders : 4,758
Voting Rights : 1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	721	15.15	22,780	0.00
100 - 1,000	399	8.39	172,460	0.02
1,001 - 10,000	2,642	55.53	9,222,143	1.02
10,001 - 100,000	815	17.13	22,127,031	2.45
100,001 - less than 5% of Issued Shares	177	3.72	507,430,612	56.19
5% and above Issued Shares	4	0.08	364,081,867	40.32
Total	4,758	100.00	903,056,893#	100.00

Note:
 # Excluding 2,370,532 treasury shares retained by IGB as per Record of Depositors as at 12 April 2022

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect*	
Name of Shareholders	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Tan Chin Nam Sendirian Berhad	243,539,587	26.97	195,554,272	21.66
Tan Kim Yeow Sendirian Berhad	89,029,687	9.86	177,329,294	19.64
Pauline Tan Suat Ming	358,866	0.04	266,358,981	29.50
Dato' Seri Robert Tan Chung Meng	5,284,613	0.59	266,358,981	29.50
Tony Tan Choon Keat	-	-	266,358,981	29.50
Wah Seong (Malaya) Trading Co. Sdn Bhd	142,456,307	15.78	34,872,987	3.86
HSBC Holdings plc	-	-	68,082,429	7.54
HSBC Asia Holdings Limited	-	-	68,082,429	7.54
The HongKong and Shanghai Banking Corporation Limited	-	-	68,082,429	7.54
HSBC International Trustee (Holdings) Pte Ltd	-	-	68,082,429	7.54
HSBC International Trustee Limited	-	-	68,082,429	7.54

Note:
** Deemed interest held by other corporations by virtue of Section 8(4) of the Companies Act 2016*

Shareholding Statistics
as at 12 April 2022
(continued)

DIRECTORS' INTERESTS IN IGB AND RELATED CORPORATIONS

	IGB				IGB Real Estate Investment Trust				IGB Commercial Real Estate Investment Trust				GTower Sdn Bhd	
	Ordinary Shares				Units				Units				Ordinary Shares	
	Direct		Indirect*		Direct		Indirect*		Direct		Indirect*		Direct	
Name of Directors	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Tan Lei Cheng	17,183,476	1.90	-	-	1,953,742	0.05	-	-	21,266,680	0.92	-	-	1,571	0.79
Daud Mah Bin Abdullah @ Mah Siew Whye	136,088	0.02	-	-	-	-	-	-	497,192	0.02	-	-	-	-
Dato' Lee Kok Kwan	-	-	-	-	11,171	0.00	-	-	-	-	-	-	-	-
Dato' Seri Robert Tan Chung Meng	5,284,613	0.59	266,358,981	29.50	16,272,721	0.46	1,924,691,659	53.83	5,330,424	0.23	1,477,176,266	63.82	-	-
Tan Boon Lee (Alternate to Dato' Seri Robert Tan Chung Meng)	13,087,493	1.45	14,899,349	1.65	1,705,025	0.05	-	-	14,464,100	0.62	-	-	1,714	0.86
Tan Mei Sian (Alternate to Tan Lei Cheng)	913,305	0.10	-	-	-	-	-	-	1,291,140	0.06	-	-	143	0.07

Note:
* *Deemed interest held by other corporations by virtue of Section 8(4) of the Companies Act 2016*

30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS
(Excluding 2,370,532 treasury shares)

	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	Tan Chin Nam Sendirian Berhad	125,744,774	13.93
2.	Wah Seong (Malaya) Trading Co. Sdn Bhd	101,359,076	11.22
3.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Chin Nam Sendirian Berhad (PB)	70,920,128	7.85
4.	Tan Kim Yeow Sendirian Berhad	66,057,889	7.32
5.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	37,520,314	4.16
6.	Tan Chin Nam Sendirian Berhad	36,374,685	4.03
7.	CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS-PB)	34,250,373	3.79
8.	HSBC Nominees (Asing) Sdn Bhd Exempt An for The HongKong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	32,794,585	3.63
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Wang Tak Majujaya Sdn Bhd (PB)	26,155,346	2.90
10.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Pangolin Asia Fund	21,126,726	2.34
11.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	20,221,006	2.24
12.	Wah Seong (Malaya) Trading Co. Sdn Bhd	18,764,131	2.08
13.	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	16,716,445	1.85
14.	Wah Seong Enterprises Sdn Bhd	15,375,952	1.70

Shareholding Statistics
as at 12 April 2022
(continued)

	Name of Shareholders	No. of Shares Held	% of Issued Shares
15.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tan Boon Lee (PB)	14,899,349	1.65
16.	Amanahraya Trustees Berhad Public SmallCap Fund	13,368,597	1.48
17.	Tan Boon Lee	13,087,493	1.45
18.	Tan Lei Cheng	12,464,271	1.38
19.	Scanstell Sdn Bhd	11,567,128	1.28
20.	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Wang Tak Company Limited (PB)	10,045,665	1.11
21.	Choy Wor Lin	8,265,146	0.92
22.	Wah Seong Enterprises Sdn Bhd	6,695,494	0.74
23.	Tentang Emas Sdn Bhd	6,620,882	0.73
24.	Tan Kim Yeow Sendirian Berhad	6,255,353	0.69
25.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	6,086,357	0.67
26.	Wah Seong (Malaya) Trading Co. Sdn Bhd	6,073,727	0.67
27.	Lim Kuan Gin	5,792,887	0.64
28.	Wah Seong (Malaya) Trading Co. Sdn Bhd	5,636,078	0.63
29.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Nam Sendirian Berhad (KLC)	5,500,000	0.61
30.	Classlant Sdn Bhd	5,447,850	0.60

Notice of Twenty-Second Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting (22nd AGM) of IGB Berhad (IGB) will be held as a virtual meeting through live streaming and online remote voting from the Broadcast Venue at Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on Monday, 30 May 2022 at 2.30 p.m.

Shareholders may participate in the 22nd AGM virtually through an online platform provided by IGB's share registry Tricor Investor & Issuing House Services Sdn Bhd (TIIH) which can be accessed at https://tiih.online. Through the online platform, Shareholders will be able to view the AGM proceedings, ask questions and vote during the meeting. Further information on how to participate is set out in the Virtual AGM Guide.

BUSINESS OF THE MEETING

Ordinary Business

1. To receive the Financial Statements of IGB (together with reports of the Directors and Auditors) for the year ended 31 December 2021 (Financial Statements and Reports FY2021).

2. To re-elect the following Directors who retire in accordance with IGB's Constitution and being eligible, have offered themselves for re-election:

   (a) Clause 84: Dato' Dr. Zaha Rina binti Zahari (DDZR), Independent Non-Executive Director (INED) (Resolution 1)
   (b) Clause 90: Dato' Lee Kok Kwan (DLKK), INED (Resolution 2)

3. To approve the payment of fees amounting to RM665,000 in respect of FY2021 and meeting allowances up to RM178,000 for year 2022, to the Non-Executive Directors (NEDs). (Resolution 3)

4. To re-appoint PricewaterhouseCoopers PLT (PwC) as Auditors of IGB for the financial year ending 31 December 2022 and to authorise the Board of Directors to determine their remuneration. (Resolution 4)

Special Business

5. To consider and, if thought fit, to pass the following ordinary resolutions:

   (a) Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Sections 75 and 76 Mandate)

   "THAT the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (Act), to allot and issue not more than 10% of the issued shares (excluding treasury shares) of IGB at any time at such price, upon such terms and conditions, for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit and expedient in the interest of IGB and that such authority shall continue to be in force until IGB's AGM in 2023." (Resolution 5)

   (b) Proposed Renewal of Shareholder Mandate for the Company to Purchase its Own Shares (SBB Mandate)

   "THAT the Directors be and are hereby authorised to make market purchases of the shares in IGB on such terms and in such manner as the Directors may, in their discretion deem fit, provided that at the time of purchase:

   (i) the aggregate number of shares to be purchased and/or held by IGB shall not exceed 10% of the total issued shares at any point in time; and

   (ii) the funds to be allocated for the purchase of shares shall not exceed IGB's retained profits at the time of purchase,

   THAT the Directors be and are hereby authorised to deal with the shares so purchased in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Act, rules and regulations made pursuant thereto);

   AND THAT the SBB Mandate, unless revoked or varied by IGB in general meeting, shall continue for the period ending on the date of the AGM to be held in 2023." (Resolution 6)

Notice of Twenty-Second Annual General Meeting
(continued)

(c) Proposed New and Renewal of Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPT Mandate)

"THAT authorisation of the Shareholders be and is hereby accorded to IGB and its subsidiary companies (Group) to enter into all arrangements and/or transactions with the related parties (Transacting Parties) as set out in Section 2.0 of the Statement/Circular to Shareholders dated 29 April 2022 (Statement/Circular), provided that such arrangements and/or transactions are:

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the Group's day-to-day operations;
(iii) carried out in the ordinary course of business, at arm's length and on normal commercial terms not more favourable to the Transacting Parties than those generally available to the public; and
(iv) not detrimental to the minority Shareholders,

THAT the RRPT Mandate, unless revoked or varied by IGB in general meeting, shall continue for the period ending on the date of the AGM to be held in 2023;

AND THAT the Directors be and are hereby authorised to do all such acts, matters, deeds and things as they may consider expedient or necessary in the best interest of IGB to give effect to the RRPT Mandate and/or this resolution." (Resolution 7)

6. To transact any other business of which due notice shall have been duly given in accordance with the Act.

By Order of the Board

Tina Chan
Group Company Secretary
MAICSA 7001659/SSM PC No. 201908000014

Kuala Lumpur
29 April 2022

Explanatory notes of each item on the Agenda:

(1) Financial Statements and Reports FY2021
The Board has approved the Financial Statements and Reports FY2021. This document has therefore been adopted. A resolution pertaining to this particular item on the Agenda is not required.

(2) Re-election of Directors
At every AGM one-third of the Directors shall vacate office (1/3-rotation rule) and new Directors shall submit himself/herself for re-election at AGM immediately following his/her appointment (First-time re-election rule).

DDZR is obliged to retire pursuant to the 1/3-rotation rule and being eligible, DDZR has submitted herself for re-election at the 22nd AGM. Daud Mah bin Abdullah @ Mah Siew Whye who also retires pursuant to the 1/3-rotation rule will retire and retain office until the close of the 22nd AGM. DLKK, being newly appointed on 25 February 2022, will stand for re-election under the First-time re-election rule.

Nomination Committee (NC) (with the Board's concurrence and without participation by DDZR) had assessed DDZR's commitment, competency, performance and contribution to the Board, and satisfied that DDZR would be able to continue exercising independent judgement to provide input to the Board in discharging her responsibilities in an independent manner with integrity and competency. DLKK has to stand for re-election at the 22nd AGM pursuant to the First-time re-election rule.

DDZR and DLKK do not hold any shares in IGB, has no family relationship with any Director and/or major shareholder of IGB, has no conflict of interest with IGB and has not been convicted of any offence within the past 5 years and has not been imposed any penalty by the relevant regulatory bodies during FY2021. Information about DDZR and DLKK is provided in the Annual Report 2021 (AR2021) under the heading **Profile of Directors**.

(3) Directors' Fees and Meeting Allowances
Fees and meeting allowances are payable to NEDs only. Evaluation of fees and meeting allowances are performed once a year. The Board has endorsed the Remuneration Committee's recommendation to seek Shareholders' approval for the NED fees (in respect of FY2021) to be revised upwards by 30%, while the meeting allowance (in respect of year 2022) to remain status quo.

The remuneration of each Director is disclosed in AR2021 under the heading Corporate Governance Overview Statement.

Notice of Twenty-Second Annual General Meeting
(continued)

(4) Re-appointment of Auditors
The appointment of PwC ends at the conclusion of the 22nd AGM. Audit Committee (AC) had undertaken the annual assessment of PwC, and being satisfied with their technical competency in terms of skills, execution of audit plan, reporting and overall performance, recommended the re-appointment of PwC as Auditors for the financial year ending 31 December 2022, whereupon the Board had endorsed AC's recommendation.

Details of the assessment and criteria used by AC on its review are set out in AR2021 under the heading Audit Committee Report.

(5) Sections 75 and 76 Mandate
Resolution 5, if passed, will provide IGB with the authority to allot and issue up to 10% of the issued shares (excluding treasury shares) of IGB without the need to convene a general meeting. The mandate, if granted, will provide flexibility to IGB for any strategic acquisition opportunities involving equity or partly equity or such purposes as the Directors consider to be in the interest of IGB.

(6) SBB Mandate
Resolution 6, if passed, will provide IGB with the authority to buyback and/or hold its shares not exceeding 10% of the issued shares on such terms and in such manner as the Directors may deem fit and expedient in the interest of IGB, the details of which are set out in Part A of the Statement/Circular.

(7) RRPT Mandate
Resolution 7, if passed, will enable the IGB Group to enter into RRPT with the Transacting Parties during the mandate period, the details of which are set out in Part B of the Statement/Circular.

(8) Voting Procedures
All resolutions set out in this Notice of 22nd AGM will be taken by poll. For these resolutions to be passed more than 50% of the votes cast must be in favour. The poll results will be announced through the BursaLINK and will be posted on IGB's website at www.igbbhd.com as soon as possible following the 22nd AGM.

(9) Abstention from Voting
(a) Directors who have a personal interest with respect to Resolutions 1, 2 and 3 will abstain from voting on the motions at the 22nd AGM.

(b) Dato' Seri Robert Tan Chung Meng, Tan Lei Cheng, Tan Boon Lee, Tan Mei Sian and persons connected to them will abstain from voting on Resolution 7 in relation to the RRPT Mandate. They had abstained from all Board deliberations and voting on this resolution.

Notes:

1. A Shareholder entitled to participate and vote at the 22nd AGM may appoint 1 or 2 persons as proxies and vote on his/her behalf. A proxy need not be a Shareholder of IGB.
2. A Shareholder, who is an authorised nominee, may appoint not more than 2 persons as proxies in respect of each securities account held; whereas, an exempt authorised nominee may appoint multiple persons as proxies in respect of each securities account held.
3. Proxy Form in the case of an individual shall be signed by the appointor or his/her attorney, and in the case of corporation, either under its common seal or the hand of an officer or attorney duly authorised.
4. Where a Shareholder appoints 2 proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
5. Shareholders at the close of business on 23 May 2022 may participate and vote at the 22nd AGM by log-in to https://tiih.online and complete the online form. It is important that Shareholders read the Virtual AGM Guide.
6. Proxy Form or any power of attorney under which it is signed or certified or office copy of such power or authority, may be deposited at/posted to TIIH, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submitted electronically at https://tiih.online to arrive not later than 2.30 p.m. on Saturday, 28 May 2022. Any Proxy Form received after that time will not be valid for the scheduled 22nd AGM. All valid proxy votes, whether submitted electronically or in printed form, will be included in the poll to be taken at the 22nd AGM.
7. Shareholders may call TIIH at 603-2783 9273/9263/9299 or email to is.enquiry@my.tricorglobal.com if they have questions regarding the Proxy Form submission and the Virtual AGM Guide process to pre-register, participate and vote at the 22nd AGM, or encounter any log-in difficulties.
8. AR2021 and Statement/Circular may be viewed and downloaded online at www.igbbhd.com.

Virtual AGM Guide

Date	:	Monday, 30 May 2022
Time	:	2.30 p.m.
Broadcast Venue	:	Bintang Ballroom, Level 5, Cititel Mid Valley, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia
Meeting Platform	:	https://tiih.online with Remote Participation and Voting (RPV) facility

(1) Virtual AGM

Considering that SARS-CoV-2 virus remains a health concern to Shareholders and all other participants, the Board of Directors (Board) has decided to conduct the 22nd AGM as a virtual event. The 22nd AGM will be held in the physical presence of the Chair of the 22nd AGM and members of the Board. The physical attendance of Shareholders or their proxies is not possible.

Attendance and participation by Shareholders and proxies at the 22nd AGM shall be solely by way of the RPV facility by logging to Tricor Investor & Issuing House Services Sdn Bhd's (TIIH) website at https://tiih.online. Shareholders can participate online using smartphone, tablet or computer. By participating online, Shareholders will be able to view a live webcast of the 22nd AGM, ask questions/clarifications on the relevant agenda items as well as information on IGB's operations via a query box and submit votes in real time. Shareholders also have the option of submitting questions to the Board prior to the 22nd AGM to investor-relation@igbbhd.com by Monday, 23 May 2022 at the latest. The Board will answer the questions (related to the business of the 22nd AGM) at its dutiful and free discretion in the 22nd AGM. Shareholders are advised to afford themselves ample time to complete the log-in process in advance of the commencement of the 22nd AGM.

The Board look forward to Shareholders virtual attendance and the opportunity to engage with Shareholders at the 22nd AGM.

(2) RPV

As the holding of the 22nd AGM in the form of a virtual event, Shareholders to pay special attention to the RPV facility procedures as summarised below:

Procedure		Action
BEFORE IGB 22nd AGM		
(a)	Sign up as a user of TIIH Online (for first time registration only)	▪ Access website at https://tiih.online. Sign up as a user under the "e-Services" (refer to the tutorial guide posted on the homepage). ▪ Your registration as user will be approved within one (1) working day and you will be notified via e-mail on the approval/rejection of your user registration.
(b)	Submit your request to attend 22nd AGM	▪ Registration is open from 2.30 p.m. on Friday, 29 April 2022 until the day of AGM Monday, 30 May 2022. ▪ Login with your user ID and password and select the corporate event: "(REGISTRATION) IGB BERHAD 22nd AGM". ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Select "Register for Remote Participation and Voting". ▪ Review your registration and proceed to register. ▪ System will send an e-mail notifying your registration for remote participation is received and to be verified. ▪ After verification of your registration against the Record of Depositors as at 23 May 2022, the system will send you an e-mail, approving or rejecting your registration for remote participation.
IGB 22nd AGM DAY		
(c)	Login to TIIH Online	▪ Login with your user ID and password for remote participation at the 22nd AGM from 2.10 p.m. i.e., 20 minutes before the commencement of 22nd AGM at 2.30 p.m. on Monday, 30 May 2022.
(d)	Participate through Live Streaming	▪ Select the corporate event: "(LIVE STREAMING MEETING) IGB BERHAD 22nd AGM" to engage in the 22nd AGM proceedings remotely. ▪ If you have any question for the Chair/Board, you may use the query box to transmit your question. The Chair/Board will try to respond to questions (related to the businesses of the 22nd AGM) submitted by remote participants during the 22nd AGM, as timing and circumstances permit. ▪ Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(e)	Online Remote Voting	▪ Select the corporate event: "(REMOTE VOTING) IGB BERHAD 22nd AGM". ▪ Read and agree to the Terms and Conditions and confirm the Declaration. ▪ Voting session commences from 2.30 p.m. on Monday, 30 May 2022 until a time when the Chair announces the completion of the voting session of the 22nd AGM. ▪ Select the CDS account that represents your shareholdings. ▪ Indicate your votes for the resolutions that are tabled for voting. ▪ Confirm and submit your votes.

Virtual AGM Guide
(continued)

Procedure		Action
IGB 22nd AGM DAY (Continued)		
(f)	End of RPV	▪ Upon the announcement by the Chair on the closure of 22nd AGM, the Live Streaming will end.

Note:
Please call TIIH's Help Lines at 011-40805616/ 3168/ 3169/ 3170 or e-mail to tiih.online@my.tricorglobal.com for assistance if you encounter problems with the RPV.

(3) Electronic Submission of Proxy Form (e-Proxy)

The procedures for submission of e-Proxy are summarised below:

Procedure		Action
1.	Individual Shareholders	
(a)	Sign up as User with TIIH Online	▪ Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. ▪ If you are already a user with TIIH Online, you are not required to register.
(b)	Proceed with submission of e-Proxy	▪ Login with your user name (i.e., e-mail address) and password. ▪ Select the corporate event: "IGB BERHAD 22nd AGM - Submission of Proxy Form". ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. ▪ Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chair as your proxy(s). ▪ Indicate your voting instructions - FOR or AGAINST, otherwise your proxy will decide your vote. ▪ Review and confirm your proxy(s) appointment. ▪ Print e-Proxy for your record.
2.	Corporation or Institutional Shareholders	
(a)	Sign up as User with TIIH Online	▪ Using your computer, access the website at https://tiih.online. ▪ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the e-mail and re-set your own password. *Note: The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.*
(b)	Proceed with submission of e-Proxy	▪ Login with your user name (i.e., e-mail address) and password. ▪ Select the corporate exercise name: "IGB BERHAD 22nd AGM - Submission of Proxy Form". ▪ Read and agree to the Terms & Conditions and confirm the Declaration. ▪ Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select "Submit" to complete your submission. ▪ Print the confirmation report of your submission for your record.

(4) Enquiry

Should you need assistance to access the RPV facility and e-Proxy submission, please contact the following persons at TIIH:

(a) Encik Mohamad Khairudin : +603 2783 9273 (Mohamad.Khairudin@my.tricorglobal.com)
(b) Encik Mohammad Amirul : +603 2783 9263 (Mohammad.Amirul@my.tricorglobal.com)

IGB BERHAD
200001013196 (515802-U)

CDS Account No.	
No. of Shares Held	

PROXY FORM

*I/We (full name as per NRIC no./Certificate of Incorporation) ____________________

NRIC no./Company no. ____________________ of (full address) ____________________

____

being a Shareholder of IGB hereby appoint:

Name, NRIC no. and email of proxy	No. of Shares to be represented by proxy
1. ____________________	____________________
2. ____________________	____________________

or, failing the person named, or if no person is named, the Chair of the meeting as my/our proxy to vote for me/us on my/our behalf at the 22nd AGM to be conducted virtually at the Broadcast Venue on Monday, 30 May 2022 at 2.30 p.m.

VOTING DIRECTIONS					
		First Proxy		Second Proxy	
No.	Ordinary Resolution	For*	Against*	For*	Against*
1.	Re-election of Dato' Dr. Zaha Rina binti Zahari as INED				
2.	Re-election of Dato' Lee Kok Kwan as INED				
3.	Non-executive Directors' Fees and Meeting Allowances				
4.	Re-appointment of PricewaterhouseCoopers PLT as Auditors				
5.	Sections 75 and 76 Mandate				
6.	SBB Mandate				
7.	RRPT Mandate				

* *Crossing either a "For" or "Against" in the appropriate box or boxes. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses.*

Dated this ________ day of ____________________ 2022

____
Signature/Common Seal of Shareholder

Notes:

1. A Shareholder entitled to participate and vote at the 22nd AGM may appoint 1 or 2 persons as proxies and vote on his/her behalf. A proxy need not be a Shareholder of IGB.
2. A Shareholder, who is an authorised nominee, may appoint not more than 2 persons as proxies in respect of each securities account held; whereas, an exempt authorised nominee may appoint multiple persons as proxies in respect of each securities account held.
3. Proxy Form in the case of an individual shall be signed by the appointor or his/her attorney, and in the case of corporation, either under its common seal or the hand of an officer or attorney duly authorised.
4. Where a Shareholder appoints 2 proxies, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
5. Shareholders at the close of business on 23 May 2022 may participate and vote at the 22nd AGM by log-in to https://tiih.online and complete the online form. It is important that Shareholders read the Virtual AGM Guide.
6. Proxy Form or any power of attorney under which it is signed or certified or office copy of such power or authority, may be deposited at/posted to Tricor Investor & Issuing House Services Sdn Bhd (TIIH) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or submitted electronically at https://tiih.online to arrive not later than 2.30 p.m. on Saturday, 28 May 2022. Any Proxy Form received after that time will not be valid for the scheduled 22nd AGM. All valid proxy votes, whether submitted electronically or in printed form, will be included in the poll to be taken at the 22nd AGM.
7. Shareholders may call TIIH at 603-2783 9273/9263/9299 or email to is.enquiry@my.tricorglobal.com if they have questions regarding the Proxy Form submission and the Virtual AGM Guide process to pre-register, participate and vote at the 22nd AGM, or encounter any log-in difficulties.
8. Annual Report 2021 and Statement/Circular may be viewed and downloaded online at www.igbbhd.com.

Fold this flap for sealing

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IGB BERHAD
200001013196 (515802-U)

PROXY FORM

AFFIX STAMP
RM0.80

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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www.igbbhd.com

IGB BERHAD
200001013196 (515802-U)

Level 32, The Gardens South Tower
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